HERBAL DISPATCH INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2024

(Stated in Canadian Dollars)

Dated April 24, 2025

This Management's Discussion and Analysis (MD&A) for Herbal Dispatch Inc. ("Herbal Dispatch", the "Company", the "Corporation", "we", "us" or "our") was prepared as of April 24, 2025 to assist readers in understanding our financial performance for the year ended December 31, 2024. This MD&A should be read in conjunction with the accompanying audited consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with International Financial Reporting Standards (IFRS) and presented in Canadian dollars, our functional currency.

This MD&A contains forward-looking statements. Please see "Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions used to develop our forward-looking statements. Accounting principles applied under IFRS require us to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We believe our estimates and assumptions are reasonable based on the information available at the time that these estimates and assumptions are made. Actual results may differ from these estimates.

This MD&A also refers to a non—IFRS financial measure "Adjusted EBITDA" that we present to assist users in assessing our performance. Adjusted EBITDA does not have any standard meaning under IFRS and may not be comparable to similar measures presented by other issuers. This measure is further described under "Non-IFRS Financial Measures".

Our head office is located at Suite 1750 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3. The Board of Directors approved the content of this MD&A on April 24, 2025.

Additional information on Herbal Dispatch, including our most recently filed audited consolidated financial statements, is available on the System for Electronic Document Analysis and Retrieval (SEDAR+) website at www.sedarplus.ca.

Business Overview

We are a customer-centric cannabis marketplace and distribution company, focused on delivering the best possible experience to clients globally. Our flagship cannabis marketplace, Herbal Dispatch, is a trusted source for exclusive access to small-batch craft cannabis flower and a wide-array of other product formats. We generate revenue from four sales channels: (i) medical sales – direct to consumer; (ii) recreational sales – wholesale and direct to retailer; (iii) export sales; and (iv) co-packing and white labelling services.

Our common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "**HERB**".

We were originally incorporated with the name Ascent Industries Corp. under the Business Corporations Act (British Columbia) on May 30, 2013. We completed an amalgamation with Paget Minerals Corp. on August 9, 2018 and subsequently listed our common shares for trading on the CSE. Effective May 15, 2020, we changed our name to Luff Enterprises Ltd. and on January 20, 2023, we changed our name to Herbal Dispatch Inc.

Corporate Highlights

- During the year ended December 31, 2024, we reported gross sales of $12.0 million, an increase of $6.3 million or 110% from gross sales of $5.7 million reported in fiscal 2023.

- In fiscal 2024, we continued to significantly expand our export relationships, generating export revenue of $2.9 million, a 172% increase over the prior year.

- In 2024, we expanded our brand portfolio with the launch of Happy Hour. The Happy Hour lineup offers consumers a blend of affordability and accessibility with a high potency-to-price ratio across a wide range of product formats, including flower, pre-rolls, vapes, concentrates and edibles.

- In September 2024, we expanded our direct delivery service to Saskatchewan, marking a significant milestone in our ongoing growth strategy.

- In February 2024, we consolidated the common shares issued in the capital of the Company on the basis of 10 pre-consolidated common shares for 1 post-consolidated common share in order to improve the Company's capital structure**.** All common share and per share figures in this MD&A have been restated to reflect the share consolidation.

- On May 8, 2024 we completed a non-brokered equity private placement for gross proceeds of $0.4 million.

- Subsequent to year-end, we completed a debt financing for gross proceeds of $600,000 to support our growth initiatives.

Overall Performance and Strategy

We are very encouraged by the strong revenue growth we achieved in 2024. Gross sales for the year ended December 31, 2024 reached $12.0 million, representing a 110% increase from $5.7 million reported in 2023. This growth was primarily driven by strong performance in both domestic recreational cannabis sales and exports. In line with this increase, net revenue rose to $9.9 million in 2024, up 109% from $4.7 million the previous year.

Our export sales saw significant expansion in 2024, fueled by increasing demand in international markets and our ongoing efforts to establish new client relationships worldwide. Export revenue grew by 172%, reaching $2.9 million compared to $1.1 million in 2023. We continued shipments to Australia and Portugal and also completed our first order to Brazil. In 2025, we have further expanded our global presence with sales into the Czech Republic and anticipate upcoming orders from both Germany and Costa Rica.

We also saw a significant rise in domestic sales in 2024, driven by the expansion of customer relationships and an enhanced retail portfolio featuring a wider variety of products. A key contributor to this growth was the introduction of our *Happy Hour* brand, which has steadily gained traction since its launch in early 2024. This affordable product line includes pre-rolls, vapes, flower, and THCA toppers. Known for its bold flavors and vibrant appeal, *Happy Hour* provides high-quality cannabis experiences at accessible price points, catering to a broad consumer base.

Additionally, in September 2024, we expanded our direct delivery service to Saskatchewan, marking a major milestone in our growth strategy. Building on our success in British Columbia, we now offer Saskatchewan dispensaries seamless access to our diverse selection of premium cannabis products through our online marketplace.

Looking ahead to 2025, we are committed to developing new profitable sales channels and scaling our operations efficiently. Our objectives include expanding domestic sales across Canada and strengthening export sales in both established markets like Australia and Portugal, as well as entering new international markets.

Based on preliminary financial results, we expect our gross sales for the first quarter of 2025 to be approximately $3.2 million— double the $1.6 million recorded in the same period last year. Additionally, we are currently seeing robust export sales, which could position us for a strong performance in the second quarter of 2025.

Our vision is to build a customer centric organization that provides the best cannabis to local and international markets. To achieve this, we will focus on four strategic pillars for revenue generation, enabling us to scale rapidly with minimal additional capital investment.

Four Pillars for Revenue Growth:

Medical Sales. Through ongoing partnerships with medical clinics and other affiliated groups, we are positioned to steadily grow our medical client base. Canadians can now easily access over 600 different cannabis products on our flagship e-commerce website **herbaldispatch.com** site.

