



CANADABIS CAPITAL WITH SUB. STIGMA GROW ANNOUNCES RECORD Q4 AND FISCAL YEAR 2022 RESULTS HIGHLIGHTED BY SIGNIFICANT GROWTH IN NET REVENUE, GROSS PROFIT AND EARNINGS

- *Fiscal 2022 featured four consecutive quarters of positive net income and significant year-over-year earnings growth*
- *Gross revenue of \$17.1 million and gross profit of \$5.6 million are highest in company history*
- *Strong momentum exiting Q4/22 lends visibility into continued revenue, gross profit and earnings expansion through Q1/23 and beyond*

CALGARY, AB, Nov. 29, 2022 /CNW/ - CanadaBis Capital Inc. (the "Company" or "CanadaBis")(TSXV: CANB) along with its subsidiaries STIGMA GROW AND INDICATIVE COLLECTION, a premium vertically integrated Canadian cannabis company, is very pleased to announce the results of our fourth quarter and 12-month fiscal period ended July 31, 2022, representing the fourth consecutive quarter realizing positive earnings, robust revenue growth and solid Adjusted EBITDA¹, driving record annual performance for the Company.

"The successful execution of our overall innovative product selection through fiscal 2022 supported strong sales growth and set the stage for CanadaBis / Stigma Grow to continue generating meaningful profitability in 2023 across our integrated portfolio of brands," said Travis McIntyre, CEO of CanadaBis. "With a 'consumer-first' approach to driving our growth coupled with a firm commitment to controlling costs across the supply chain, we are aiming to continue aggressively executing our strategy through fiscal 2023, offering investors a compelling opportunity to participate in the success and value creation initiatives being advanced by CanadaBis."

Q4 AND 2022 FINANCIAL HIGHLIGHTS: BREAKING RECORDS

- **Sustained Profitability Sets the Stage for Further Success in 2023** –Fiscal 2022 represents CanadaBis' first year since inception to record positive net income which totaled **\$607,951** compared to a net loss of \$2.68 million in 2021. Income in Q4/22 was net positive \$481,758 compared to a net loss of \$1.2 million in Q4/21. Higher product sales derived from our butane hydrocarbon (BHO) extraction process, combined with the introduction of several new and well-received stock keeping units (SKUs) enhanced purchase orders and we anticipate seeing this trend continue into Q1/23.
- **Record Growth in Gross and Net Revenue** – Gross revenue of **\$6.4 million** and **\$17.1 million** in Q4/22 and full year 2022 represents a corporate record, increasing **202%** and **113%** over the same respective periods in 2021 due to steady sales increases. In addition, stronger demand for new and existing SKUs, including those launched under our Dab Bod Brand into five provinces, along with continued demand for innovative products such as our High Priestess brand and Infuse pre-rolls, contributed to ongoing revenue expansion during fiscal 2022.

- **Realizing Consistent Positive Adjusted EBITDA¹** - Adjusted EBITDA¹ totaled **\$675,619** in Q4/22, a **71%** increase over the previous quarter, and totaled **\$1.73 million** for the 12-month period ended July 31st, 2022. The Company's 2022 financial period marks our first fiscal year reporting on Adjusted EBITDA, for which CanadaBis successfully generated positive Adjusted EBITDA. The combination of expanded awareness, improved sales and cost reductions all contributed to CanadaBis reporting our most successful year since our inception.
- **Higher Unit Sales and Brands Selling Out** – The Company sold over 300,000 units of combined concentrate and dry flower for the quarter ended July 31, 2022, a significant increase compared to the 90,000 units sold over the comparative period. 900,000 units sold for the 12 months period ended July 31, 2022, a 373% increase over previous year.
- **Capturing Cost Efficiencies to Bolster the Bottom Line** – During 2022, our cost of revenue decreased 18% over 2021 as significantly reduced input costs drove enhanced margins. We successfully renegotiated material prices with cannabis cultivators and other suppliers, which afforded access to better pricing and terms on higher volume bulk purchases, we also adjusted some of our production line procedures to better manage operational costs while continuing to maintain efficiencies. Into our 2023 fiscal year, we have remained committed to cutting costs through our vertically integrated business model and will strive to further benefit from our growing economies of scale.
- **Aligning Products with Evolving Customer Preferences** - We have continued to re-formulate our concentrate lines to ensure CanadaBis offerings are reflective of rapidly shifting customer preferences – particularly for larger terpene profiles.

