

Vibe Reports Financial Results for Third Quarter 2022

Sacramento, California--(Newsfile Corp. - November 29, 2022) - Vibe Growth Corporation (**CSE: VIBE**) (**OTCQX: VIBEF**) (the "**Company**" or "**Vibe**"), a vertically integrated California cannabis enterprise, has released its 2022 third 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 and nine months ended September 30, 2022, are available on the Company's SEDAR profile at www.sedar.com and Vibe's website at www.vibebycalifornia.com.

"The Vibe team continues to focus on building its California dispensary portfolio and integrating its most recently opened new stores in Ukiah and Salinas. We have implemented new sales and marketing initiatives dedicated to growing our Hype brand and improving operational business efficiencies, along with efforts to increase our margin profile. We have also decreased our emphasis on high revenue, low margin products, which has contributed to lower revenues but stronger net results," commented Vibe CEO Mark Waldron.

New Product Introductions

Vibe launched 20 new premium quality Hype Cannabis Co. SKUs in November 2022 that are currently available in its retail stores and online. Vibe also bolstered its cultivation operations in the third quarter, adding over a dozen of the latest elite phenotypes to its genetic library. The new cultivars were carefully selected to meet customer demand for THC potency and flavorful terpene expression. The new genetics will be available in several new Hype Cannabis Co. products launching in December 2022 and January 2023.

Cultivation Expansion

Construction is underway of Vibe's flagship 10-acre cultivation facility in Monterey County ("MC"), with a 17,000 square foot enclosed, UV-resistant Polyethylene greenhouse. Greenhouse materials required to complete Phase 1 of the low iron glass ("Dutch Glass") 70,000-square-foot facility have been manufactured, paid in full, and delivered to the Company. Final completion of Phase 1 construction will proceed upon regulatory approval of revised grading plans submitted by the Company to reduce construction costs related to stormwater retention. The contracted price to assemble the 70,000-square-foot Dutch Glass greenhouse for Phase 1 is \$300,000 plus site work costs that will be re-tendered to local contractors upon County approval. The new MC phase will represent one of the best combinations of high-quality/low-cost output in the State of California.

Third Quarter 2022 Highlights

- As of September 30, 2022, Vibe's cash position was \$6.0 million;
- Dispensary Gross Margin increased to 33.6% in the quarter and 36.6% in the 2022 nine-month period compared to 29.9% and 32.6% in the comparative three and nine-month periods of 2021⁽¹⁾;
- Tax-adjusted cash flow⁽¹⁾ in the third quarter was -\$136,804;
- EBITDA loss and Adjusted EBITDA loss of \$450,381 and \$208,643 compared to EBITDA and adjusted EBITDA of \$366,551 and \$428,041 in the second quarter of 2022;
- In the nine-month period, the Company generated an Adjusted EBITDA of \$115,668;
- Revenues were \$5.52 million for the third quarter of 2022, compared to \$5.73 in the second

quarter of 2022, representing a 3.6% decrease; and

- E-commerce Orders accounted for 18.0% of transactions in the third quarter of 2022.

(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, 2022, and 2021 are as follows:

U.S. Dollars	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Total revenue ^(a)	\$5,522,473	\$7,637,333	\$16,921,735	\$22,971,758
Gross margin	\$1,853,723	\$2,507,216	\$6,200,133	\$7,517,834
Net loss	\$(1,130,063)	\$(926,158)	\$(2,775,042)	\$(958,738)
Adjusted funds flow ^(b)	\$(359,304)	\$52,307	\$(955,642)	\$827,145
EBITDA ^(a)	\$(450,381)	\$(102,354)	\$(371,235)	\$1,455,152
Adjusted EBITDA ^(a)	\$(208,643)	\$639,279	\$115,668	\$2,539,742

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 representing 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 California 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

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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 performances. The use of any of the words "anticipate," "could," "intend," "expect," "believe," "will," "projected," "estimated," and similar expressions or 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 maybe impacted as a result of general economic conditions. 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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