We have also launched affiliate websites in partnership with groups that have large online followings and a loyal customer base. This includes the launch of the Hero Dispatch marketplace in 2023. Hero Dispatch provides veterans and first responders access to premium craft cannabis, which are typically funded through their healthcare benefits. In Canada, eligible veterans and first responders receive coverage for medical cannabis through Veterans Affairs Canada ("VAC") as part of their healthcare benefits.

Recreational Sales. Recreational sales started in December 2022 when we commenced our first direct delivery orders in the Province of BC to B-to-B customers. This program allows us to deliver directly to the roughly 450 private retail stores in BC. This B-to-B wholesale sales channel is very complementary to our medical sales channel as we are already prepared to manage member orders, whether they are buyers for dispensary chains or individual clients. In the second half of 2023 we expanded our recreational cannabis sales to include the Liquor Distribution Branch of the Government of BC, significantly expanding our revenue base for recreational cannabis products.

We are also expanding into other provinces to expand our recreational wholesale offering in dispensaries nationally. In Q3 2024, we expanded our direct delivery service to Saskatchewan, marking a significant milestone in our ongoing growth strategy.

Export Sales. With medical cannabis continuing to gain approval throughout the world, Canada's advanced regulatory system is best positioned to take advantage of this global market. In 2024, we achieved several recurring sales into Australia and Portugal and an initial order into Brazil.

In fiscal 2025, we plan to enter several new markets through exports, including the Czech Republic, Germany and Costa Rica. We are also optimistic that an increasing number of global markets will refine regulations, allowing for lower-barrier access to high quality cannabis products produced and distributed from Canada via Herbal Dispatch's growing distribution platform.

Co-packing and white-labelling services. These services play a meaningful role for us. By offering licensed production services to select vendors/brands, we are building alignment with strategic partners that can add value to Herbal Dispatch's marketplaces. The ability to conduct these services enables us to minimize the cost of select products by spot buying bulk flower and then providing subsequent in-house packaging and processing (such as pre-roll manufacturing) for the Company's and our partners' brands. Having control over certain aspects of manufacturing has proven to lower product costs and increase the quality of Herbal Dispatch's product offering.

Selected Financial Data

The following table displays a summary of our consolidated statements of operations for the years ended December 31, 2024 and 2023 and a summary of select balance sheet data as at December 31, 2024 and 2023.

$	Three Months Ended		Year Ended	
	Dec 31 2024	Dec 31 2023	**Dec 31 2024**	Dec 31 2023
Gross sales	**2,880,387**	2,483,844	**12,048,203**	5,735,700
Net revenue	**2,282,425**	2,115,120	**9,923,474**	4,743,796
Gross profit	**184,241**	746,712	**1,994,797**	1,294,256
Operating expenses	**895,839**	817,148	**3,488,596**	2,979,188
Other expense (income), net	**934,336**	380,401	**1,279,250**	386,378
Adjusted EBITDA[1]	**(578,364)**	30,028	**(1,046,742)**	(1,294,406)
Net loss	**(1,645,934)**	(450,837)	**(2,773,049)**	(2,071,310)
Loss per share – basic and diluted[2]	**(0.02)**	(0.00)	**(0.04)**	(0.03)

Note 1. See Non-IFRS Financial Measures.
Note 2. Basic and diluted loss per share calculated on a post 10:1 share consolidation basis.

As at $	Dec 31 2024	Dec 31 2023
Assets		
Cash	**274,786**	222,392
Current assets	**2,600,475**	2,308,280
Total assets	**7,915,525**	8,186,930
Liabilities		
Current liabilities	**3,862,220**	2,573,687
Long-term liabilities	**1,276,603**	1,372,002
Total liabilities	**5,138,823**	3,945,689
Shareholders' equity	**2,776,702**	4,241,241

Results of Operations

Revenue

Gross revenue for the year ended December 31, 2024 increased to $12.0 million, reflecting an increase of 110% from the $5.7 million reported in 2023. Strong growth in both domestic recreational cannabis sales and exports were the main drivers of this increase. Consistent with the increase in gross sales, net revenue grew to $9.9 million in 2024 from $4.7 million in 2023 (+109%).

A breakdown of net revenue by category for the years ended December 31, 2024 and 2023 was as follows:

$ Year Ended	Dec 31 2024	Dec 31 2023
Net revenue		
Canada		
Direct to consumer medical sales	**1,490,887**	1,184,349
Recreational cannabis sales	**4,694,547**	2,149,108
Export sales	**2,903,968**	1,069,950
Other revenue	**834,072**	338,586
	9,923,474	4,741,993
United States	**-**	1,803
	9,923,474	4,743,796

Year-over-year growth in recreational cannabis sales was driven by (i) The Company's expanded presence in new retail locations across British Columbia, (ii) the addition of sales through the Liquor Distribution Branch of the Government of British Columbia, which began in Q3 last year; and (iii) the launch of new products and brands, including the "Happy Hour" brand introduced in fiscal 2024.

Export sales, which increased by 172% in fiscal 2024 to $2.9 million, was primarily driven by strengthening customer relationships and higher sales volumes in Australia and Portugal.

Other revenue, which primarily consisted of co-packing and white-labelling services, including in-house packaging and processing (such as pre-roll manufacturing) for our partners' brands also grew during the year due to expanded vendor and brand partner relationships.

Gross profit

Year Ended $, except gross margin %	**Dec 31 2024**	Dec 31 2023
Revenue - net	**9,923,474**	4,743,796
Costs of sales	**7,928,677**	3,449,539
Gross profit	**1,994,797**	1,294,257
Gross margin %	**20.1%**	27.3%

For the year ended December 31, 2024, gross profit increased to $2.0 million from $1.3 million in 2023 due to the significant increase in revenue. However, our gross margin declined to 20.1% in 2024 from 27.3% last year. Changes in sales mix, including a larger proportion of our sales in 2024 coming from partner branded consignment sales, which typically earn a lower gross margin than from our internally branded cannabis products.

As we look forward to 2025, we anticipate that our gross margin will continue to vary depending on changes in sales mix. This includes export sales, which will experience varying margins depending on several factors, including the type of products exported and how the products were sourced.