ANNUAL & QUARTERLY HIGHLIGHTS

	Three months ended			12 months ended		
	July 31, 2022	July 31, 2021	% Change	July 31, 2022	July 31, 2021	% Change
Gross revenue	\$6,411,808	\$2,125,932	202 %	\$17,052,334	\$7,990,412	113 %
Excise duty	\$2,233,366	\$462,302	383 %	\$5,383,365	\$1,124,107	379 %
Net revenue	\$4,178,442	\$1,663,630	151 %	\$11,668,969	\$6,866,305	70 %
Cost of sales	\$2,277,345	\$1,131,827	101 %	\$6,096,748	\$4,349,746	40 %
Gross profit (loss)	\$1,901,097	\$531,803	257 %	\$5,572,221	\$2,516,559	121 %
Net income (loss) and comprehensive income (loss)	\$481,758	(\$1,195,906)	-	\$607,951	(\$2,680,910)	-
Per share (basic and diluted)	\$0.00	(\$0.01)	-	\$0.00	(\$0.02)	-
Adjusted EBITDA ¹	\$675,619	Not assessed	-	\$1,727,569	Not assessed	-

¹ Adjusted EBITDA is a Non-GAAP performance measure. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details. Within the Company's MD&A, EBITDA calculation is shown by entity to demonstrate the breakdown of each entity.

SEGMENT OVERVIEW

Extraction and Tolling

Our Extraction and Tolling segment provides cannabinoid extraction services to other licensed producers and represented 95% and 91% of our total net revenue in Q4/22 and FY22, respectively, and grew 54% to \$4.0 million and 61% to \$10.6 million, respectively, over the same periods in 2021. A significant increase in sales from extract products in Alberta, Ontario, Manitoba, Saskatchewan and British Columbia, contributed to this growth, driven in part by our active product awareness campaign and the launch of several new SKUs that were extremely well received in the market.

In addition to our white label services, sales expansion has continued for Resin infused pre-rolls, new Strains of our vapes under the NGL brand and our moon rocks products. Continued market demand for these custom-made products drives significant demand for our state-of-the-art BHO extraction capabilities, and we anticipate continued expansion into this segment as we see market share continues to grow.

Cultivation and Wholesale

Net cultivation and wholesale revenue comprised 1% and 3% of total revenue in Q4/22 & FY22, respectively, and declined 45% to \$32,242 and 41% to \$203,178 during the three and 12-month periods ended July 31, 2022, respectively, relative to the same periods in 2021. With a significant increase of licensed producers across Alberta, we saw reduced sales in our pre-roll products, and the Company has recently shifted focused to the expansion of our more economic Extraction and Tolling segment. Going forward, CanadaBis intends to re-establish our position in the Alberta market for cultivating cannabis flowers with our own premium bud. We anticipate this will launch in the last calendar quarter of 2022 and position CanadaBis optimally to provide quality product at a lower price. Notwithstanding the top line declines over the past year, margins for this segment remain very healthy, supporting our strategy to advance it as a viable segment of the business.

Retail Operations

As we have witnessed significant growth in total cannabis retail stores across Alberta, our retail operations have faced increased competition causing lower sales due to fewer customers. In Q4/22 and full year 2022, our net retail revenue totaled \$145,211 and \$679,420, respectively, representing approximately 3.5% and 6% of our total net revenue, respectively. In light of the intensely competitive retail landscape, CanadaBis intends to continue rebranding the Company and undertaking more aggressive marketing initiatives designed to increase market share and drive higher expectations for growth through the first fiscal quarter of 2023 and beyond.

OUTLOOK

I am incredibly proud of the tremendous performance and progress the team at Stigma Grow as well as Indicative Collection made through our fiscal 2022 year as we leveraged our multifaceted assets, enabling growth in multiple segments of the Canadian cannabis market. The Company has clearly demonstrated the ability to generate meaningful growth by driving operational and financial success, and our team is confident that this momentum will continue into future periods.

CanadaBis has numerous competitive advantages that support our long-term success in an expanding and evolving industry. Over the short-term, we plan to continue differentiating ourselves by virtue of our BHO extraction process which allows for a highly concentrated extraction of cannabis that ultimately produces some of the world's most potent marijuana concentrate. We continue to expand and improve these processes due to their proven and robust contributions to corporate result, supported by a sharp focus on exploring additional opportunities to develop the Extraction and Tolling segment. In addition, the Company continues to undertake exploratory work to formulate various new and exciting concentrate products to meet the demands of our customers and help diversify our sales offerings into a competitive marketplace.

