

Vibe Reports Record Revenue, Record Net Income, and Record Q3 Adjusted EBITDA Soars 269%

Sacramento, California--(Newsfile Corp. - November 23, 2020) - **Vibe Growth Corporation (CSE: VIBE) (OTC Pink: VBSCF) (FSE: A061)** (the "Company" or "Vibe"), a vertically integrated cannabis organization, is pleased to announce record after tax net income during the third quarter of 2020, as a result of significantly increased sales volumes at its California dispensaries, and reports financial and operating results for the three and nine months ended September 30, 2020. All financial information is provided in U.S. dollars unless otherwise indicated. The Financial Statements and Management's Discussion and Analysis ("**MD&A**") for the three and nine months ended September 30, 2020 are available on the Company's SEDAR profile at www.sedar.com and on Vibe's website at www.vibebycalifornia.com.

"Vibe continues to fire on all cylinders, achieving record revenue, EBITDA, and net income in every quarter since our inception," stated Mark Waldron, Chief Executive Officer. "Vibe has become a cannabis industry leader and is setting a standard for profitable cannabis operations in California with our outstanding top and bottom line results. Our ability to grow profitable operations while offering our clients exceptional value through our multi-channel experience will provide new expansion opportunities in Q4 2020 and in 2021."

Third Quarter 2020 Financial Highlights (a)

- Adjusted EBITDA of \$1,028,099, a 269% increase over the \$278,879 Adjusted EBITDA recorded during the third quarter of 2019^(a);
- After tax net income was \$284,708 versus a loss of \$2,440,369 in the third quarter of 2019;
- Revenue was \$7.24 million, a 73% increase over the third quarter of 2019;
- Adjusted funds flow was \$374,624 versus a negative \$159,600 of adjusted funds flow in the third quarter of 2019^(a);
- Gross margin was \$2.31 million, a 48% increase over Q3 2019 and year-over-year growth of 69%;
- Total general and administrative decreased by 16% to \$0.75 million compared to the third quarter of 2019;
- Same store dispensary sales increased 46% for the three month period ended September 30, 2020.

(a) This is a non-IFRS measure. Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS. Please see the non-GAAP Financial Measures Disclosure below.

(b) This is a forward-looking statement. See "Forward-Looking Information".

Financial Highlights

The Company's core cannabis business commenced upon the acquisition of the U.S. Targets on February 18, 2019. Consequently, the 2019 nine month revenue, gross margin, G&A, selling and marketing expense and adjusted EBITDA amounts include results of; (i) the U.S. Targets from February

18, 2019 to September 30, 2019; and (ii) the Company's head office for the entire nine months ended September 30, 2019. The Company's key financial results for the three and nine ended months September 30, 2020 and 2019 are as follows:

U.S. Dollars	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Total revenue ^(a)	\$ 7,236,441	\$ 4,176,747	\$ 17,192,568	\$ 8,587,309
Gross margin	\$ 2,311,296	\$ 1,560,073	\$ 5,823,827	\$ 3,439,493
Net income (loss)	\$ 284,708	\$ (2,440,369)	\$ 540,191	\$ (5,517,420)
Adjusted funds flow ^(a)	\$ 374,624	\$ (159,600)	\$ 602,294	\$ (1,279,043)
EBITDA	\$ 1,021,153	\$ 33,374	\$ 2,394,944	\$ (2,116,588)
Adjusted EBITDA ^(a)	\$ 1,028,099	\$ 278,879	\$ 2,122,711	\$ 451,537

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Additional Highlights

- The Company closed the Cathedral Asset Holdings Corporation ("CAHC") acquisition on September 17, 2020, adding marijuana distribution and manufacturing assets in Santa Rosa, California;
- The Company closed the Portland Asset Holdings Corporation ("PAHC") acquisition on November 10, 2020, adding an exciting new retail store in Portland, Oregon and approximately \$1.0 million in working capital;
- Management is broadening its acquisition outreach in California and the Pacific Northwest as it sees excellent opportunities for retail expansion through acquisitions and new location license development;
- In July, Vibe entered into a triple net lease agreement with an option to purchase a commercial property in Ukiah, California. The property was previously entitled by the City of Ukiah to allow for cannabis operations inclusive of a retail cannabis dispensary and non-volatile cannabis manufacturing; Management is currently working with the City of Ukiah on obtaining a dispensary license;
- Engaged cultivation consultants for optimization and enhancement of existing cultivation facilities, to further improve harvest process efficiencies, increase yields and harvested annual volumes;
- The Company is determined to continuously maximize the efficiency of the point-of-sale process at its dispensary locations and made improvements on the methods of product delivery, including providing on-line ordering and door-to-door delivery;
- The Company successfully secured delivery licenses in June 2019 (Sacramento), April 2020 (Redding), and May 2020 (Stockton), the benefits of which are being realized in 2020, especially in light of the COVID-19 pandemic;
- Management believes that by providing multiple and convenient product payment and delivery methods, the Company will attract a wider and more varied customer demographic and further increase customer loyalty;
- Management is focused on ensuring all retail dispensaries deliver an exceptional and unique "Vibe By California" customer experience. Capital has been invested in all dispensary locations, which is intended to develop consistent store branding in addition to creating an inviting and consistent customer experience. To assist Vibe retail dispensaries for our next phase of expansion, the Company hired a new head of retail expansion to provide strategic leadership for

new stores in California and the West Coast. Management believes that the capital invested to date in corporate and product branding across all dispensaries has improved customer recognition and loyalty for the "[Vibe By California](#)" and "[Hype Cannabis Co.](#)" brands; and

- Continuance of the Company from the Province of Ontario to the Province of British Columbia and change of name to Vibe Growth Corporation.

About Vibe Growth Corporation

Vibe is a vertically integrated cannabis organization that operates retail dispensaries; cannabis greenhouse cultivation; premium indoor cultivation; commercial distribution and transportation; e-commerce and home delivery; and the manufacturing of "[Hype Cannabis Co.](#)"TM marijuana products. The Company operates retail and e-commerce under its iconic "Vibe By California"TM brand. The Company intends to continue profitable expansion through organic growth and accretive mergers & acquisitions. For more information, please visit www.vibebycalifornia.com.

Special Note Regarding non-GAAP Financial Measures

(a) This is a non-GAAP measure. Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS. See discussion of non-IFRS Measures in the MD&A for reconciliation to measures reported in the Company's consolidated financial statements.

(b) Adjusted funds flow (previously referred to as funds flow from operations) is a non-GAAP measure that represents cash flows from operating activities as presented in the Company's Consolidated Statements of Cash Flows before the changes in non-cash working capital. The Company considers adjusted funds flow a key measure as it demonstrates the Company's ability to generate the cash flow necessary to fund future growth through capital investment and to repay debt.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "anticipate", "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events, and may be impacted as a result of general economic conditions or the ongoing COVID-19 pandemic. Actual future results may differ materially.

The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein. Risk factors related to the Company are described in the Company's Management Discussion and Analysis, a copy of which is available under the Company's profile on SEDAR.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any State securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable State securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

Unlike in Canada which has Federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Cannabis Act (Federal), readers are cautioned that in the U.S., cannabis is largely regulated at the State level. To the knowledge of Vibe Growth Corporation,

there are to date a total of 33 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the U.S. and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. Federal law. Strict compliance with State laws with respect to cannabis will neither absolve Vibe Growth Corporation of liability under the U.S. Federal law nor will it provide a defense to any Federal proceeding, which may be brought against Vibe Growth Corporation Any such proceedings brought against Vibe Growth Corporation may adversely affect its operations and financial performance.

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