Operating expenses

$ Year Ended	**Dec 31 2024**	Dec 31 2023
General and Administrative		
Personnel	**1,420,177**	1,203,096
Professional service fees	**463,836**	429,661
Other operating expenses	**360,399**	293,832
	2,244,412	1,926,589
Sales and Marketing		
Personnel	**213,231**	197,949
Advertising, promotions and selling costs	**583,896**	464,125
	797,127	662,074

General and administrative expenses increased by $0.3 million to $2.2 million for the year ended December 31, 2024. The increase primarily consisted of increased personnel due to the growth in the business over the past year. Sales and marketing expenditures also increased in fiscal 2024 due to the Company's growth over the past year.

Shared based compensation expense of $43 thousand in 2024 represented the compensation cost of stock options issued during the year. In August 2024, we granted 6,100,000 stock options to certain directors, officers, employees and consultants in accordance with our stock option plan. Each option is exercisable to acquire one common share at an exercise price of $0.05 per share. The options vest in equal annual tranches over a period of 3 years from the date of grant and will expire on August 21, 2029.

Depreciation and amortization expense of $0.4 million for the year ended December 31, 2024 was consistent with the expenses incurred in the prior year. This expense primarily related to the amortization of equipment and intangible assets acquired from business acquisitions in 2022.

Adjusted EBITDA

Adjusted EBITDA improved slightly to negative $1.0 million for the year ended December 31, 2024, from negative $1.3 million in 2023 due to the higher revenue and gross profit achieved in 2024, partially offset by higher operating expenses.

Other expenses (income)

Other expenses (income) for the year ended December 31, 2024, primarily consisted of (i) interest costs and accretion related to loans payable; (ii) an impairment loss on revaluation of the Company's royalty receivable; (iii) realization of currency translation; and (iv) a gain on extinguishment of debt related to the derecognition of certain liabilities associated with concluded operations in the United States.

The loss on revaluation of the Company's royalty receivable pertains to a loan receivable from Enhanced Pet Sciences Corp. ("EPS"). For the year ended December 31, 2024, we recognized the royalty receivable at its estimated fair value of $0.3 million and reported a loss on revaluation of this investment of $0.2 million. The updated fair value estimate represents a substantial discount against the full balance owing, given the significant credit risk associated with the royalty receivable and the expected time it will take to successfully collect the royalty receivable from EPS. The full royalty receivable outstanding at December 31, 2024 was $0.85 million. Additional information regarding the royalty receivable is provided under the section "Financial Instruments".

The realization of currency translation loss of $0.8 million related to foreign currency translation amounts previously recognized in other comprehensive income. Due to the full wind down of foreign operations in the United States, the remaining balance in accumulated other comprehensive income was fully recognized in profit and loss in fiscal 2024.

Net loss

Our net loss for the year ended December 31, 2024 was $2.8 million compared to a loss of $2.1 million in 2023. The higher net loss was due to the other expense items discussed above, including the realization of foreign currency translation loss and the impairment loss on our royalty receivable.

Results of Operations for the Fourth Quarter Ended December 31, 2024

A breakdown of our revenue by category for the three months ended December 31, 2024 and 2023 was as follows:

Fourth Quarter Ended $	Dec 31 2024	Dec 31 2023
Gross sales	**2,880,387**	2,483,844
Less: excise duties	**(597,962)**	(368,724)
Net revenue	**2,282,425**	2,115,120
Breakdown of net revenue		
Direct to consumer medical sales	**360,523**	348,526
Recreational cannabis sales	**1,294,542**	990,381
Export sales	**351,300**	705,250
Other revenue	**276,060**	70,963
	2,282,425	2,115,120

Gross revenue in Q4 2024 increased to $2.9 million, reflecting an increase of 16% from gross sales of $2.5 million reported in Q4 2023. Growth in domestic recreational cannabis sales in Q4 was partially offset by lower export sales volumes as we experienced certain order delays into 2025 with some key customers. Consistent with the increase in gross sales, net revenue grew to $2.3 million in the fourth quarter of 2024 from $2.1 million in Q4 2023 (+8%)

Gross profit

Fourth Quarter Ended $, except gross margin %	Dec 31 2024	Dec 31 2023
Revenue - net	**2,282,425**	2,115,120
Costs of sales	**2,098,184**	1,368,408
Gross profit	**184,241**	746,712
Gross margin %	**8.1%**	35.3%

Gross profit in Q4 2024 declined to $0.1 million or 4.6% of net sales, from $0.7 million or 35.3% of net sales in the prior year. The significantly lower gross margin in 2024 was due to (i) changes in sales mix, including a larger proportion of our sales in 2024 coming from partner branded consignment sales that typically earn a much lower margin than our internally branded products; (ii) lower export sales in Q4 2024, which typically earn a higher gross margin that domestic sales; (iii) export sales in the comparative Q4 2023 period generated a very strong gross margin that was not repeated in Q4 2024 due changes in sales mix; and (iv) other one-time inventory adjustments that are not expected to be repeated in future quarters.

General and administrative expenses increased to $0.6 million for the three months ended December 31, 2024 from $0.5 million in Q4 2023. The increase primarily consisted of higher wages and benefits (related to higher head count) as well as higher consulting and professional fees incurred due to the growth in the business over the past year. In Q4 2024, sales and marketing expenditures as well as depreciation and amortization expenses were consistent with the expenses reported in Q4 last year.

Adjusted EBITDA declined to negative $0.6 million for the three months ended December 31, 2024, compared to positive $30 thousand in Q4 2023 due to the lower gross profit and higher operating expenses discussed above.

Other expenses (income) for the year ended December 31, 2024, primarily consisted of (i) interest costs and accretion related to loans payable of $0.1 million; and (ii) a realization of currency translation loss of $0.8 million.

Our net loss for the three months ended December 31, 2024 was $1.6 million compared to a loss of $0.5 million in 2023. The higher net loss was due to a lower gross margin as well as the other expense items discussed above, including the realization of foreign currency translation loss in the amount of $0.8 million.

