

Vibe Reports 2022 Financial Results

Sacramento, California--(Newsfile Corp. - May 1, 2023) - 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 2022 fiscal year. All financial information is provided in U.S. dollars unless otherwise indicated. The Consolidated Financial Statements and Management Discussion and Analysis ("MD&A") for the year ended December 31, 2022, 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, "Over the year, we've seen state-wide pricing trends decrease, increased competition from the illicit market, and the overall economic environment impacted revenue. At Vibe, we are focused on increasing profitability and preserving capital. We've implemented numerous strategic initiatives to increase our gross margins through vertical integration and reviewing vendor relationships, which will be realized in the second half of 2023. Even though our 2022 operational results are disappointing, we've had numerous accomplishments with increased efficiencies, quality, and yields at our cultivation operations and rolling out the rebranded Hype products."

"Vibe is positioned to withstand the current storm, stabilize operational cash flow, and acquire accretive private assets. I believe that Vibe will be a California cannabis success once the market tumult subsides. It has been reported that the legitimate California cultivation market lost approximately 25% of its growing area in 2022, resulting in a tightening of supply and a wholesale price recovery. The tightening of the legal market supply bodes well for our vertical integration strategy. Still, the State Government and law enforcement have to do more to curb the supply from the illicit market," added Waldron.

2022 Highlights

- **Cash:** Position as of December 31, 2022, was \$4,546,259
- **Dispensary Sales:** Dispensary sales for the three and twelve months ended December 31, 2022, were \$4,666,820 and \$20,706,808, respectively, compared to the comparative 2021 period sales of \$6,315,811 and \$29,287,569.
- **Average Basket Size:** The average dispensary basket size, net of taxes, for the respective three and twelve-month periods ended December 31, 2022, were \$44.30 and \$47.16, compared to the same periods in 2021 of \$51.01 and \$50.47.
- **E-commerce:** In 2022, 17.2% of the Company's orders came through its e-commerce platforms compared to 21.5% in the Comparative 2021 period.
- **New Dispensaries:** On March 11, 2022, the Company opened its fifth California dispensary in Ukiah. The Ukiah dispensary is located at 441 State St. N, Ukiah, and on July 14, 2022, Vibe opened its sixth California dispensary in Salinas. The Salinas dispensary is located at 1031 El Camino Real, Salinas.
- **Rebranded Hype Product Line:** Following a period of discovery and consumer research, the Company successfully rolled out the rebranded and expanded Hype Product line with new designs and packaging. As well as developing the new brand identity and packaging design, Vibe has also focused on improving its traditional, online, and social media marketing efforts to support Hype's new look. The Company has implemented marketing initiatives such as improvements to Vibe's website and online store, creative social media campaigns, and increased traditional and digital advertising.

Financial Highlights

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

U.S. Dollars	For the three months ended December 31, 2022	For the three months ended December 31, 2021	For the three months ended December 31, 2022	For the year ended December 31, 2021
Total revenue ^(a)	\$ 4,666,820	\$ 6,315,811	\$ 20,706,808	\$ 29,287,569
Gross margin	\$ 702,301	\$ 1,453,206	\$ 6,493,663	\$ 8,421,564
Adjusted Gross Margin ^(b)	\$ 839,229	\$ 1,621,139	\$ 7,003,216	\$ 9,138,973
Adjusted Gross Margin ^(b)	18.0%	25.7%	33.8%	31.2%
Goodwill impairment	\$ 3,321,465	\$ 1,595,694	\$ 3,321,465	\$ 1,595,694
Net loss	\$ 6,675,212	\$ 3,340,001	\$ 9,450,254	\$ 4,298,739
EBITDA ^(a)	\$ (2,694,068)	\$ (969,335)	\$ (3,065,303)	\$ 485,817
Adjusted EBITDA ^(a)	\$ (2,706,964)	\$ 73,125	\$ (3,454,434)	\$ 2,308,864

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 the 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.

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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