



48North Cannabis Corp. Announces a revenue growth of 94% for Q3 2021

May 31, 2021— Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTH), a brand-led, vertically integrated Licensed Producer focused on manufacturing an expansive portfolio of high quality, accessibly priced products available across the country, has released its financial and operating results for the third quarter ended March 31, 2021. The Company’s financial statements and related management discussion and analysis for the period are available on the Company’s SEDAR profile at www.sedar.com and on the Company’s website at www.48nrth.com/investors.

Financial and Operating Highlights for Fiscal Q3 2021

- On May 17, 2021, the Company and Hexo Corp. (“Hexo”) entered into a definitive arrangement agreement whereby Hexo will acquire all of 48North’s issued and outstanding common shares in an all-share transaction valued at approximately \$50 million on an enterprise value basis.
- Quarterly revenue of \$5.2 million, representing a 94 per cent year-over-year increase over third quarter 2020 revenues of \$2.6 million.
- Adjusted EBITDA¹ loss for the quarter was \$7.7 million compared to a loss of \$6 million in Q3 2020.
- Closed on April 16, 2021 an overnight marketed public offering for total gross proceeds of approximately \$5.4 million.
- The Company launched seven new SKUs during the quarter and the SKUs have experienced high-demand from both retailers and consumers.
- Ceased operations at its "Good:Farm" outdoor cultivation facility.

¹ Adjusted EBITDA is a Non-IFRS financial measures. Refer to the Non-IFRS Measures section in the MD&A for the definition.

“Our strategy of putting consumers first, working hand in glove with wholesalers and retailers to commercialize our products, and investing in a leading supply chain means 48North is in a strong position for the future” said Charles Vennat, CEO of 48North. “The combination with Hexo should deliver meaningful synergies that are beneficial to our shareholders, customers, partners, and stakeholders.”

Selected Financial Information

All amounts are expressed in thousands of Canadian dollars unless where indicated

	3-months ended March 31, 2021	9-months ended March 31, 2021
Revenue	5,193	19,613
Loss	(13,446)	(24,463)
Basic and diluted (loss) earnings per share – cents	(0.067)	(0.130)
Total assets	49,880	49,880
Total liabilities	20,311	20,311
Cash and cash equivalents	1,441	1,441

Third Quarter 2021 Results Conference Call

May 31, 2021 at 8:30 AM (ET)

Dial-in number: 1-888-231-8191

The conference ID is 2860867 and you will be prompted to provide your name and company.

About 48North

48North Cannabis Corp. (TSXV:NRTH) is a brand-led, consumer-centric licensed cannabis producer with an expansive portfolio of high quality, accessibly priced products available across the country. The company serves the Canadian medical and adult-use markets with its brand portfolio that includes: 48North, an innovative and high-quality cannabis brand focused on thoughtfully crafted everyday staples for passionate cannabis users; Trail Mix, an accessibly priced brand formulated with taste and aroma-first flavour profiles; Latitude, a next generation lifestyle platform and premium, natural cannabis collection focused on wellness, beauty, and beyond. 48North operates two indoor-licensed cannabis production sites in Ontario and cultivates unique genetics at its wholly owned subsidiary, DeShen Therapeutics Corp., and processes cannabis and manufactures next generation cannabis products at Good & Green Corp., both licensed producers under the Cannabis Act.

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For further information, please contact Charles Vennat, Chief Executive Officer, investor@48nrth.com.