Summary of Quarterly Data

Quarter ended $ (000's, except per share)	**Dec 2024**	Sept 2024	June 2024	Mar 2024	Dec 2023	Sept 2023	June 2023	Mar 2023
Gross sales	**2,880**	3,260	4,270	1,638	2,484	1,484	1,385	383
Net revenue	**2,282**	2,722	3,648	1,271	2,115	1,174	1,159	295
Adjusted EBITDA[1]	**(578)**	7	153	(629)	30	(402)	(349)	(573)
Net income (loss)	**(1,646)**	(388)	59	(798)	(451)	(533)	(402)	(685)
Earnings (loss) per share [2]	**(0.02)**	(0.00)	0.00	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)

Note 1: See "Non-IFRS Financial Measures".

Note 2: Earnings (loss) per share represents both basic and diluted earnings (loss) per share. Quarterly earnings (loss) per share is not additive and may not equal the annual loss per share reported. This is due to the effect of rounding as well as shares issued during the year on the basic weighted average number outstanding.

The past 8 fiscal quarters has represented a significant period of growth for our Company. Since launching our new online cannabis marketplace in the fall of 2022, we have experienced considerable growth across our business as we executed on our growth initiatives.

Our gross revenue in Q4 2024 declined to $2.9 million from $3.3 million in Q3 2024. The decline was due to lower export sales in Q4 2024 (decreased to $0.4 million from $0.8 million in Q3 2024) due to delays in customers orders into 2025. With the lower sales volumes, as well as other expense items, including a realization of foreign currency translation of $0.8 million, our net loss also increased in Q4 2024 from the prior quarter.

In Q3 2024, we reported gross sales of $3.3 million compared to sales of $4.3 million in Q2 2024. The decline was due to lower export sales in Q3 2024 of $0.8 million compared to $1.8 million in Q2 2024. The timing of our export sales can vary quarter to quarter due to the typical large size of these sales orders. With the lower revenue, we also reported lower Adjusted EBITDA and net income (loss) in the quarter.

In Q2 2024, we achieved strong revenue growth, reporting gross sales of $4.3 million compared to sales of $1.6 million in Q1 2024. The growth in Q2 2024 was due in part to export sales of $1.8 million (compared to no export sales in Q1 2024) as well as continued growth in domestic sales volumes. With the higher revenue, we also reported positive Adjusted EBITDA and positive net income in the quarter.

Our revenue in Q1 2024 declined to $1.6 million from $2.5 million in Q4 2023. The decline was due to not generating any export sales in Q1 2024 (Q4 2023 - $0.7 million) as well as lower seasonal demand for our cannabis products domestically in the quarter. With the lower sales volumes, our net loss also increased in Q1 2024 from the prior quarter.

We experienced strong revenue growth in Q4 2023 with sales growing across all sales channels. Domestically, sales volumes increased to $1.8 million from $1.5 million in the previous quarter ended September 30, 2023. In addition, Q4 2023 included export sales of $0.7 million (compared to $nil in Q3 2023).

Our revenue in Q3 2023 was flat with the previous quarter ended June 30, 2023 because we did not achieve any export sales in that quarter. Domestically, we continued to achieve strong sales growth in Q3 2023 with gross sales increasing by $0.5 million or 45% to $1.5 million. Export sales were $0.4 million in Q2 2023.

Financial Condition and Liquidity

As at $	Dec 31 2024	Dec 31 2023
Current assets	**2,600,475**	2,308,280
Total assets	**7,915,525**	8,186,930
Current liabilities	**3,862,220**	2,573,687
Total liabilities	**5,138,823**	3,945,689
Shareholders' equity	**2,776,702**	4,241,241
Working capital(1)	**(1,261,745)**	(265,407)

Year ended $	Dec 31 2024	Dec 31 2023
Cash used in operating activities	**(374,047)**	(835,922)
Cash used in investing activities	**(21,883)**	(6,337)
Cash provided by (used in) financing activities	**450,536**	(97,584)

Note: (1) Working capital is defined as current assets less current liabilities.

Working capital

Our working capital position decreased to negative $1.3 million at December 31, 2024 from negative $0.3 million at December 31, 2023. The $1.0 million decline was primarily due to our loss from operations in fiscal 2024, partially offset by $0.4 million in proceeds from an equity private placement completed in May 2024. At December 31, 2024, our cash position increased slightly to $0.3 million from $0.2 million at December 31, 2023.

Our ability to fund our future operating expenses and capital expenditures will continue to depend on our future operating performance, most notably our ability to achieve sales in the future that are sufficient to cover our operating expenses. Future sales levels will be affected by several factors, including general economic, financial, regulatory factors, including factors beyond the Company's control (See "Risks and Uncertainties").

In fiscal 2024, we conserved cash and managed our negative working capital by utilizing favourable payment terms with suppliers and deferring discretionary expenditures. In addition, in May 2024, we completed a non-brokered equity private placement of 8,153,000 units (the "Units") for gross proceeds of $0.4 million.

Each Unit consisted of one common share and one warrant with each warrant entitling the holder thereof to acquire one common share for a period of two years at an exercise price of $0.06 per common share. Proceeds from the private placement were used for working capital in support of our sales growth. Philip Campbell, Chief Executive Officer, Jason Vandenberg, Chief Financial Officer, and Herb Dhaliwal, Director, subscribed for an aggregate of 4,453,000 Units as part of the Private Placement.

In addition, subsequent to December 31, 2024, we completed a debt financing for gross proceeds of $600,000 to support our growth initiatives (the "**Debt Financing**"). The Debt Financing carries a two-year term, incurs interest at a rate of 18.0% per annum and is repayable in equal monthly instalments of $29,955. In conjunction with the loan agreement, the lenders were also issued 3,000,000 warrants, each entitling the holder to acquire one common share of the Company at an exercise price of $0.0650 per share. The warrants will expire on March 19, 2029. Additionally, a closing fee of $12,000 was incurred in connection with the transaction.

The proceeds from the Debt Financing will be allocated to working capital to support our growth initiatives, including expanding export sales to both existing and new international markets. This funding will also assist us in preparing for our initial export to the German cannabis market, expected in the coming months.

Philip Campbell, our President & CEO, represents one of the Lenders, and via a wholly owned company, provided $100,000 of the Debt Financing gross proceeds and received 500,100 of the warrants issued in conjunction with the Debt Financing.

