



48North Cannabis Corp. Announces 80% Increase in Revenue For Fiscal Q1 2021

November 30, 2020— Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTN), a vertically integrated Licensed Producer focused on manufacturing high-quality cannabis products, building progressive and thought-provoking brands, and low-cost cultivation, has released its financial and operating results for the first quarter ended September 30, 2020. 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 Q1 2021

- Quarterly revenue of \$7.7 million, representing an 80 per cent increase over fourth quarter 2020 revenues of \$4.3 million, and a 382 per cent year-over-year increase over first quarter 2020 revenues of \$1.6 million. This result is consistent with the Company’s year-end forecast and also represents 73 per cent of fiscal 2020 annual net revenues.
- During the first quarter, the Company used \$7.1 million in cash, with \$2.8 million used in operations, \$3 million in non-cash working capital and \$1.3 million in investing activities, largely related to the acquisition of property, plant and equipment. To that end, the Company decreased its cash use by 19 per cent from \$8.55 million in Q4 2020 to \$7.1 million in Q1 2021. 48North expects to continue this downward trend through ongoing operational improvements and improved institutional knowledge building on two successful outdoor harvests.
- At the end of Q1, 48North had \$2.2 million in cash and cash equivalents remaining, although the Company has subsequently raised \$3.45 million in equity and \$3.25 million in a term loan since the end of Q1.
- 48North has continued leverage to its strong brand and low-cost, high-quality production capabilities to respond to market trends across Canada, and launched *Latitude*, a brand with modern cannabis products ranging from sexual wellness, to beauty, and beyond. *Latitude* has been launching future-focused cannabis products across the country including Sex Pot Intimacy Oil, Night Shift Ylang-Ylang Charcoal Bath Salts, In Bloom CBD Lavender Chamomile Bath Salts. The Company expects these products to contribute to its revenue increases in the months ahead.
- Beyond this development, the Company has maintained a rigorous focus on high-quality products and thought-provoking brands with the launch of 28 SKUs nationwide since June 2019. Over this same time period, 48North has reported steady increases in revenue each quarter.
- Looking ahead, 48North expects to renew its commitment to high-quality products as strengthened production and manufacturing capabilities continue to support revenue increases.

Events Subsequent to Q1 Fiscal 2021

- At Good:Farm, one of Canada’s first and largest outdoor cultivation facilities, 48North successfully completed its second annual harvest. This year, the Company used regenerative farming practices to drive down costs while improving quality and has already commercialized its outdoor-grown products at the Good:House, the Company’s state-of-the-art indoor processing, manufacturing, packaging, and distribution facility.
- Last year, a majority of Good:Farm cannabis was extracted into distillate. This year’s crop will serve a broader range of uses, including dried flower, full-spectrum oils, and concentrate products. The Company expects products from this year’s harvest to begin showing up on shelves beginning in December 2020.
- On November 10, 48North announced a \$3.25 million Secured Term Loan, building on a \$3.415 million private placement offering with Cormack Securities Inc., increasing the Company’s cash since the end of Q1 Fiscal 2021. These funding agreements better position the Company to execute its growth strategy as it continues to move towards profitability.

“48North’s Q1 Fiscal 2021 results provide us with another strong demonstration that our strategy is working. Our innovative, authentic brands continue to excite consumers and retailers alike and we are evolving to meet growing demand by expanding our product offering while improving operations and distribution,” said Charles Vennat, CEO of 48North. “Not only are customers intrigued by our new products, but we are seeing high rates of reorders. Having added to our cash position, and with increasing revenues and decreasing quarterly cash use, we are continuing to meet our targets and expect to be in a position to announce our path to profitability within the fiscal year.”

Selected Financial Information

All amounts are expressed in Canadian dollars

	3-months ended September 30, 2020	3-months ended September 30, 2019
Revenue	7,658,000	1,587,000
Net (loss) income	(3,178,000)	2,201,000
Basic and diluted (loss) earnings per share	(0.018)	0.014
Total assets	57,213,000	99,237,000
Total liabilities	9,448,000	8,332,257
Cash and cash equivalents	2,213,000	40,392,298

First Quarter 2021 Results Conference Call

December 1, 2020 at 8:30 AM (ET)

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

The conference ID is 5660299 and you will be prompted to provide your name and company.

About 48North

48North Cannabis Corp. (TSXV: NRTH) is a vertically integrated cannabis company focused on manufacturing high-quality products, building progressive and thought-provoking brands, and low-cost cultivation. 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, DeShen Therapeutics Corp. ("DeShen") 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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