



For Immediate Release

News Release

March 20, 2024

## HERBAL DISPATCH ANNOUNCES EQUITY PRIVATE PLACEMENT

**Vancouver, B.C.** – Herbal Dispatch Inc. (CSE: HERB) (“Herbal Dispatch” or the “Company”) is pleased to announce that, subject to regulatory approval, the Company intends to complete a non-brokered private placement (“**Private Placement**”) of up to 20,000,000 units of the Company (the “**Units**”) at a price of \$0.05 per Unit for gross proceeds of up to \$1,000,000. Each Unit shall consist of one common share and one common share warrant (a “**Warrant**”) with each Warrant exercisable for one common share at a price of \$0.06 per share for a period of 24 months after the closing date. The Private Placement shall be completed on a best-efforts basis from eligible purchasers that shall be restricted to accredited investors or other investors meeting exemption requirements for a non-brokered private placement.

As previously disclosed, the Company continues to experience significant revenue growth both domestically and from growing demand for its products internationally. 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.

Proceeds from the Private Placement will be used for working capital in support of the Company’s growth. Should the Private Placement be oversubscribed, the Company reserves the right to accept additional funds, subject to the approval of the Canadian Securities Exchange (“**CSE**”).

The closing of the Private Placement is expected to occur before April 5, 2024 and is subject to receipt of all necessary regulatory approvals, including the approval of the CSE. All securities issued pursuant to the Private Placement will be subject to a four month hold period in accordance with applicable Canadian securities laws.

### 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-IFRS 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-IFRS 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, executing the Company’s strategic growth initiatives for 2024 and beyond, which includes: (i) growing medical sales from its new online e-commerce platforms; (ii) growing recreational sales via direct delivery orders to retailers; and (iii) 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 the Company’s products, among others. The Company’s preliminary sales in fiscal 2023 and EBITDA in Q4 2023 remain subject to final accounting adjustments and audit.



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.

THE CANADIAN SECURITIES EXCHANGE (THE "CSE") HAS NEITHER APPROVED NOR DISAPPROVED THE CONTENTS OF THIS NEWS RELEASE. NEITHER THE CSE OR ITS MARKET REGULATOR (AS THAT TERM IS DEFINED IN THE POLICIES OF THE CSE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.