



BUDEGA DISPENSARY CHAIN DEVELOPS EXCLUSIVE MEMBERSHIP PROGRAM

Toronto, December 13, 2022 – Halo Collective Inc. (“Halo” or the “Company”) (NEO: HALO) (OTCQB: HCANF) (Germany: A9K0) reports development of exclusive membership program for the Budega retail dispensary chain. The program will include first access to new strains and products, rebates offered based on a percentage of total spend, and gifted products. The Company has developed the exclusive Budega VIP Program as part of its sales and marketing strategy to increase reoccurring revenues at store level. The Company continues to refine its operations and build brand advocacy leading into its current expansion plans for the Budega retail division.

Budega is in development of an innovative customer loyalty program to improve customer retention and increase overall revenues. The Company has been collecting customer emails now with over 7,000 subscribers to the email list leading up to the launch of the new program. The Budega VIP program will consist of an exclusive membership which requires a purchase commitment monthly. The members will benefit a variety of perks including: access to new strains and products before they are officially launched and a special membership rebate with a point system and a gifted birthday joint. This model will increase customer retention and loyalty, while generating overall revenues. Budega is back by Halo, having years of experience in cultivating premium cannabis strains and management with a vast knowledge of business acumen.

Harvard Business Review reports: A company’s most loyal customers are also its most profitable. With each additional year of a relationship, customers become less costly to serve. Over time, as the loyalty life cycle plays out, loyal customers even become business builders: buying more, paying premium prices, and bringing in new customers through referrals. ¹According to recent loyalty research, 49% of consumers agree they’ve spent more after joining a loyalty program.

As the company continues to expand its retail presence, the operations will be constantly being reviewed and improved to increase profitability. “A successful loyalty program can turn regular customers into brand advocates. With growth plans in process for our retail division, we are confident the development of new programs such as this new Budega VIP program, will further strengthen our presence in the community. We are focused on building a consistent customer base throughout the California region, creating a very solid foundation for our future expansion plans,” States Katie Field CEO of Halo Collective. “The Budega stores have naturally built a following due to their key locations, and this is the next step to becoming the go-to spot for premium cannabis in California.”

The VIP program will be launched Q1 2023 into all Budega retail locations and will commence the marketing efforts towards promoting the program.

On December 12, 2022 the Company issued 933,463 Compensation Shares at a price of C\$0.20 per Compensation Share in satisfaction of approximately C\$186,692.89 in fees, payables, and other compensation accrued for Q3 and payable to independent consultants of the Company and certain related parties.

Halo issued 714,609 Compensation Shares to related parties (within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”)), and such issuances are considered “related party transactions” for the purposes of MI 61-101. Anmol Sidhu, a Director of the Company was issued 214,609 Compensation Shares, and Shailesh Bhushan, CAO of the Company was issued 500,000 Compensation Shares. Such related party transactions are exempt from the formal valuation, and minority shareholder approval

¹ <https://hbr.org/1995/05/do-rewards-really-create-loyalty>



requirements of MI 61-101 as neither the fair market value of the securities being issued to the related parties nor the consideration being paid by the related parties exceeded 25% of the Company's market capitalization. The recipients of the Compensation Shares and the extent of such participation were not finalized until shortly prior to the completion of the issuance described herein. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the transactions contemplated hereby pursuant to a material change report filed at least 21 days prior to the completion of such transactions.

All of the Compensation Shares were issued pursuant to an exemption from the prospectus requirement of applicable securities laws. 218,854 of the Compensation Shares are subject to a hold period of four months and one day from the date of issuance.

The company is also announcing it intends to propose a consolidation of no less than 10:1 via special meeting. The corporation is proposing to effect the share consolidation because it believes that the new capital structure would enhance its ability to realize future financings. The corporation also believes that the new capital structure will be more appealing to prospective institutional shareholders and will aid management in its efforts to expand and diversify the corporation's shareholder base, with the goal of establishing a trading price that more accurately reflects the underlying value and future potential of its operations.

About Halo Collective

Halo is focused on the United States West Coast, where it has vertically integrated operations covering the entire value chain from seed to sale. Halo cultivates, extracts, manufactures, and distributes quality cannabis flower, pre-rolls, vape carts, edibles, and concentrates. Halo sells these products under a portfolio of brands, including Hush™, Winberry Farms™, its retail brand Budega™, and license agreements with FlowerShop*. In addition, Halo has opened two dispensaries in Los Angeles under the Budega™ brand in North Hollywood and Hollywood, with plans to open one more in Hollywood in 2022.

In the non-THC sector, Halo is expanding into health and wellness categories, including CBD and functional supplements such as nootropic nutraceuticals and nonpsychotropic mushrooms. Halo, through a series of acquisitions, has product offerings in the form of beverages (H2C Beverages), dissolvable strips (Dissolve Medical), capsules (Hushrooms™), and topical supplements (Hatshe) with proposed national distribution via a strategic agreement with SWAY Energy Corporation.

Halo has successfully acquired and integrated a variety of companies which were subsequently reorganized to create Akanda Corp. (NASDAQ: AKAN), an international medical cannabis and wellness company, of which Halo is the largest shareholder. Halo has also acquired a range of software development assets, including CannPOS, Cannalift, CannaFeels, and a discrete sublingual dosing technology, Accudab. Halo intends to reorganize these entities (including their intellectual property and patent applications) into a subsidiary called Halo Tek Inc. and to complete the distribution of the shares of Halo Tek Inc. to shareholders on record at a date to be determined.

For further information regarding Halo, see Halo's disclosure documents on SEDAR at www.sedar.com



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Contact Information

Halo Collective Inc.
Investor Relations
info@haloco.com
www.haloco.com/investors

For additional information please contact Marshall Minor, Interim Chief Financial Officer of the Company at (541) 646-5694 or marshall@haloco.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Halo's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Halo's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". Forward-looking information may relate to anticipated events or results including, but not limited to expectations regarding improved performance, management's plans regarding Pistil Point and the California market, plans regarding streamlining of business segments, management's plans regarding its portfolio of cannabis businesses and intention to expand into health and wellness, the proposed distribution agreement with SWAY Energy Corporation, the expected opening date of the Company's California dispensaries and the proposed spin-off by Halo Tek Inc.

By identifying such information and statements in this manner, Halo is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Halo has made certain assumptions. Although Halo believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no



assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: inability of management to successfully integrate the operations of acquired businesses, changes in the consumer market for cannabis products, changes in the expected outcomes of the proposed changes to Halo's operations, delays in obtaining required licenses or approvals necessary for the build-out of Oregon operations, dispensaries or Canadian operations, the proposed spin-out with Halo Tek Inc., delays or unforeseen costs incurred in connection with construction, the ability of competitors to scale operations in Northern California, delays or unforeseen difficulties in connection with the cultivation and harvest of Halo's raw material, changes in general economic, business and political conditions, including changes in the financial markets; and the other risks disclosed in the Company's annual information form dated March 31, 2022 and other disclosure documents available on the Company's profile at www.sedar.com. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Halo does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to Halo or persons acting on its behalf is expressly qualified in its entirety by this notice.

Non-Solicitation

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.