Cash used in operating activities

Cash used in operating activities during the year ended December 31, 2024 was $0.4 million (2023 – cash used of $1.0 million). The negative cash flow was due to our loss from operations, partially offset by positive changes in non-cash working capital items such as accounts payable and accrued liabilities as we continued to closely manage our payment terms with vendors.

Cash used in investing activities

During the year ended December 31, 2024, we incurred a small amount of capital expenditures on miscellaneous equipment to support business operations.

Cash from financing activities

Net cash provided by financing activities was $0.5 million for the year ended December 31, 2024, which consisted of $0.4 million in proceeds from the equity private placement, as well as net advances of $0.15 million from short-term loans payable. These additions were partially offset by principal repayments on our right of use lease liability of $0.1 million.

Short-term loans payable outstanding at December 31, 2024 was $250,000. This amount consisted of $75,000 from an arm's length party and $175,000 from two separate directors of the Company. Each loan incurs interest at a rate of 0.075% per day (27.4% per annum) plus an initial discount of 0.65% at the time of issuance. The loans are secured by specific accounts receivable. The short-term loan from the arm's length party was repaid in January 2025. Short-term loans payable in the amount of $100,000 owing to a director of the Company was reinvested into the Debt Financing, as described above. The remaining $75,000 short-term loan payable to another director or the Company is due on April 30, 2025.

Our loans payable at December 31, 2024 and 2023 also included two convertible debentures with principal balances of $438,000 and $500,000, respectively, owing to two different directors of the Company. The debentures have a coupon rate of 14% per annum, payable monthly, and were previously scheduled to mature on January 31, 2025.

In December 2024, the above debentures were amended, and the maturity date extended to January 31, 2026. Subject to the approval of the CSE, the debentures are also convertible, at the holder's option into common shares of the Company at $0.06 per share, and at the Company's election, during any period where the trading price of the Company's common shares is $0.12 or greater for a period of 20 consecutive trading days. These amendments remain subject to the approval of the CSE and ratification by disinterested shareholders at the Company's next annual general and special meeting of shareholders.

Shareholders' Equity

Shareholders' equity decreased to $2.8 million at December 31, 2024 from $4.2 million at December 31, 2023. The statements of shareholders' equity included in the accompanying consolidated financial statements for the year ended December 31, 2024 provide a schedule showing changes to all of the components of shareholders' equity during the year. The decrease of $1.4 million was attributable to the comprehensive loss incurred for the year, partially offset by the issuance of common shares pursuant to the Private Placement.

Related Party Transactions

$ Year Ended December 31	2024	2023
Key management personnel compensation		
Wages and benefits and management fees	**225,314**	272,823
Directors' fees	**111,258**	120,000
Share based compensation	**17,746**	-
	354,318	392,823

For the year ended December 31, 2024, we defined key management personnel as being the Chief Executive Officer, Chief Financial Officer, and Directors of the Company.

During the year ended December 31 2024, we also incurred interest expense of $142,447 (year ended December 31, 2023 - $58,212) related to convertible debentures and other loans from directors of the Company. Transactions with related parties are in the normal course of operations and are initially recorded at the exchange amount.

As at December 31, 2024, amounts owing to key management personnel and directors included in trade and other payables was $334,502 (2023 - $156,576).

Outstanding Share Data

	April 24 2025	Dec 31 2024
Common Shares outstanding(1)	**81,780,699**	81,780,699

Note 1. Common share amounts are presented on a post 10:1 share consolidation basis.

As at April 24, 2025, we also had outstanding:

(i) Warrants to acquire 8,153,000 common shares of the Company at an exercise price of $0.06 per share and expiring on May 8, 2026;
(ii) Warrants to acquire 3,000,000 common shares of the Company at an exercise price of $0.065 per share and expiring on March 19, 2029;
(iii) Stock options exercisable into 6,000,000 common shares of the Company at a price of $0.05 per share and expiring on August 21, 2029;
(iv) Stock options exercisable into 40,000 common shares of the Company at a price of $0.20 per share and expiring on July 28, 2025;
(v) A convertible debenture in the principal amount of $500,000 that is convertible into 8,333,333 common shares of the Company at a price of $0.06 per share and maturing on January 31, 2026;
(vi) A convertible debenture in the principal amount of $438,000 that is convertible into 7,300,000 common shares of the Company at a price of $0.06 per share and maturing on January 31, 2026; and
(vii) 75,000 issuable common shares contingent on certain revenue targets be achieved from the sale of Golden Spruce branded cannabis products in the future.

Financial Instrument Risks

We are exposed to risks of varying degrees of significance from our use of financial instruments which could affect our ability to achieve our strategic objectives for growth and stakeholder returns. The principal risks to which we are exposed, and the actions taken to manage them, are described below.

Credit Risk
Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk from our cash is very limited as we hold our cash with highly rated financial institutions.

We have moderate exposure to credit risk related to trade and other receivables. The risk exposure is limited to the carrying amount at the balance sheet date. We provide credit to our business customers in the normal course and have established credit evaluation and monitoring processes to mitigate this credit risk. Our exposure to credit risk related to direct-to-consumer sales is limited as the majority of these sales are transacted with credit cards at the time the sale is completed. At December 31, 2024, one customer balance made up 51% of total trade receivables.

Royalty receivable

We have significant credit risk associated with our royalty receivable from Enhanced Pet Sciences Corporation ("EPS"). We previously had a loan receivable owing from EPS, which consisted of a principal balance of USD $536,995 plus accrued interest, incurred at a rate of 8% per annum. The loan receivable had been past due and in default since December 31, 2022. In the first quarter of 2024, we commenced litigation against EPS and the guarantors of the loan. As part of EPS's defence strategy, EPS then filed a counter suit against the Company in the State of Kentucky for unspecified damages pertaining to an unfulfilled lease agreement and failed negotiations related to a potential plan of arrangement between the two companies in early 2020. EPS has also alleged that the loan should be considered an advance of funds for transition steps in the plan of arrangement and not be enforceable against EPS or its guarantors.

