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## **Cannabis NB reports \$1.4 million profit in first quarter**

**July 8, 2020**

Fredericton, NB – Cannabis NB released the unaudited first quarter results for the 2020-21 fiscal. Total sales of legal recreational cannabis for the quarter ended June 28, 2020 (13 weeks) were \$16.3 million, 78.7 per cent higher than the quarter ended June 30, 2019 (13 weeks) and resulted in a \$1.4 million profit for the organization.

“Cannabis NB has made a very positive turnaround to date,” said Patrick Parent, President and CEO of Cannabis NB. “Starting the fiscal year off with a positive net income growth of over a million dollars is a direct result of aggressive cost cutting measures, renegotiating prices with our suppliers which were passed on to our customers as well the addition of weekly promotions.”

Cannabis NB’s last seven periods have all been profitable and the EBITDA growth year over year is \$3.5 million which was driven by an increase in gross profit of \$2.4 million (69.4 per cent) and a corresponding decrease in expenses of \$1.1 million (24.9 per cent).

Key trends for the first quarter (March 30, 2020 – June 28, 2020) compared to the first quarter of last year (April 1, 2019 – June 30, 2019) were:

- Online sales represented 3.3 per cent of sales for the quarter compared to 2.2 per cent last year.
- In store sales represented 96.7 per cent of sales for the quarter compared to 97.8 per cent last year.
- Dried flower sales increased 49.1 per cent, up by \$3.8 million.
- Accessories sales increased 62.3 per cent, up by \$0.2 million.
- Extracts sales increased 7.1 per cent, up by \$0.07 million.
- Seeds sales decreased 42.3 per cent down by \$0.008 million.
- Concentrates represented 14.4 per cent, of sales for the quarter at \$2.3 million.
- Edibles represented 4.6 per cent of sales for the quarter at \$0.8 million.

“We continue to diversify the products we carry to offer our customers’ a wide selection at various price points. We are adding new products like topicals, beverages and various

concentrates and doing so at a price point that is competitive with the illegal market,” added Parent.

### **About Cannabis NB**

Cannabis NB, is the only legal retailer of recreational cannabis in the province of New Brunswick. The core focus of Cannabis NB is to offer a safe and quality product for consumers at a competitive price. It serves consumers through 20 stores to offer in person guided retail experience, as well as online delivery and express methods. Cannabis NB offers a diversified portfolio of cannabis products including flower, extracts, concentrates, beverages and accessories. Cannabis NB’s results are reported on a retail reporting cycle, which is typically a 52-week year. Retail reporting will result in a 53-week year occurring every 5 to 6 years.

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