



For Immediate Release

News Release

May 29, 2025

HERBAL DISPATCH REPORTS 2025 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, 2025. In Q1 2025, gross sales reached \$3.2 million, representing a 97% increase compared to \$1.6 million in the first quarter of 2024. Excluding excise taxes, net revenue rose to \$2.7 million, up from \$1.3 million in the prior-year period. Revenue growth in Q1 2025 was driven by strong performance across key segments. This included substantial growth in recreational cannabis sales, export sales and higher service revenue.

Adjusted EBITDA loss improved significantly, narrowing to \$71 thousand in Q1 2025 from \$0.6 million in Q1 2024. Net loss decreased to \$0.3 million, compared to \$0.8 million in the same quarter last year with the improvement primarily due to the increase in revenue and gross profit.

Looking ahead to 2025, Herbal Dispatch remains focused on developing new profitable sales channels and scaling its operations efficiently. Key priorities include (i) expanding domestic sales across Canada, (ii) strengthening export sales in established markets such as Australia and Portugal; and (iii) entering new international markets.

Based on preliminary financial data, the Company expects gross sales for April 2025 to be approximately \$1.6 million, a substantial increase from \$1.0 million in April 2024. The company also anticipates its gross margin for April 2025 will be in line with the margin reported for Q1 2025. In addition, Herbal Dispatch is currently experiencing strong customer interest in new export opportunities, which if realized, could contribute to a strong financial performance in the second half of the year.

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, 2025 can be viewed under the Company's profile on SEDAR+ at www.sedarplus.ca and will also be 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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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	March 31	March 31
\$	2024	2023
Net loss	(287,098)	(797,510)
Add/subtract:		
Interest and other	74,173	48,091
Loss on settlement of debt	-	20,000
Loss (gain) on foreign exchange	52	(575)
Accretion expense	7,846	943
Share based compensation	31,943	-
Depreciation & amortization	101,832	100,533
Adjusted EBITDA	(71,252)	(628,518)

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 2025, including growing sales both domestically and via export. 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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