In the third quarter of 2024, we settled all litigation claims between the Company and EPS regarding our outstanding loan receivable owing from EPS as well as all other matters of dispute between the parties. As part of the settlement, our loan receivable was replaced by a royalty agreement receivable whereas we will receive royalty payments in an amount equal to five percent of all of EPS's gross sales until we have received total payments equal to CAD $850,000 (the Target Amount"). The royalty payments shall be made on a quarterly basis within 30 days of the end of each calendar quarter.

In conjunction with the settlement agreement, EPS also granted us the right (the "Call Option") to convert any portion of the remaining royalty payments owing into up to a maximum of 1,700,000 common shares (the "Target Shares") of EPS at a deemed price of $0.50 per share (the "Strike Price"). The number of Target Shares shall be reduced by one share of stock for every Strike Price EPS has paid to the Company in royalty payments. The Strike Price may be adjusted downwards in certain circumstances, including if EPS issues new common shares at a price lower than the Strike Price that exceeds 5% of its outstanding common shares at the time. The Call Option shall expire upon full repayment of the Target Amount by EPS.

Any remaining unpaid balance of the Target Amount shall be paid by EPS on or before July 19, 2027, unless extended, at the option of EPS, for an additional three years. If EPS exercises its option to extend the payment deadline, the outstanding balance owing at the time the deadline is extended shall be increased by 10% and an additional 250,000 common shares of EPS shall be added to the original amount of the Target Shares. EPS may prepay the Target Amount at any time.

For the year ended December 31, 2024, we recognized the royalty receivable at its estimated fair value of $0.3 million and reported a loss on revaluation of this investment of $0.2 million. The updated fair value estimate represents a substantial discount against the full balance owing, given the significant credit risk associated with the royalty receivable and the expected time it will take to successfully collect the royalty receivable from EPS. The full undiscounted royalty receivable outstanding at December 31, 2024 was $0.85 million.

In addition, we hold common shares in EPS. This investment is currently valued at nil due to the significant uncertainty that any value will be realized from this investment in the future. During the prior year ended December 31, 2023, a loss of $0.2 million was recognized related to our equity investment in EPS.

Interest Rate Risk
Interest rate risk is the risk that the value of a financial instrument and associated cash flows might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, we manage exposure through our normal operating and financing activities. We have obtained primarily fixed rate debt which limits our exposure to interest rate fluctuations.

Liquidity Risk
Liquidity risk is the risk that we will not be able to meet our financial obligations associated with financial liabilities. We manage liquidity risk through the management of our capital structure. Our approach to managing liquidity is to ensure that we will have sufficient liquidity to settle obligations and liabilities when due.

At December 31, 2024 the undiscounted contractual obligations related to financial liabilities were as follows:

	Less than 1 year $	1-5 Years $	Total $
Accounts payable and accrued liabilities	3,363,902	-	**3,363,902**
Loans payable	250,000	998,000	**1,248,000**

Foreign Currency Risk
We were exposed to foreign currency risk in relation to our loan receivable with EPS and a portion of our cash, which was denominated in USD. However, in fiscal 2024, the loan receivable with EPS was restructured as a royalty receivable denominated in CAD. We also currently hold minimal amounts of cash denominated USD. As a result, we are currently not subject to significant foreign currency risks associated with our financial instruments.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

Risks and Uncertainties

Our business is subject to certain risks and uncertainties. Prior to making any investment decisions regarding Herbal Dispatch, investors should carefully consider, among other things, the risks described herein. These risks and uncertainties are not exhaustive. Additional risks presently known or currently deemed immaterial may also impair our business operations. If any of the events described in the following business risks actually occur, our overall business, operating results and financial condition could be materially adversely affected.

Industry Competition

The Canadian recreational and medical cannabis market is highly competitive. We face competition from other companies, some of which may have longer operating histories, and more financial resources than Herbal Dispatch. Increased competition by larger and well-financed competitors could materially and adversely affect our business, financial condition, and results of operations. Because of the early stage of the industry in which our Company operates, we expect to face additional competition from new entrants. To remain competitive, we will need to continue to invest in marketing and sales initiatives to promote our products.

The principal factors on which we compete with other Canadian license holders are the quality and variety of cannabis products, the speed with which our product offerings are brought to market, brand recognition, pricing, and product innovation. We believe our focus on providing top quality cannabis to informed consumers at affordable pricing will enable us to grow our business and capture increased market share in Canada and internationally.

Given the rapid changes affecting the global, national and regional economies generally and the cannabis industry, in particular, we may not be able to create and maintain a competitive advantage in the marketplace. Our success will depend on our ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Our success will also depend on our ability to respond to, among other things, changes in the economy, market conditions, and regulatory and competitive pressures. Any failure to anticipate or respond adequately to such changes could have a material adverse effect on our financial condition, operating results, liquidity, cash flow and operational performance.

Key Officers and Employees

Our success and future growth will depend, to a significant degree, on the continued efforts of the Company's directors and officers to develop the business and manage operations, and on their ability to attract and retain key technical, sales, and marketing staff or consultants. The loss of any key person or the inability to attract and retain new key personnel could have a material adverse effect on the business. Competition for qualified technical, sales, and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that we will be able to attract or retain key personnel in the future. Our inability to retain and attract the necessary personnel could materially adversely affect our business and financial results.

Growth Strategies
Our future depends, in part, on our ability to implement our growth strategy, including growing revenue through (i) medical sales; (ii) recreational sales; (iii) export sales; and (iv) co-packing and white labelling services. Our ability to implement this growth strategy depends on, among other things, our ability to market products that appeal to consumers, maintain and expand brand loyalty and brand recognition, maintain and improve competitive position in the markets, identify and successfully enter new geographic areas and segments as well the ability to successfully navigate legislative and regulatory uncertainties.

Domestic Supply Risk
We use only cannabis products with full compliance under federal and provincial regulations to be sold across Canada, and internationally. The regulation of third-party suppliers may have a significant impact upon the business. Any provincial or federal enforcement activity or any additional uncertainties which may arise in the future, could cause substantial interruption or cessation of the business, including adverse impacts to our supply chain and distribution channels, and other civil and/or criminal penalties at the federal level.

