

Vibe Reports Record First Quarter 2021 Revenue and Positive Net Income

Consecutive profitable quarters position Vibe for strong growth in 2021 and beyond

2021 Q1 Highlights:

- **Revenue increased 75% compared to the first quarter of 2020**
- **Positive After Tax Net Income in the first quarter of 2021**
- **Same store sales increased 35% versus 2020**
- **Company continued to expand store footprint**
- **Completed a \$16 million (CAD) equity financing**
- **Cash position of \$13.4 million**

Sacramento, California--(Newsfile Corp. - May 27, 2021) - Vibe Growth Corporation (**CSE: VIBE**) (**OTC: VBSCF**) (**FSE: A061**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, is pleased to announce after tax net income in the first quarter of 2021, resulting from significantly higher sales volumes at its California dispensaries. All financial information is provided in U.S. dollars unless otherwise indicated. The Condensed Consolidated Financial Statements and Management Discussion and Analysis ("MD&A") for the three-month period ended March 31, 2021 are available on the Company's SEDAR profile at www.sedar.com and on Vibe's website at www.vibebycalifornia.com.

"We are delighted to report another profitable quarter," stated Vibe CEO, Mark Waldron. "Our strong cash position provides us the ability to remain agile and opportunistic with our California retail expansion strategy, and as we add three new locations in Palm Springs, Ukiah and Salinas, in addition to our exciting Sacramento indoor cultivation expansion currently underway. Furthermore, we are confident the success we've achieved through exercising fiscal prudence and implementing operational efficiencies will be transferable to establishing the Vibe By California brand presence in the vibrant and growing Massachusetts cannabis market."

First Quarter 2021 Highlights

- **Revenue** in the first quarter was \$7.54 million, a 75% increase over the first quarter of 2020;
- **EBITDA** in the first quarter was \$0.83 million, an increase of \$0.58 million over the EBITDA recorded during the first quarter of 2020^(a);
- **After Tax Net Income** in the first quarter was \$68,248 versus a loss of \$222,331 in the first quarter of 2020;
- **Adjusted Funds Flow** in the fourth quarter was \$0.20 million, versus \$0.001 million in the first quarter of 2020^(a);
- **Same Store Dispensary Sales** increased 35% versus the first quarter of 2020;
- **E-commerce Orders** accounted for 22.7% of transactions in the first quarter 2021;
- **Equity Financing** on March 16, 2021, the Company completed a CAD \$15,954,435 financing via the issuance of 19,456,750 units. Each Unit was priced at CAD \$0.82 and is comprised of one common share and one-half share purchase warrant with a whole warrant exercisable at CAD \$1.06 until March 16, 2024. The Company issued 1,331,736 broker warrants to the Underwriters and Agents exercisable at CAD \$0.82 until March 16, 2024 and 408,000 Units as partial consideration for their commission;
- **Cash Position** as of March 31, 2021 was US \$13,401,494.

(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 key financial results for the first quarter ended March 31, 2021 and 2020 are as follows:

U.S. Dollars	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Total revenue ^(a)	\$ 7,542,735	\$ 4,272,598
Gross margin	\$ 2,433,712	\$ 1,146,759
Net income (loss)	\$ 68,245	\$ (222,331)
Adjusted funds flow ^(b)	\$ 199,893	\$ 13,273
EBITDA ^(a)	\$ 831,432	\$ 247,644
Adjusted EBITDA ^(a)	\$ 929,372	\$ 335,549

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.

Massachusetts Update:

Vibe's future expansion into Massachusetts was announced on May 14, 2021, as the Vibe-controlled entity Page Cultivation LLC, received initial approval from the City of Springfield, Massachusetts to build a sought-after new cannabis cultivation facility. Vibe projects the construction costs to build out the 47,000 square foot facility, which will be multi-tiered, to be \$16 million. Once fully operational, Vibe anticipates the facility will yield more than 15,000 pounds of premium flower per annum, in addition to manufactured products including edibles, topicals, lotions, salves, oils, sprays, waxes, shatter, vape oil, tinctures and pre-rolls. The Company is currently in discussions with lenders on debt financing.

Massachusetts presents attractive opportunities for wholesalers to achieve sustainable high margins on operations, with one of the highest flower prices on a dollar-per-pound basis, trailing only Illinois. The Company is currently preparing Springfield's phase 2 host community agreement.

About Vibe Growth Corporation

Vibe Growth Corporation and its cannabis retail brand, Vibe By California, is a trusted, vertically integrated 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 (cannabidiol) products. Vibe is focused on maximizing shareholder value through accelerating organic growth, opportunistic acquisitions, distressed workouts and new licence 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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