



## **48North Cannabis Corp. Announces Financial and Operating Results for 2020 Fiscal Year and Provides Q1 2021 Guidance**

**November 2, 2020 — Toronto, Ontario:** 48North Cannabis Corp. ("48North" or the "Company") (TSXV:NRTN), a vertically integrated cannabis company focused on manufacturing high-quality products, building progressive and thought provoking brands, and low-cost cultivation, has released its financial and operating results for the fiscal year ended June 30, 2020.

"Fiscal 2020 has been a pivotal year for 48North," said Charles Vennat, CEO of 48North. "When I joined the company last year, we had a strong, resonant brand, but lacked the products and production capability to compete in the nascent recreational market. By adding operational rigour and investing in our facilities, we have launched 26 SKUs across the country, driven by cultivation and manufacturing capabilities that allow us to compete and excel in both price and quality. This progress is demonstrated by our 117% year-over-year revenue increase, and our anticipated Q1 2021 results are expected to show a 58% increase from Q4, 2020.

The team has built this momentum after responding to last year's licensing hurdles, transitioning leadership, and facing the public health crisis of a generation. Our products, brands, and commercialization platform position us well to respond to the industry's continued evolution, and I am optimistic about our progress towards profitability."

In addition, the Company announced that it will be postponing its Fiscal 2020 Year-End Conference Call to Monday, November 2 at 4:30 p.m. ET.

### **Financial and Operating Highlights for Full Year Fiscal 2020 and Subsequent Events:**

- Revenue of \$10.5 million, marking a 117% increase from fiscal 2019
- For Q4 2020, revenue totaled \$4.5 million, a 65% increase from Q3 2020
- Revenue for Q1 2021 is expected to be \$7 million, which represents 67% of fiscal 2020 yearly net revenues, and a 58% increase from Q4 2020
- At the end of fiscal 2020, 48North had \$9.3 million in cash and cash equivalents on hand
- Since June 2019, 48North has launched 26 SKUs in the Canadian adult-use recreational cannabis market. 48North launched products ranging in form from vaporizers, topicals, pre-rolls, and intimacy goods.
- 48North's facilities are now built out and licensed. At delshen, the Company's premium indoor cannabis facility located in Kirkland Lake, 48North consistently cultivates best-selling cannabis. At Good:House, 48North successfully completed the build out of Phase 2, subsequently the Company received all of the necessary licenses from Health Canada. And finally, at Good:Farm, the Company

- successfully completed and received licensing for the build out of its state-of-the-art drying barn giving the Company the required space to process the cannabis planted at Good:Farm
- At Good:Farm, 48North illustrated the importance of outdoor cultivation with one of the first and largest outdoor cannabis facilities in Canada. The company's 2019 Good:Farm harvest contributed to the low-cost for development of many of 48North's next-generation cannabis products, including: vaporizers, topicals, and flower. In preparation for its second season, the Company transformed the farm into a regenerative organic farm, implemented lessons learned from its first season, and early indicators point to a very successful crop
  - 48North signed a number of supply agreements and strategic partnerships with cannabis brands and provincial boards, including; BC Cannabis Stores, Liquor, Gaming & Cannabis Authority of Manitoba, Saskatchewan Liquor & Gaming Authority, Medical Cannabis by Shoppers Drug Mart Inc., Apothecanna, Pax, and Indigo
  - 48North launched two additional recreational cannabis brands:
    - o *Trail Mix*: Building on the Company's belief that high-quality cannabis experiences should be available to all, 48North's low-cost production advantage allows the Company to produce this brand at competitive pricing. Looking ahead, Trail Mix will include: additional Pax products, all-in-one disposable pens, dried flower, and pre-rolls
    - o *Latitude*: Latitude builds on the successful 2018 launch of LAT, an interactive, omni-channel platform that empowers women to connect, engage and share their personal stories with cannabis. This brand responds to a market need for the industry to support customers seeking new ways to reset, rejuvenate and live well. Launching products in a variety of different categories ranging from sexual wellness to beauty and beyond
  - 48North was awarded a Canadian Marketing Award for its innovative approach to marketing cannabis in a highly regulated marketplace

## Selected Financial Information for Fiscal 2020

*All amounts are expressed in Canadian dollars*

	Year Ended June 30, 2020	Year Ended June 30, 2019
Revenue	10,471,728	4,832,150
Net comprehensive loss	(40,273,758)	(8,127,074)
Basic and diluted loss per share	(0.231)	(0.072)
Total assets	57,774,849	91,022,901
Total liabilities	7,115,071	5,221,564
Cash and cash equivalents on hand	9,271,683	52,765,566

## About 48North

48North Cannabis Corp. (TSXV: NRTH) is a vertically integrated cannabis company focused on the health and wellness market through cultivation and extraction, as well as the creation of innovative, authentic brands for next-generation cannabis products. 48North is developing formulations and manufacturing capabilities for its own proprietary products, as well as positioning itself to contract manufacture similar products for third parties. 48North operates Good:Farm, a 100-acre organic cannabis farm which produces organically-grown cannabis, securing a significant first-mover advantage in the production of low-cost, next-generation, extract-based cannabis products. In addition, 48North operates two indoor-licensed cannabis production sites in Ontario. 48North cultivates unique genetics at its wholly owned subsidiary, DelShen Therapeutics Corp. ("DelShen") and processes cannabis and manufactures next-

generation cannabis products at Good & Green Corp. ("Good & Green"), both Licensed Producers under the Cannabis Act.

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