



For Immediate Release

News Release

May 28, 2024

HERBAL DISPATCH REPORTS 2024 FIRST QUARTER FINANCIAL RESULTS

Vancouver, B.C. – Herbal Dispatch Inc. (CSE: HERB) (“Herbal Dispatch” or the “Company”) is pleased to announce its financial results for the first quarter ended March 31, 2024. Gross revenue in Q1 2024 increased to \$1.6 million from just \$0.4 million last year, reflecting the significant rate of growth the Company has experienced over the past 12 months and since commencing sales in Canada on the acquired marketplace herbaldispatch.com in the fall of 2022.

Compared to the previous quarter ended December 31, 2023, the Company’s revenue declined by \$0.9 million from gross sales of \$2.5 million reported in Q4 2023. This decline reflected several transitory factors, including (i) no export sales were achieved in Q1 2024 (Q4 2023 - \$0.7 million); and (ii) lower seasonal demand for medical and recreational cannabis domestically.

So far in the second quarter of 2024, the Company has achieved over \$600,000 in export sales. The Company also expects additional export sales in June, which, along with higher demand the Company is experiencing domestically, should contribute to a much stronger second quarter in 2024. The Company is currently anticipating a record revenue quarter in Q2 2024. The Company is also experiencing strong interest from both existing and new export customers, which it expects will further grow the Company’s export sales volumes in the second half of the year.

“Despite a seasonally softer first quarter, we remain very optimistic about our growth in 2024” commented Philip Campbell, Herbal Dispatch’s President and CEO. “We are working to significantly expand our export markets over the coming months. This includes plans to enter three new markets through exports, while continuing to expand sales volume in our two current export markets of Australia and Portugal.”

Consolidated financial statements

The full version of the condensed interim consolidated financial statements and associated management's discussion & analysis for the three months ended March 31, 2024 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.

As previously disclosed in the Company’s annual consolidated financial statements for the year ended December 31, 2023, the Company commenced litigation to collect on a loan receivable outstanding from Enhanced Pet Sciences Corp. (“EPS”) as the loan is now past due and in default. As part of EPS’s defence strategy, EPS recently filed a counter suit against the Company. The Company does not believe the counter suit has any merit. Additional information regarding the loan receivable and litigation is provided in note 12 to the condensed interim consolidated financial statements for the three months ended March 31, 2024.



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 2024 and beyond, including growing revenue 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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