Given our position as a vertically integrated Cannabis company, we intend to continue introducing new Canadian concentrate products under our own brand, as well as third-party brands, while establishing our presence as an in-demand Licensed Producer with unique abilities and maneuverability. Further, we will continue to support education initiatives within the industry to help consumers better understand how cannabis products integrate into daily life and the various use cases. We remain excited about the opportunity to continue capturing market share using our diverse portfolio of brands, our unique products and services and our ability to benefit from ongoing industry developments.

We believe the stage has been set for CanadaBis to continue on our trajectory of strengthening financial metrics for the upcoming year, building on the robust revenue and earnings momentum created by our fourth consecutive quarter's positive results. The Company's consistent growth in sales performance is expected to carry forward into the next quarter based on sustained high demand and significantly increased purchase orders on our new products such as moon rocks, infused pre-rolls, live resin vapes and high CBD cartridges, which have shown strong market acceptance in the early going.

ABOUT CANADABIS CAPITAL INC.

CanadaBis Capital Inc. (TSXV:CANB) is a vertically integrated Canadian cannabis company focused on achieving large-scale growth, from cultivation to retail, in the fast-emerging global cannabis market. By targeting organic growth opportunities alongside the right-fit partners, we remain focused on finding and capitalizing on chances to grow, diversify and continue to lead our industry.

Our integrated subsidiaries:

- **Stigma Pharmaceuticals Inc.** – 100% held
- 1998643 Alberta Ltd. (operating as "**Stigma Grow**") - 100% held; www.stigmagrow.ca
- Full Spectrum Labs Ltd. (operating as "**Stigma Roots**") - 100% held
- 2103157 Alberta Ltd. (operating as "**INDICative Collection**") -100% held; www.indicativecollection.ca
- **Goldstream Cannabis Inc.** - 95% held

ABOUT STIGMA GROW

Stigma Grow is a cutting-edge cannabis cultivation and extraction company positioned advantageously to meet the unmet market demands and stigmas within the legal cannabis industry head on, with products designed to disturb the status quo and dramatically shift the conversation surrounding Canada's legal cannabis industry.

CAUTIONARY STATEMENTS

Non-GAAP Measures

This news release contains the financial performance metric of Adjusted EBITDA, a measure that is not recognized or defined under IFRS (a "Non-GAAP Measure"). As a result, this data may not be comparable to data presented by other cannabis companies. For an explanation and reconciliation of Adjusted EBITDA to related comparable financial information presented in the Financial Statements prepared in accordance with IFRS, refer to the MD&A for the three and nine months ended April 30, 2022. The Company believes that Adjusted EBITDA is a useful indicator of operational performance and is specifically used by management to assess the financial and operational performance of the Company.

Adjusted EBITDA is a measure of the Company's financial performance. It is intended to provide a proxy for the Company's operating cash flow and is widely used by industry analysts to compare CanadaBis to its competitors and derive expectations of future financial performance of the Company. Adjusted EBITDA increases comparability between comparative companies by eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets, inventory, and financial instruments, which may be volatile on a period-to-period basis. Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Company calculates Adjusted EBITDA as net income (loss) and comprehensive income (loss) excluding changes in fair value of biological assets, change in fair value of biological assets realized through inventory sold, depreciation and amortization expense, share-based payments, and finance costs.

Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include but are not limited to statements with respect to our business and operations; timing of the Sundial products coming to market; the demand and market for live-resin vape cartridges, and our general business plans. Forward-looking statements are necessarily based upon a number of assumptions including: the ability of the

Company's products to compete with the pricing and product availability on the black-market; the market demand for the Company's products; and assumptions concerning the Company's competitive advantages. These assumptions, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: compliance with extensive government regulation, the general business, economic, competitive, political and social uncertainties; ability to sustain or create a demand for a product; requirement for further capital; delay or failure to receive board, shareholder or regulatory approvals; the results of operations and such other matters as set out in the Company's continuous disclosure on SEDAR at www.sedar.com. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements. Investors are cautioned that forward-looking information is not based on historical facts but instead reflects management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although we believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have a material adverse effect on our future results, performance or achievements.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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