

# Vibe Reports 2022 First Quarter Financial Results

Sacramento, California--(Newsfile Corp. - May 31, 2022) - Vibe Growth Corporation (**CSE: VIBE**) (**OTCQX: VIBEF**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, is pleased to announce its 2022 first quarter financial results. 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, 2022, are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and Vibe's website at [www.vibebycalifornia.com](http://www.vibebycalifornia.com).

"During the 2022 first quarter, the Vibe team was focused on opening our newest dispensary in Ukiah, preparing for the imminent opening of the dispensary in Salinas, and bringing the Sacramento cultivation expansion online," commented Vibe CEO Mark Waldron. "We remain determined to grow our California retail dispensary locations further, expand our cultivation footprint, realize significant economies of scale while improving margins, and optimize return on capital for Vibe shareholders."

"We are pleased to see an improvement in Q2 vs. Q1 as both consumer demand and pricing have improved through the first 2 months of the second quarter. Similar to many other cannabis operators, we experienced lower revenues in Q1 compared to 2021, and Vibe has implemented marketing and sales initiatives we believe will yield material results. In addition, Vibe's focus on maintaining a lower cost structure than most of its peers has helped our competitive position," added Waldron. "Vibe anticipates continued improvement in consumer demand, and combined with new stores in Salinas and Ukiah and significant growth in cultivation output this year, we expect to see a return to profitability in the second half of 2022."

## First Quarter 2022 Highlights

- **Retail revenue** was \$5.5 million for the first quarter of 2022, representing a 10.9% decline compared to the prior quarter.
- **Dispensary Gross Margin** increased to 36.5%, compared to 32.5% in the comparative 2021 quarter<sup>(1)</sup>;
- **E-commerce Orders** accounted for 19.8% of transactions in the first quarter of 2022;
- **Cash Position** as of March 31, 2022, was USD \$7,480,325.

(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.

## 2022 First Quarter Financial Highlights

The Company's key financial results for the three months ended March 31, 2022, and 2021 are as follows:

U.S. Dollars	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Total revenue <sup>(a)</sup>	\$5,670,976	\$7,542,735
Gross margin	\$1,959,431	\$2,433,712
Adjusted Gross Margin <sup>(b)</sup>	1,943,431	\$2,349,924
Adjusted Gross Margin <sup>(b)</sup>	34.3%	31.2%
Net income (loss)	\$(990,468)	\$68,245
Adjusted EBITDA <sup>(a)</sup>	\$(25,506)	\$897,666

### 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.

### Additional First Quarter 2022 Highlights:

- **Vibe Growth Corporation Announces Expansion of California Dispensary Portfolio (February 8, 2022)**

Vibe Growth Corp. has received provisional approval from the California Department of Cannabis Control to commence adult-use retail sales at its newest dispensary location in Salinas, California.

[Read Full Release.](#)

- **Vibe Further Expands its California Dispensary Portfolio, receiving a State license to open its seventh dispensary location in Ukiah, California (February 23, 2022)**

Vibe received its license from the DCC under its subsidiary - Vibe Ukiah LLC, for adult-use sales in its dispensary located at 441 State Street N, conveniently located in the heart of Ukiah's vibrant downtown core. The new Vibe By California branded Ukiah dispensary is scheduled to open on March 4 and offers exceptional foot traffic access and visibility from the city's bustling downtown core. The Ukiah dispensary will provide consumers across the Mendocino Valley with a wide selection of leading cannabis brands and products. [Read Full Release.](#)

- **Vibe's newest dispensary, located in Ukiah, California, opens its doors to the public (March 10, 2022)**

The Ukiah store hours are from 9 am to 9 pm and will provide residents and visitors to the Mendocino Valley with a wide selection of leading cannabis brands and products. Vibe's Ukiah dispensary will offer a curated product assortment featuring top-tier California brands and the Company's [Hype Cannabis Co.](#) marijuana product lineup. Online ordering with a same-day express pickup is available at [www.vibebycalifornia.com](http://www.vibebycalifornia.com). Mark Waldron, CEO of Vibe, stated, "We are thrilled to be opening our doors to the Ukiah community. We look forward to providing our customers with the largest selection of premium cannabis products and a wonderful retail experience." [Read Full Release.](#)

### Subsequent Highlight

- **Vibe's obtains State approval for Greenhouse cultivation license in Monterey County California (May 26, 2022)**

Vibe Growth Corp.'s greenhouse development site, located in Monterey county, has been approved for a commercial cannabis cultivation licence by California's Department of Cannabis Control (DCC). Vibe's Monterey greenhouses will serve as the company's flagship cultivation facilities in California. The company has commenced its 70,000-square-foot phase 1, with the potential to develop 188,000 additional square feet in future phases 2 and 3. [Read Full Release.](#)

### 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](http://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. 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. Still, 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 regarding 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 that 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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