



For Immediate Release

News Release

May 1, 2023

HERBAL DISPATCH PROVIDES BUSINESS UPDATE AND FILES 2022 YEAR END FINANCIALS

Vancouver, B.C. – Herbal Dispatch Inc. (formerly, Luff Enterprises Ltd.) (**CSE: HERB**) (“**Herbal Dispatch**” or the “**Company**”) is pleased to provide the following business update as it continues to make significant progress towards its strategic growth initiatives in 2023.

The Company’s online marketplace continues to see solid adoption rates in the first 6 months of roll out. This online strategy overcomes many of the challenges that the cannabis industry has been experiencing in recent years in a highly scalable, yet capital efficient manner. Furthermore, the Company’s strategy is to utilize its growing online marketplace to identify and purchase best in class cannabis products that can be sold across all of its available product channels: direct to consumer (medical), wholesale to retailers (direct delivery recreational) and bulk sales (domestic & export).

In the first quarter of 2023, the Company experienced significant revenue growth, achieving gross sales of almost \$400,000, representing over 60% growth from the previous quarter ended December 31, 2022.

Monthly run rate revenue has gone from less than \$100,000 in January 2023 to an estimated \$300,000 in April. The Company is seeing strong repeat orders and has grown its direct delivery platform from 38 to 95 customers since the start of 2023 and now has over 1,300 active customers on its medical sales platform. Strong repeat orders and new customer growth are driving strong month-over-month sales growth and this is expected to continue through the year.

In addition, the Company is seeing strong inbound interest on export sales that are expected to convert to revenue starting in the second quarter.

Herbal Dispatch’s vision is to build a customer centric organization that provides the best cannabis to local and international markets. The Company is achieving this by focusing on the following four complementary pillars for revenue generation, which allows Herbal Dispatch to scale quickly with minimal additional capital required:

Medical Sales

Sales through the **herbaldispatch.com** website continue to grow, both organically, and through targeted communications to special groups such as insured clients, and healthcare professionals across Canada. The Company also recently launched **herodispatch.com**, the second portal created under its affiliate platform, and this is expected to drive further sales growth in 2023. The Hero Dispatch marketplace provides veterans and first responders with access to premium craft cannabis, 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. The coverage amount varies by person, but most (60%) are eligible to receive three grams per day at \$8.50/g coverage. As of 2021, VAC had reimbursed licensed producers over \$150 million for medical cannabis sold to eligible veterans, growing to over \$200M in 2022.



Recreational Sales

In December 2022 the Company commenced its first direct delivery orders in BC to retail customers. This program allows Herbal Dispatch to deliver directly to the roughly 450 private retail stores in the Province of BC. The Company's aim is to have more than 100 of these retail stores ordering from Herbal Dispatch on a monthly basis by the end of 2023. This Business-to-Business opportunity is highly complementary to the Company's existing medical business as it is already prepared to manage large numbers of member orders, whether they are buyers for dispensary chains or individual clients. Further to the launch of recreational sales in BC, the Company also plans to enter other provinces in the future to expand its recreational wholesale offering in dispensaries nationally.

Manufacturing Services

By offering licensed production services to select vendors/brands, the Company is building alignment with strategic partners that can add value to Herbal Dispatch's marketplaces. The ability to conduct these services enables the Company 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 and its 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.

Export Sales

The Company is pursuing opportunities for export to several countries that are interested in importing premium grade and craft focused medical cannabis from Canada. With the oversupply and depressed wholesale pricing domestically, this presents a compelling opportunity for high volume sales with strong margin potential.

"We are excited to report solid progress across all the key sales channels in Herbal Dispatch and we expect this will drive meaningful revenue and growth in the Company through the balance of 2023," said Philip Campbell, Herbal Dispatch's President & CEO. "Our differentiated value proposition is driving strong growth in customer count across multiple channels. Great customer service and solid execution is bearing fruit."

2022 Fiscal Year Financial Results

The Company's consolidated financial results for the year ended December 31, 2022 have been filed on SEDAR. The full version of the consolidated financial statements and associated management's discussion & analysis can be viewed under the Company's profile on SEDAR at www.sedar.com and will also be made available on the Company's website at www.herbaldispatch.com.

ABOUT HERBAL DISPATCH INC.

The Company owns and operates leading cannabis e-commerce platforms and is dedicated to providing top quality cannabis to informed consumers at affordable pricing. The Company's flagship cannabis marketplace, herbaldispatch.com, is a trusted source for exclusive access to small-batch craft cannabis flower and a wide-array of other product formats. The Company's common shares trade on the Canadian Securities Exchange under the symbol "HERB"



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Certain statements in this news release, 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 the Company or a third party expect or anticipate will or may occur in the future, including the Company’s future growth, results of operations, performance, and business prospects and opportunities are forward-looking statements. These forward-looking statements reflect the Company’s current beliefs and are based on information currently available to the Company. These statements require the Company to make assumptions it believes 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 the Company’s control. 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 news release and the key assumptions and risk factors involved in such statements include, but are not limited to, executing our strategic growth initiatives for 2023 and beyond, which includes: (i) growing medical sales from our new online e-commerce platforms; (ii) growing recreational sales via direct delivery orders to retailers; (iii) growing revenue from manufacturing services; and (iv) achieving revenue growth from export sales. 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 news release 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 the Company. These forward-looking statements are made as of the date of this news release. Except as required by applicable securities legislation, the Company assumes no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

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