



For Immediate Release

News Release

February 20, 2024

HERBAL DISPATCH PROVIDES YEAR END SALES UPDATE AND ANNOUNCES SHARE CONSOLIDATION

Vancouver, British Columbia. – Herbal Dispatch Inc. (**CSE: HERB**) (“**Herbal Dispatch**” or the “**Company**”) is pleased to provide a year-end sales update and also announces that the Company intends to consolidate the common shares issued in the capital of the Company (the “**Common Shares**”) on the basis of 10 pre-consolidated Common Shares for 1 post-consolidated Common Share (the “**Consolidation**”) in order to improve the Company’s capital structure.

Year-End Sales Update

Herbal Dispatch expects to report gross sales of approximately \$2.5 million for the fourth quarter ended December 31, 2023, reflecting a 67% increase from gross sales of \$1.5 million reported in Q3 2023. For the 2023 fiscal year, the Company expects to report gross revenue of approximately \$5.7 million, an increase of \$5.3 million from gross revenue of \$0.4 million reported in fiscal 2022.

With the revenue growth achieved, Herbal Dispatch also expects to report positive adjusted EBITDA for Q4 2023.

Herbal Dispatch is continuing to experience solid revenue growth, both domestically and from growing demand for its products internationally. The Company has worked hard at developing export relationships and this is starting to bear fruit with repeat orders completed to Australia, initial orders completed to Portugal, and additional countries in progress. The Company expects that these relationships will continue to grow in 2024.

Philip Campbell, CEO, commented, “We are pleased to report a very strong Q4 sales result on the back of growth in our three key sales pillars of medical, wholesale and export. From a standing start in January 2023, we are now seeing the benefits of our asset-light, customer-focused strategy and we are optimistic for continued growth in 2024. Our share consolidation will also allow us to rebuild our investor base.”

Share Consolidation

The Consolidation has been approved by the Company’s board of directors in accordance with the articles of the Company. The Company will not issue any fractional Common Shares as a result of the Consolidation, instead all fractional Common Shares equal to or greater to one-half resulting from the Consolidation will be rounded to the next whole number, otherwise, the fractional Common Share will be cancelled.

The Common Shares are expected to begin trading on a consolidated basis and under the new CUSIP number 42704B205 on February 22, 2024, having a Record Date of February 23, 2024, subject to regulatory approvals, including the approval of the Canadian Securities Exchange (the “**CSE**”). Herbal Dispatch will not be changing its name or trading symbol in connection with the Consolidation.



As a result of the Consolidation, the issued and outstanding Common Shares of Herbal Dispatch will be reduced to approximately 73,627,909 Common Shares.

Shareholders who hold their shares through a securities broker or dealer, bank or trust company will not be required to take any measures with respect to the Consolidation. Herbal Dispatch's transfer agent, Odyssey Trust Company ("**Odyssey**"), will mail a letter of transmittal to all registered shareholders of Herbal Dispatch that will contain instructions for exchanging their pre-consolidated Common Shares for post-Consolidated Common Shares. Registered shareholders will be required to return their certificates representing pre-Consolidated Common Shares and a completed letter of transmittal to Odyssey. Any registered shareholder who submits a duly completed letter of transmittal to Odyssey along with the share certificate representing the pre-Consolidated Common Shares, will receive in return a newly issued share certificate or a Direct Registration System representing the post-Consolidated Common Shares.

Herbal Dispatch's outstanding warrants, options, and other convertible securities will be adjusted on the same basis as the Consolidation with respect to the underlying Common Shares exercisable pursuant to the warrants, options, and other convertible securities, with proportionate adjustments being made to applicable exercise or conversion prices, as applicable.

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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NON-GAAP MEASURES

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 settlement of debt, impairment losses, loss (gain) on foreign exchange and accretion expense. The Company believes that, in addition to net income (loss), adjusted EBITDA is a useful measure as it provides an indication of the financial results generated by its 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. Adjusted EBITDA does not have any standardized meaning as prescribed by IFRS and therefore, is considered a non-GAAP measure and may not be comparable to similar measures presented by other issuers.



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, the Company’s preliminary sales results and EBITDA for the fourth quarter and year ended December 31, 2023, as well as expectations for continued sales growth in 2024. The preliminary sales in fiscal 2023 remain subject to final accounting adjustments and audit. The successful execution of the company’s growth initiatives in 2024 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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