

Vibe Reports Third Quarter 2021 Financial Results

Q3 2021 Highlights

- *Vibe same store sales were up 11% from April through September 2021, while California retail sales were down 18% (Source: BDSA Database)*
- *Revenue was \$7.64 million, compared to \$7.24 million in Q3 of 2020*
- *Adjusted Gross Margin increased to 32.8%, compared to 30.2% in Q3 2020*
- *Positive Adjusted Funds Flow of \$0.05 million, compared to \$0.37 million in Q3 2020*
- *Two new dispensaries (Ukiah and Salinas) to immediately come online once definitive approval date from regulators is received*
- *Cash Purchase of 10 acres of F40 zoned agricultural land in Monterey County for \$5.1 million cash*
- *Cash position of \$6.22 million, after cash purchase of Monterey County real estate*

Sacramento, California--(Newsfile Corp. - November 29, 2021) - Vibe Growth Corporation (**CSE: VIBE**) (**OTCQX: VIBEF**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, is pleased to announce its financial results for the third quarter of 2021. 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 nine month periods ended September 30, 2021, are available on the Company's SEDAR profile at www.sedar.com and Vibe's website at www.vibebycalifornia.com.

Vibe CEO Mark Waldron commented, "Vibe's investment thesis has always been to expand in the large and highly fragmented California retail cannabis market. Our team continues to evidence its ability to grow its dispensary sales and e-commerce transactions, further positioning us to be a leader in a consolidating marketplace. Vibe's same store sales for the period were up 11%, while the California retail market sales were down 18% from April through September as reported by the BDSA."

"The California market continues to be a great cannabis market for excellent operators, and Vibe's strategy has always been to exercise fiscal prudence and focus on the three key pillars that underpin our growth plan; vertical integration, cultivation expansion, and retail sales. While we eagerly await our final approvals and openings of our Ukiah and Salinas dispensaries, our cultivation expansion initiatives at our Sacramento and Monterey County properties continue to progress on schedule and under budget. Growing our retail dispensary locations and expanding our cultivation footprint will provide Vibe significant economies of scale and the ability to significantly improve margins, optimizing return on capital for Vibe shareholders," added Waldron.

Third Quarter 2021 Highlights

- **Revenue** in the third quarter was \$7.64 million, compared to \$7.24 million recorded in the third quarter of 2020;
- **Adjusted EBITDA** in the third quarter was \$0.72 million, compared to \$0.89 million recorded during the third quarter of 2020⁽¹⁾;
- **Adjusted Funds Flow** in the third quarter was \$0.05 million, compared to \$0.37 million recorded in the third quarter of 2020⁽¹⁾;
- **Adjusted Gross Margin** increased to 32.8%, compared to 30.2% in the third quarter of 2020⁽¹⁾;
- **Dispensary Sales** increased 2% compared to the third quarter of 2020;
- **E-commerce Orders** accounted for 21.6% of transactions in the third quarter of 2021;
- **Monterey Agricultural Land Acquisition** closed on August 18, 2021, for cash consideration of \$5.1 million. The property is unencumbered and owned outright by the Company. The Company

immediately commenced the design and engineering of a 254,000 square foot cannabis greenhouse campus; and

- **Cash Position** as of September 31, 2021, was \$6,217,661.

(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 nine months ended September 30, 2021, and 2020 are as follows:

U.S. Dollars	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Total revenue ^(a)	\$ 7,637,333	\$ 7,236,431	\$ 22,971,758	\$ 17,192,568
Gross margin	\$ 1,848,351	\$ 2,311,296	\$ 6,968,358	\$ 5,823,827
Adjusted Gross Margin ^(b)	2,507,216	\$ 2,182,963	\$ 7,517,834	\$ 5,559,381
Adjusted Gross Margin ^(b)	32.8%	30.2%	32.7%	32.3%
Net income (loss)	\$ (926,158)	\$ 284,708	\$ (958,738)	\$ 540,191
Adjusted funds flow ^(c)	\$ 52,307	\$ 374,624	\$ 827,145	\$ 602,294
EBITDA ^(a)	\$ (102,354)	\$ 1,021,153	\$ 1,455,152	\$ 2,394,944
Adjusted EBITDA ^(a)	\$ 723,341	\$ 899,766	\$ 2,240,242	\$ 1,858,265

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) Excludes changes in the fair value of biological assets.

(c) 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 Third Quarter Highlights:

- **Vibe Growth Corporation Bolsters Branding Team (September 22, 2021)**

Mary Ellen Schrock joined Vibe as a strategic advisor to develop its visionary brand strategy, identity, marketing, and strengthen Vibe's compelling digital experiences. The recipient of numerous industry awards, she has been responsible for overseeing creative and brand strategy for elite brands such as Coca-Cola, Sony, and FedEx, in addition to launching brand image campaigns for thought leader Oprah Winfrey and Lotus Cars.

Additionally, Vibe recently hired Chris DiNatale as Brand Manager for Hype Cannabis Co. A cannabis enterprise veteran having been at the forefront of the industry since its legalization in California, Mr. DiNatale's extensive experience includes managing large-scale cannabis farms and executive management with a cannabis cartridge manufacturing firm with state-wide distribution, cannabis sales, marketing, brand development, distillation, extraction, and logistics.

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- **Vibe Growth Announces Closing of Acquisition of 10-Acre Greenhouse Cultivation Site (August 19, 2021)**

Vibe Growth announced it has acquired 10 acres of land previously having 254,000+/- square feet of greenhouses in Monterey County, California for a total consideration of USD \$5.1 million paid in

cash. Vibe's Monterey acquisition will serve as its flagship greenhouse cultivation facility. The Company has commenced its 66,000 square foot Phase 1, with the future potential to develop 188,000 additional square feet in future Phases 2 and 3.

The Company anticipates the construction cost of Monterey Phase 1 to be \$3.3 million for 66,000 square feet of greenhouse cultivation, including building and site costs. The appraisal value of the land exceeds the acquisition price, and Vibe will fund the \$3.3 million construction cost with a mixture of working capital and mortgage financing. The Company has a strong balance sheet and healthy cash position of \$12.99 million (end of Q2 2021).

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Subsequent Events Following Third Quarter:

- **Vibe Growth Corporation Uplists to OTCQX Best Market (October 5, 2021)**

Effective October 5, its common shares have been approved for trading under the ticker symbol "VIBEF" on the OTCQX® Best Market (the "OTCQX"), a U.S. trading platform operated by the OTC Markets Group, Inc.

"The OTCQX Market provides Vibe access to a much larger audience of U.S.-based institutional and retail investors and complements our CSE listing by providing investors with direct access to our common shares in both countries. Canadian and U.S. institutional and retail investors can take an active part in the exciting growth that California cannabis offers," Waldron added.

Vibe Growth continues to trade on the Canadian Securities Exchange ("CSE") under its existing symbol "VIBE".

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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 includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this press release or ascertained the underlying economic assumptions relied upon by such sources.

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 35 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 defence 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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