



For Immediate Release

News Release

April 29, 2024

### **HERBAL DISPATCH REPORTS STRONG 2024 FOURTH QUARTER FINANCIAL RESULTS**

- Achieved gross sales of \$2.5 million in Q4 2023, reflecting a 67% increase from gross sales of \$1.5 million in Q3 2023 and a 1082% increase from revenue of \$0.2 million reported in the fourth quarter last year;
- In Q4 2023, completed first export sale to Portugal and additional export sales to Australia; and
- Achieved positive adjusted EBITDA in Q4 2023.

**Vancouver, B.C.** – Herbal Dispatch Inc. (CSE: **HERB**) (“**Herbal Dispatch**” or the “**Company**”) is pleased to announce its financial results for the fourth quarter and year ended December 31, 2023.

In the fourth quarter of 2023, the Company achieved gross sales of \$2.5 million, reflecting a 67% increase from gross sales of \$1.5 million reported in Q3 2023 and a 1082% increase from gross sales of \$0.2 million in Q4 2022. With the strong sales growth, the Company also reported positive adjusted EBITDA in Q4 2023, its first quarter of generating positive adjusted EBITDA in the Company’s history (see “Non-IFRS Measures” section below).

For the full fiscal year, the Company reported gross sales of \$5.7 million, an increase of \$5.3 million from gross sales of \$0.4 million in 2022.

“2023 was a transformative year for Herbal Dispatch,” commented Philip Campbell, Herbal Dispatch’s President and CEO. “From a standing start in late 2022, we are now seeing the benefits of our online, asset-light, customer-focused strategy. We believe this strategy is overcoming many of the challenges that the cannabis industry has been experiencing in recent years in a highly scalable, yet capital efficient manner.”

#### **Export sales growth expected to accelerate in fiscal 2024**

With medical cannabis continuing to gain approval throughout the world, Canada’s advanced regulatory system is best positioned to take advantage of this global market. In 2023, the Company successfully exported cannabis to Australia three times and to Portugal once, totaling 500kg in dried cannabis shipped. In 2024 the company aims to build upon these achievements as it strives to become a leading global cannabis company.

“In fiscal 2024, we plan to enter three new markets through exports, while continuing to expand sales volume in our two current markets,” added Philip Campbell. “We are also optimistic that an increasing number of global markets will refine regulations, allowing for lower-barrier access to high quality cannabis products produced and distributed from Canada via Herbal Dispatch’s growing distribution platform.



## **Consolidated financial statements**

The full version of the consolidated financial statements and associated management's discussion & analysis for the year ended December 31, 2023 can be viewed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and will also be made available on the Company's website at [www.herbaldispatch.com](http://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"

### **For further information:**

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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.



A reconciliation of net loss to adjusted EBITDA for each of the periods presented in this news release follows:

\$	Three Months Ended		Year Ended	
	Dec 31	Dec 31	Dec 31	Dec 31
	2023	2022	2023	2022
Net loss	<b>(450,837)</b>	(1,905,890)	<b>(2,071,310)</b>	(4,615,001)
Add/subtract:				
Income tax expense	-	-	-	36,977
Interest and other	<b>57,576</b>	7,929	<b>140,486</b>	(53,411)
Loss (gain) on sale of assets	<b>74,574</b>	(3,483)	<b>74,574</b>	(3,483)
Loss on investments	<b>199,014</b>	566,426	<b>199,014</b>	573,192
Loss (gain) on settlement of debt	<b>24,855</b>	-	<b>(78,688)</b>	-
Impairment loss	-	503,664	-	1,588,224
Loss (gain) on foreign exchange	<b>13,928</b>	30,049	<b>13,633</b>	(116,314)
Accretion expense	<b>10,454</b>	6,406	<b>37,360</b>	13,521
Depreciation & amortization	<b>100,464</b>	82,790	<b>390,525</b>	227,159
Share based compensation	-	-	-	(3,241)
Adjusted EBITDA	<b>30,028</b>	(712,109)	<b>(1,294,406)</b>	(2,352,377)

#### 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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