

Vibe Reports Record Second Quarter 2021 Revenue

Vibe positioned for strong growth in 2021 and 2022 with expanded retail and cultivation capacity

2021 Q2 Highlights

- **Revenue increased 37% compared to the second quarter of 2020**
- **Same-store sales in the second quarter increased 39% versus 2020**
- **E-commerce orders accounted for 21.6% of transactions in the second quarter of 2021**
- **Vibe grows its dispensary portfolio to 7 retail locations with acquisition in Palm Springs**
- **Cash position of \$12.99 million**

Sacramento, California--(Newsfile Corp. - August 30, 2021) - Vibe Growth Corporation (**CSE: VIBE**) (**OTC Pink: VIBEF**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, is pleased to announce record revenue in the second 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 and six month periods ended June 30, 2021, are available on the Company's SEDAR profile at www.sedar.com and Vibe's website at www.vibebycalifornia.com.

"We are delighted to report another strong quarter and anticipate significantly more record Vibe high-THC cultivation output coming through our stores," stated Vibe CEO, Mark Waldron. "Our strong cash position has given us the ability to significantly ramp our revenues and margins with our California cultivation and retail expansion strategy. Closing on a 10 acre F40 zoned agricultural land parcel in Monterey, California in August, and the addition of our Sacramento indoor cultivation capacity - which is currently well underway - plus the opening of two new dispensaries in Ukiah and Salinas within the next eight weeks, puts Vibe in a terrific competitive position."

"What makes Vibe unique in California is our strategic commitment to bringing branded, high-THC Vibe flower and products through our retail stores and distribution network. We are steadfast that the most sustainable, high-earnings growth in California comes from premium cultivation combined with a dynamic retail platform. That is Vibe's strategy, pure and simple," added Waldron.

Vibe's COO Joe Starr commented, "Recent confirmation of at-scale, carbon-neutral electricity at our Salinas greenhouse cultivation site affirms Vibe's ability to produce a wide array of environmentally responsible cannabis products that match our indoor quality specifications, with significantly lower capital expenditures and improved margins as compared to typical large-scale indoor grow operations."

Second Quarter 2021 Highlights

- **Revenue** in the second quarter was \$7.79 million, a 37% increase over the second quarter of 2020;
- **Adjusted EBITDA** in the second quarter was \$0.89 million, an increase of \$0.17 million over the Adjusted EBITDA recorded during the second quarter of 2020^(a);
- **Adjusted Funds Flow** in the fourth quarter was \$0.33 million, versus \$0.21 million in the second quarter of 2020⁽¹⁾;
- **Same-Store Dispensary Sales** increased 39% versus the second quarter of 2020;
- **E-commerce Orders** accounted for 21.6% of transactions in the second quarter of 2021;
- **Palm Springs Dispensary Acquisition** closed on May 4, 2021, for cash consideration of

\$380,000 and assumption of existing and estimated liabilities of \$1.2 million;

- **Cash Position** as of March 31, 2021 was US \$12,992,316.

(1) 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 three and six months ended June 30, 2021 and 2020 are as follows:

U.S. Dollars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the six months ended June 30, 2021	For the six months ended June 30, 2020
Total revenue ^(a)	\$ 7,791,690	\$ 5,683,529	\$ 15,334,425	\$ 9,956,127
Gross margin	\$ 2,555,295	\$ 2,044,772	\$ 5,120,007	\$ 3,512,531
Net income (loss)	\$ (100,825)	\$ 477,814	\$ (32,580)	\$ 255,483
Adjusted funds flow ^(b)	\$ 331,582	\$ 214,397	\$ 774,838	\$ 227,670
EBITDA ^(a)	\$ 726,074	\$ 1,126,147	\$ 1,557,506	\$ 1,373,791
Adjusted EBITDA ^(a)	\$ 896,235	\$ 727,559	\$ 1,818,071	\$ 1,010,492

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.

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 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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