Product Innovation and Consumer Trends
Our business is subject to changing consumer trends and preferences, which is dependent, in part, on continued consumer interest in new products. The success of new product offerings, depends upon several factors, including our ability to (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products; (iv) price products competitively; (v) deliver products in sufficient volumes and on a timely basis; and (vi) differentiate product offerings from those of competitors.

Effectiveness and Efficiency of Advertising and Promotional Expenditures
Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including our ability to (i) create greater awareness for our products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of our products. In addition, no assurance can be given that we will be able to manage our advertising and promotional expenditures on a cost-effective basis.

Global Economic Uncertainty
Demand for our products and services is influenced by general economic and consumer trends and regulatory environments beyond our control. There can be no assurance that our business and corresponding financial performance will not be adversely affected by general regulatory economic or consumer trends. Furthermore, such economic conditions can produce downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, we might experience reductions in business activity, increased funding costs and funding pressures (as applicable), a decrease in the market price of our shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

Additional Financings

If we are not able to achieve and sustain profitability in the future or if we require additional capital to fund growth or other initiatives, we may require additional equity or debt financing. There can be no assurances that we will be able to obtain additional financial resources on favorable commercial terms or at all. Failure to obtain such financial resources could affect our plans for growth or result in the Company being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on our business, results of operations and the financial condition.

Insurance coverage

Due to our involvement in the cannabis industry, we may have a difficult time obtaining the various insurances at normal industry rates that are desired to operate the business, which may expose us to additional cost, risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive because of the regulatory regime applicable to the industry. There are no guarantees that we will be able to find such insurances in the future, or that the cost will be affordable. If we are forced to go without such insurances, it may prevent us from entering into certain business sectors, may inhibit growth, and may expose us to additional risk and financial liabilities.

Data Security Breaches

The Company or our third-party service providers collect, process, maintain and use sensitive personal information relating to our customers and employees, including customer financial data (e.g., credit card information) and their personally identifiable information, and rely on third parties in connection with the operation of ecommerce and for the various social media tools and websites used as part of our marketing strategy. Any perceived, attempted or actual unauthorized disclosure of customer financial data (e.g., credit card information) or personally identifiable information regarding our employees, customers or website visitors could harm our reputation and credibility, reduce our e-commerce sales, impair our ability to attract website visitors, reduce our ability to attract and retain customers and could result in litigation against us or the imposition of significant fines or penalties.

Recently, data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting new foreign, federal and provincial laws and legislative proposals addressing data privacy and security. As a result, we may become subject to more extensive requirements to protect the customer information that we process in connection with the purchase of our products, resulting in increased compliance costs.

Our on-line activities, including our e-commerce websites, may also be subject to denial of service or other forms of cyber-attacks. While we have taken measures to protect against those types of attacks, those measures may not adequately protect our on-line activities from such attacks. If a denial-of-service attack or other cyber event were to affect our e-commerce sites or other information technology systems, our business could be disrupted, we may lose sales or valuable data, and our reputation may be adversely affected.

Completion of future acquisitions, divestitures or business combinations
We believe that we may need to actively identify and source future acquisition opportunities. We are also actively pursuing strategic joint ventures and partnerships that will enable us to further broaden and diversify our product offerings and leverage current distribution facilities. Although we may engage in discussions with and submit proposals to acquisition and partnership candidates, suitable acquisitions and partnerships may not be available in the future on reasonable terms. Even if we identify an appropriate acquisition or partnership candidate, we may not be able to successfully negotiate the terms of the acquisition, finance the acquisition or, if the acquisition occurs, effectively integrate the acquired business into our business. In addition, the negotiation of a potential acquisition or partnership and the integration of an acquired business may require a disproportionate amount of management's attention and resources.

Even if we complete additional business acquisitions, continued acquisition financing may not be available or available on reasonable terms, the new business acquired may not generate revenues as anticipated, and any anticipated costs efficiencies or synergies may not be realized. If we were unable to successfully identify, execute or integrate future acquisitions, this could negatively affect our results of operations. Even though we perform a due diligence review of the businesses we intend to acquire of a quality that we believe is consistent with industry practices, such reviews are inherently incomplete. Even an in-depth due diligence review of a business might not reveal existing or potential problems or permit us to become sufficiently familiar for a complete evaluation of the business. Even when problems are identified, we might assume certain risks and liabilities in connection with the acquired business.

Tariff Risks
Our business is engaged in the export of cannabis and cannabis-related products and is, therefore, subject to evolving international trade policies, including tariffs, duties, and regulatory restrictions imposed by importing countries. The imposition of new tariffs, changes to existing trade agreements, or retaliatory trade measures could impact the competitiveness of our products in international markets, increase costs, or limit market access. Additionally, cross-border cannabis trade is subject to heightened scrutiny and regulatory variability, which can amplify the financial and operational impact of tariff changes. We actively monitor global trade developments and engage with regulatory stakeholders to mitigate potential disruptions; however, there can be no assurance that future tariff changes will not materially affect our business, financial condition, or results of operations.

Epidemics and Pandemics
Our business could be materially and adversely affected by the outbreak of a widespread epidemic or pandemic or other public health crisis, including arising from the novel strain of the coronavirus known as "COVID-19." A local, regional, national or international outbreak of a contagious virus, including the novel coronavirus, COVID-19 could cause staff shortages, reduced customer traffic, supply shortages, and increased government regulation all of which may negatively impact our business, financial condition and results of operations.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect our business, financial condition and results of operations.

