



Cannabis NB reports unaudited fourth quarter and year end results – 2019-2020

April 28, 2020

Fredericton, NB - Cannabis NB released its unaudited results for the fourth quarter ended March 29, 2020. Total sales of legal recreational cannabis for the quarter (13 weeks) were \$14.0 million, 43.9% higher than the quarter ended March 31, 2019 (14 weeks).

Increased sales in each of the periods of the fourth quarter resulted in Cannabis NB ending the quarter with a profit of \$0.5 million – the first positive quarter since the legalization of Cannabis.

The last two weeks of the quarter marked the beginning of emergency measures to respond to COVID-19 requiring Cannabis NB to adapt very quickly to ensure customer and team safety. It is estimated that the impact of COVID-19 on sales was during the last two weeks of the quarter was an increase of approximately five per cent. In addition, during the same period additional expenses in response to COVID-19 totalled approximately \$27,000.

Key result trends for the fourth quarter (December 30, 2019 - March 29, 2020) compared to the fourth quarter last year (December 24, 2018 - March 31, 2019) were:

- Online sales represented 1.4% of sales for the quarter compared to 3.5% last year.
- In store sales represented 98.6% of sales for the quarter compared to 96.5% last year.
- Dried flower sales increased 22.5%, up by \$1.9 million.
- Accessories sales increased 80.4%, up \$0.2 million.
- Extracts sales decreased 1.7%, down by \$0.02 million.
- Seeds sales decreased 88.2%, down by \$ 0.02 million.
- Concentrates represented 12.0% of sales for the quarter at \$1.7 million.
- Edibles represented 4.0% of sales for the quarter at \$0.6 million.

Preliminary, unaudited sales for CNB's first full fiscal year, which ended on March 29, 2020 were \$44.9 million, up \$26.3 million (141.0 per cent) from the previous fiscal year, from date of incorporation, July 3, 2018 to March 31, 2019 (CNB's first sale of recreational use cannabis occurred on October 17, 2018). The preliminary, unaudited net loss for the year ended March 29, 2020 was \$4.3 million, an improvement of 66.0% compared to the previous year's loss of \$12.5 million. Audited statements will be included in Cannabis NB's annual report.

Cannabis NB also released the expenses of the board of directors and of the President and Chief Executive Officer for the fourth quarter. The expenses are available **online**.

About Cannabis NB

Cannabis NB, the only legal retailer of recreational cannabis for the province of New Brunswick, is a subsidiary of ANBL and manages retail cannabis sales for the Cannabis Management Corporation. The core focus of the retail model is youth protection, reducing the illicit market, public education and safety. Twenty stores in 15 communities offer a range of products with a one-on-one guided retail experience. 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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