

## HALO COLLECTIVE REPORTS Q2 2023 FINANCIAL RESULTS AND ANNOUNCES DELISTING

Toronto, ON, August 15, 2023 – Halo Collective Inc. (NEO: HALO, OTCPink: HCANF, FSE: A9K0) (“Halo” or the “Corporation”) has reported its financial results for the second quarter of 2023. Despite navigating a challenging market landscape, the company remains steadfast in its commitment to delivering quality products and adapting to changing industry dynamics.

### **Second Quarter 2023 Financial Highlights:**

- The Company's revenues for the three months ended June 30, 2023, were \$3,568,662, reflecting a 48.1% decrease compared to the same period in the previous year. This dip in revenues was attributed to an oversupply of cannabis in both Oregon and California markets, leading to downward pricing pressures.
- During this quarter, the Company sold a total of 1,377,052 grams, marking a 31.5% decrease from the previous year.
- Despite these challenges, Halo demonstrated its commitment to adaptability and operational efficiency. The company achieved a gross profit of \$1,832,239 for the three months ended June 30, 2023, marking a 16.5% decrease from the previous year. However, the reported gross margin improved significantly to 51.3% from 31.9% the prior year.
- Operating expenditures in Q2 2023 were \$3,326,734, showcasing a remarkable 67.4% decrease compared to Q2 2022.
- In regional breakdowns, Oregon generated \$2,739,822 in revenue, marking a 27.1% decrease from the same period in 2022, reflecting market dynamics. Furthermore, the Company remains focused on optimizing its product portfolio and adapting to shifting consumer preferences. The launch of Halo PDX, a new distribution company in Oregon, in January 2022 signifies the Company's commitment to enhancing its market presence and expanding its offerings.
- The California wholesale business generated \$471,986 in revenue for Q2 2023, experiencing a 77.7% decrease from the previous year. The Budega North Hollywood Dispensary reported \$139,894 in revenue for Q2 2023, down by 51.6% compared to the same period in 2022, while Budega Westwood Dispensary demonstrated notable growth, generating \$216,960 in revenue for Q2 2023, a substantial increase of 1274.0% from its opening in May 2022.
- The Company's adjusted EBITDA for Q2 2023, accounting for non-cash items, recorded a loss of \$4,546,367, reflecting the Company's dedication to managing operational costs.
- In Q2 2023, the Company raised no funds through debt financing. The total capital used, net of a \$460,663 reduction in lease obligations, was \$460,663. Cash outflow amounted to \$432,014, reflecting a strategic approach to cash management.
- As of June 30, 2023, the Company maintained a diligent financial approach, with no unrestricted cash available.

### **Delisting Announcement**

The Company also reports that its securities have been delisted from the CBOE Exchange effective as of the close of markets August 14, 2023.

### **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 2023.

In the non-THC sector, Halo is expanding into health and wellness categories, including CBD and functional supplements such as nootropic nutraceuticals and non-psychoactive 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 SWAYEnergy 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](http://www.sedar.com)  
Connect with Halo Collective: [Email](#) | [Website](#) | [LinkedIn](#) | [Twitter](#) | [Instagram](#)

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### Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains certain “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (the “forward-looking statements”), within the meaning of applicable Canadian securities legislation, including statements related, but not limited to statements relating to the appointment of the Successor Auditors and the term of their appointment, the issuance of the FFCTO, the contents of these orders, the Company's ability to file the Required Filings, the subsequent revocation of the FFCTO, and management's plans regarding its businesses. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.

While we have based these forward-looking statements on our expectations about future events as of the date of this news release, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and

assumptions include, among others, the auditor's term, the review, filing and completion of the Required Filings as well as the duration and revocation of the FFCTO. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking 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 or implied by such forward-looking statements which may include the failure of the Company to comply with applicable regulatory requirements, the Company's inability to complete and file the Required Filings, the failure to satisfy requirements to remove the FFCTO, the resignation or removal of an auditor; unexpected changes in governmental policies and regulations in the jurisdictions in which the Company operates.

Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake any obligation to update or alter any forward-looking statements except as required under applicable securities laws. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.