Risks Related to the Regulatory Environment

Canadian Regulatory Landscape

The production, distribution and sale of cannabis in Canada is strictly regulated. On October 17, 2018, the Cannabis Act and accompanying regulations promulgated under the Cannabis Act (the "Cannabis Regulations"), and the new industrial hemp regulations (the "IHR", and together with the Cannabis Regulations, collectively, the "Regulations"), came into force, legalizing the production, distribution and sale of cannabis for adult recreational purposes, as well as incorporating the pre-existing medical cannabis regulatory scheme under one complete framework. Amendments legalizing the sale of edible cannabis, cannabis extracts, and cannabis topicals in the Canadian market came into force on October 17, 2019. A federally licensed entity with authorization to produce and sell any class of cannabis (except plants and seeds) must provide 60-days notice to Health Canada of its intent to sell any new cannabis retail product prior to making such product available for sale to provincially authorized purchasers or medical users. Pursuant to the federal regulatory framework in Canada, each province and territory may adopt its own laws governing the distribution, sale and consumption of cannabis and cannabis accessories within the province or territory provided that the provincial or territorial legislation contains certain measures that mirror the public health policy goals of the federal regime.

All Canadian provinces and territories have implemented mechanisms for the distribution and sale of cannabis for recreational purposes within those jurisdictions, and retail models vary between jurisdictions. The Cannabis Act maintains separate access to cannabis for medical purposes, including providing that import and export licences and permits will only be issued in respect of cannabis for medical or scientific purposes or in respect of industrial hemp. Patients who have the authorization of their healthcare provider may register with Health Canada to have access to cannabis, either purchased directly from a federally licensed entity authorized to sell for medical purposes, or by registering to produce a limited amount of cannabis for their own medical purposes or designating someone to produce cannabis for them.

Provincial Regulatory Framework

While the Cannabis Act provides for regulation of the commercial production of cannabis and related matters by the federal government, the provinces and territories of Canada have authority to adopt their own laws and regulations governing the distribution, sale and consumption of cannabis and cannabis accessory products within the province or territory, permitting for example, provincial and territorial governments to set lower possession limit for individuals and higher age requirements.

All Canadian provinces and territories have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes within those jurisdictions. In most provinces, provincial/territorial crown corporations act as intermediaries between entities licensed federally under the Cannabis Act and consumers, such bodies acting in some jurisdictions as exclusive cannabis wholesalers and distributors, and in some instances as exclusive retailers.

Some provinces also authorize municipal governments to impose additional requirements and regulations on the sale of recreational cannabis, such as by restricting the number of recreational cannabis retail outlets that are permitted in a certain geographical area. Municipal zoning authority also generally permits a municipality to restrict the geographical locations wherein such retail outlets may be opened.

Non-IFRS Financial Measures

This MD&A contains the Non-IFRS financial measure "Adjusted EBITDA". Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other issuers. Investors are cautioned that this financial measure should not be construed as an alternative to net income or to cash provided by operating, investing and financing activities determined in accordance with IFRS, as indicators of our performance.

Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, amortization, share based compensation, loss (gain) on disposal of assets, loss (gain) on investments, loss (gain) on extinguishment of debt, impairment losses, loss (gain) on foreign exchange and accretion expense. We believe that, in addition to net income (loss), adjusted EBITDA is a useful measure as it provides an indication of the financial results generated by our principal business activities prior to consideration of how these activities are financed or how the results are taxed in various jurisdictions and before certain non-cash items such as depreciation, amortization, and other items.

A reconciliation of net loss to adjusted EBITDA for each of the periods presented in this MD&A follows:

$	Three Months Ended		Year Ended	
	Dec 31 2024	Dec 31 2023	**Dec 31 2024**	Dec 31 2023
Net loss	**(1,645,934)**	(450,837)	**(2,773,049)**	(2,071,310)
Add/subtract:				
Interest and other	**110,843**	57,576	**288,675**	140,486
Loss on disposal of assets	**-**	74,574	**-**	74,574
Impairment of investments	**-**	199,014	**195,510**	199,014
Loss (gain) on settlement of debt	**-**	24,855	**(19,912)**	(78,688)
Realization of currency translation	**820,310**	-	**820,310**	-
Loss (gain) on foreign exchange	**489**	13,928	**(10,966)**	13,633
Accretion expense	**2,694**	10,454	**5,633**	37,360
Depreciation & amortization	**101,468**	100,464	**404,466**	390,525
Share based compensation	**31,766**	-	**42,591**	-
Adjusted EBITDA	**(578,364)**	30,028	**(1,046,742)**	(1,294,406)

A reconciliation of net income (loss) to adjusted EBITDA for each of the previous eight fiscal quarters follows:

Quarter ended $ (000's)	**Dec 2024**	Sept 2024	June 2024	Mar 2024	Dec 2023	Sept 2023	June 2023	Mar 2023
Net income (loss)	**(1,646)**	**(388)**	59	(798)	(451)	(533)	(402)	(685)
Add/subtract:								
Interest and other	**111**	**84**	45	48	58	34	34	14
Loss on disposal of assets	**-**	**-**	-	-	75	-	-	-
Impairment of investments	**-**	**196**	-	-	199	-	-	-
Loss on settlement of debt	**-**	**-**	(40)	20	25	-	(103)	-
Currency translation	**820**	**-**	-	-	-	-	-	-
Foreign exchange gain/loss	**1**	**2**	(13)	(1)	14	(14)	12	2
Accretion expense	**3**	**1**	1	1	10	10	10	7
Depreciation & amortization	**101**	**101**	101	101	100	101	100	89
Share based compensation	**32**	**11**	-	-	-	-	-	-
Adjusted EBITDA	**(578)**	**7**	153	(629)	30	(402)	(349)	(573)

Forward Looking Information

Certain statements in this MD&A, including statements or information containing terminology such as "anticipate", "believe", "intend", "expect", "estimate", "may", "could", "will", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance, and business prospects and opportunities are forward-looking statements.

These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the anticipated results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control. These risks include several of the factors discussed further under "Risks and Uncertainties" above. These risk factors are interdependent and the impact of any one risk or uncertainty on a particular forward-looking statement is not determinable.

Examples of forward-looking statements in this MD&A and the key assumptions and risk factors involved in such statements include, but are not limited to, executing our strategic growth initiatives for 2025, which includes growing our sales both domestically and via export and achieving positive adjusted EBITDA in future fiscal quarters. The successful execution of these initiatives is subject to a number of risks and uncertainties, including industry competition, and future customer demand for our products, among others.

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected effects on Herbal Dispatch. These forward-looking statements are made as of the date of this MD&A. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

Additional information

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Corporation information

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