

Vibe Growth Provides California Cultivation Expansion Update

Highlights:

- ***Phase 1 Indoor Cultivation expansion and upgrades underway: forecast additional \$6.1 million in annual revenues***
- ***Phase 2 Indoor Cultivation construction and expansion to commence in Q3: forecast additional \$10.9 million in annual revenues***
- ***Phase 1 CapEx: \$1.7M USD via existing balance sheet***
- ***Phase 2 CapEx: \$4.0M USD via existing balance sheet or project-based loan***

Sacramento, California--(Newsfile Corp. - June 24, 2021) - Vibe Growth Corporation (**CSE: VIBE**) (**OTC Pink: VBSCF**) (**FSE: A061**) (the "**Company**" or "**Vibe**"), a leading vertically integrated multi-state cannabis enterprise, provides update on the expansion of its Sacramento Cannabis Campus.

The Company has prioritized the expansion of its Sacramento cultivation capacity to meet the increased demand for Vibe products, implementing a proven vertical integration strategy to significantly enhance its brands' margin profile. Cultivation expansion remains a top growth priority, having significantly improved its growing efficiencies translating to increased harvest yields and additional grow cycles, and achieving a recent record of 37.7% THC content cannabis harvest. The Company has a strong balance sheet and healthy cash position of \$13.4 million (end of Q1 2021), which Vibe intends to deploy to initiatives critical to increasing production and yield capacity. The Company anticipates the initiatives to cost approximately \$1.7 million US for the Phase I expansion and \$4.0 million US for the Phase II expansion.

Plans for the licensed Sacramento facility are subject to various regulatory approvals and the Company anticipates completion of Phase I in the second half of 2021. Vibe has commenced its two-phased Sacramento cultivation expansion as follows:

Phase I:

- The first phase of construction shall expand canopy and increase Vibe's annual cannabis production to \$8.3 million US at the existing Vibe-owned 2-acre Sacramento Cannabis Campus, including new vegetative grow, flowering and drying rooms. This is in addition to our Crescent City annualized forecast greenhouse revenues of \$6.0 million;
- The additional canopy square footage is to be achieved by upgrading the existing Vibe cultivation buildings and current cultivation operations to a two-tiered vertical growing system using advanced irrigation and nutrient delivery systems;
- The additional canopy is expected to increase the yield of premium indoor flower and trim/biomass for use in Hype Cannabis Co. retail products.

Phase II:

- The second phase of construction is subject to customary regulatory approvals, upgrade of electrical service and construction of a new building on land owned by Vibe;
- Will add an additional \$10.9 million US in cultivation production to the additional \$6.1 million US annual production from Phase I expansion;
- Initial planning of the new building has commenced and the expansion will entail construction of a new building, site servicing, and fixturing of new vegetative grow, flowering & drying rooms.

Mark Waldron, CEO of Vibe, stated, "Our expansion goals on our Sacramento campus are to add an additional \$17 million annually in high-margin and high-quality cultivation revenues. Our cultivation

expansion will provide us significant economies of scale and the ability to improve margins, generating an optimal return for Vibe shareholders. In addition to allowing us to take advantage of opportunities in the state for premium indoor flower, expanding our cultivation capabilities underpins our plan to increase the degree of vertical integration for our Hype Cannabis Co. products, as well as the continued expansion of our retail footprint in California."

Annual General Meeting Update

The results of the matters presented for approval at Vibe's annual general meeting of shareholders, held on June 24, 2021, have been fully authorized and approved. A total of 49,785,076 common shares, representing 48.39 percent of the common shares issued and outstanding, were represented in person or by proxy at the meeting.

All of the nominees proposed as directors of the Company were unanimously elected as directors of the Company with votes cast by the shareholders present in person or represented by proxy at the meeting. The Directors elected are Aaron Johnson, Jim Walker, Joe Starr, Gord Anderson and Mark Waldron.

An ordinary resolution to approve the appointment of Davidson & Company LLP, chartered professional accountants, as the auditor of the Company, was unanimously approved at the meeting.

About Vibe Growth Corporation

[Vibe Growth Corporation](#) and its cannabis retail brand, Vibe By California, is a trusted, California focused, multistate (MSO) 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.

Cautionary Note Regarding Product & 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. In this news release, forward-looking statements relate to, among other things, the Company's expectations of revenue, EBITDA profitability and adjusted funds flow, higher sales volumes, and the company's retail operations. 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 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 concerning cannabis will neither absolve Vibe 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 may adversely affect its operations and financial performance.

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