

Vibe Reports Record Revenue in 2020 and Record Net Income

2020 financial results tee up Vibe for growth in 2021

2020 Highlights

- *Revenue increased 92% compared to 2019*
- *4th Quarter gross margin increased to 38.5% from 29.4% in 2019*
- *Vibe achieved record revenue, EBITDA, adjusted funds flow, and net income in 2020*
- *Positive After Tax Net Income in 2020*
- *Same Store Sales increased 41% versus 2019*
- *Vibe continued to expand its store footprint and cultivation capacity*

Sacramento, California--(Newsfile Corp. - April 19, 2021) - Vibe Growth Corporation (**CSE: VIBE**) (**OTC: VBSCF**) (**FSE: A061**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, is pleased to announce record after tax net income in both the fourth quarter and fiscal year ending December 31, 2020, resulting from significantly higher sales volumes at its California dispensaries and increased store count and cultivation output. All financial information is provided in U.S. dollars unless otherwise indicated. The Consolidated Financial Statements and Management Discussion and Analysis ("MD&A") for the year ended December 31, 2020, will be available on the Company's SEDAR profile at www.sedar.com and Vibe's website at www.vibebycalifornia.com.

"We are excited about continued sales growth in 2021 and increasing M&A opportunities. Vibe has become a California cannabis industry leader and set a standard for profitable cannabis operations with our outstanding financial results. Combined with the \$16 million (CAD) financing completed in March of this year, Vibe has accelerated expansion opportunities in 2021," stated Mark Waldron, Chief Executive Officer.

Vibe's Chief Financial Officer, Michal Holub, added: "Vibe turbocharged its growth in 2020, achieving record revenue, EBITDA, adjusted funds flow, and net income. Dispensary sales and e-commerce volumes have also experienced continued growth in the first quarter of 2021 and in April to date."

Fourth Quarter and 2020 Annual Financial Highlights ^(a)

- **Revenue** in the fourth quarter was \$7.05 million, a 76% increase over the fourth quarter of 2019, and \$24.2 million for the fiscal year, a 92% increase over 2019;
- **EBITDA** in the fourth quarter was \$0.96 million, an increase of \$1.15 million over the negative EBITDA recorded during the fourth quarter of 2019, and fiscal year 2020 EBITDA was \$3.36 million, compared to an EBITDA loss of \$2.30 million in 2019^(a);
- **After Tax Net Income** in the fourth quarter was \$188,359 versus a loss of \$3,100,491 in the fourth quarter of 2019, and fiscal year 2020 net income was \$728,550, versus a loss of \$8,617,911 in 2019;
- **Adjusted Funds Flow** in the fourth quarter was \$0.29 million, versus negative \$0.33 million in the fourth quarter of 2019^(a), and \$0.89 million in the 2020 fiscal year, versus an adjusted funds flow loss of \$1.61 million in 2019;
- **Gross Margin** in the fourth quarter was 38.5%, versus 29.4% in the fourth quarter of 2019;
- **Same Store Dispensary Sales** increased 41% versus the fourth quarter of 2019;
- The Company closed the acquisition of Portland Asset Holdings Corporation on November 10, 2020, adding an exciting new retail store in Portland, Oregon and approximately \$0.9 million in working capital;

- In the fourth quarter of 2020, 17.4% of the Company's orders came through its e-commerce platform.

(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.

Financial Highlights

The Company's core cannabis business commenced upon the acquisition of the U.S. Operations on February 18, 2019. Consequently, the 2019 fiscal year revenue, gross margin, G&A, selling and marketing expense and adjusted EBITDA amounts include results of; (i) the U.S. Operations from February 18, 2019, to December 31, 2019; and (ii) the Company's head office for the entire 2019 fiscal year. The Company's key financial results for the fourth quarter and year ended 2020 and 2019 are as follows:

U.S. Dollars	For the three months ended December 31, 2020	For the three months ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019
Total revenue ^(a)	\$7,048,294	\$4,012,850	\$24,240,862	\$12,600,159
Gross margin	\$2,716,669	\$1,178,152	\$8,540,496	\$4,617,646
Net income (loss)	\$188,359	\$(3,100,491)	\$728,550	\$(8,617,911)
Adjusted funds flow ^(b)	\$288,512	\$(331,590)	\$890,806	\$(1,610,633)
EBITDA ^(a)	\$965,617	\$(185,452)	\$3,360,561	\$(2,302,040)
Adjusted EBITDA ^(a)	\$842,364	\$(158,313)	\$2,965,075	\$293,224

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.

Additional 2020 Highlights

- Vibe closed the acquisition of Cathedral Asset Holdings Corp. on September 17, 2020, adding marijuana distribution and manufacturing assets in Santa Rosa, California;
- The Company closed the acquisition of NGEV Inc. on June 12, 2020, whereby it acquired a 13,500 square foot greenhouse cannabis cultivation operation. The Company commenced an expansion of the site to 18,900 square feet with the project being completed in the first quarter of 2021;
- Management broadened its acquisition outreach in California and the Pacific Northwest due to increased opportunities for retail expansion through acquisitions and new location license development;
- Vibe entered into a triple net lease agreement on July 2020, 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. In December 2020, Vibe received the approvals from the City of Ukiah and Vibe anticipates the Company's 5th dispensary will open in the second quarter of 2021;
- Vibe engaged cultivation consultants and expanded Vibe's cultivation expertise and team for optimization and enhancement of existing cultivation facilities, to further improve harvest process efficiencies, and increase yields and harvested annual volumes;

- The Company improved the efficiencies of its point-of-sale process at its dispensary locations and made improvements on the methods of product delivery. This included providing online ordering and door-to-door delivery, along with multiple and convenient product payment and delivery methods, aimed at attracting a wider and more varied customer demographic and further increasing customer loyalty;
- The Company successfully secured delivery licenses in June 2019 (Sacramento), April 2020 (Redding), and May 2020 (Stockton), realizing significant benefits in 2020, especially in light of the COVID-19 pandemic;
- 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 to develop consistent customer experience and branding. Management believes 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;
- The Company hired a new head of retail for its next phase of expansion and to provide strategic retail store leadership.

About Vibe Growth Corporation

Vibe Growth Corporation and its cannabis retail brand, Vibe By California, is a trusted, vertically integrated California cannabis enterprise with retail dispensaries; cannabis greenhouse cultivation; premium indoor cultivation; commercial cannabis distribution; brand sales and marketing; e-commerce platform; home delivery; and [Hype Cannabis Co.](#) marijuana and [Vibe CBD](#) products. In California, Vibe is focused on maximizing shareholder value through accelerating organic growth, opportunistic acquisitions, distressed workouts, and new license applications. The Company operates retail and e-commerce under its iconic Vibe by California brand. To learn more about Vibe, please visit: www.vibebycalifornia.com

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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