



For Immediate Release

News Release

November 22, 2023

HERBAL DISPATCH ANNOUNCES 2023 THIRD QUARTER FINANCIAL RESULTS WITH CONTINUED STRONG REVENUE GROWTH

- Achieved gross revenue of \$1.5 million in Q3 2023, which represented domestic sales growth of 45% from Q2 2023;
- Expanded customer list now includes the Liquor Distribution Branch of the Province of British Columbia (“BC”), significantly expanding the Company’s revenue base for recreational cannabis; and
- Subsequent to the quarter end, the Company completed its second export sale to Australia with anticipation that export sales orders will grow further going into 2024.

Vancouver, B.C. – Herbal Dispatch Inc. (CSE: HERB) (“Herbal Dispatch” or the “Company”) is pleased to announce its financial results for the third quarter ended September 30, 2023. The Company continued to make strong progress towards its strategic growth initiatives in the third quarter of 2023, achieving gross sales of \$1.5 million, which represented growth of 45% from Q2 2023 domestic gross sales of \$1.0 million.

Since commencing sales in Canada on the acquired marketplace **herbaldispatch.com** in the fall of 2022, Herbal Dispatch has achieved significant quarter-over-quarter revenue growth as it continues to grow its customer base and achieve repeat orders. Since the start of 2023, the Company’s direct delivery retailer platform has increased from 38 to over 200 customers and it now has over 2,000 active customers on its medical sales platforms. In addition, in Q3 2023, the Company expanded its recreational cannabis sales to include the Liquor Distribution Branch of the government of BC, significantly expanding its revenue base for recreational cannabis product.

On the export front, following its first export sale in June 2023, the Company completed its second export sale to Australia in November 2023, consisting of 130 kilograms of premium dried cannabis, generating revenue of \$0.5 million. This export sale will be reported in revenue in Q4, which combined with continued sales domestically, should lead to meaningful revenue growth for the Company in the quarter ending December 31, 2023.

“With the oversupply and depressed wholesale pricing domestically, export sales present a compelling opportunity for high volume sales with strong margin potential,” said Philip Campbell, Herbal Dispatch’s President & CEO. “We are currently seeing strong international demand for our premium grade and craft focused cannabis from Canada, which has the potential to drive revenue growth for Herbal Dispatch in fiscal 2024.”

The Company believes its online strategy and capital light, scalable business model is showing signs of success. 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).



Debt Financing

In October 2023, the Company received a short-term loan in the amount of \$100,000 from a director of the Company to support its working capital needs. The loan bears interest at an annual rate of 14% per annum, payable monthly, and matures on the earlier of (i) October 31, 2024; and (ii) within 30 days of a redemption notice being issued to the Company by the holder. If needed, the Company may obtain additional short-term loan advances on similar terms to support its working capital requirements. However, there can be no assurance that the company will be able to obtain additional financing in the future.

The full version of the consolidated interim financial statements and associated management's discussion & analysis for the three and nine months ended September 30, 2023 can be viewed under the Company's profile on SEDAR+ at www.sedarplus.ca 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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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

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 the Company's strategic growth initiatives for 2023 and beyond, which includes: (i) growing medical sales from our online e-commerce platforms; (ii) growing recreational sales via direct delivery orders to retailers; (iii) growing revenue from manufacturing services; and (iv) growing 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 the Company's 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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