



The Cannabist Company Announces Intent to Complete US\$25.75 Million Private Placement Offering of 9% Senior Secured Convertible Debentures Due 2027

March 15, 2024

US\$6.25 Million of total will be issued in exchange for existing 6% Senior Secured Convertible Notes Due 2025

NEW YORK--(BUSINESS WIRE)--Mar. 15, 2024-- The Cannabist Company Holdings Inc. (Cboe CA: CBST) (OTCQX: CBSTF) (FSE: 3LP) ("The Cannabist Company" or the "Company") announced today that it intends to complete a private placement of up to US\$19.5 million (the "Offering") aggregate principal amount of 9.00% senior secured convertible debentures due 2027 (the "Notes"). The Company has received binding commitments for US\$17.5 million and may enter into additional commitments for US\$2.0 million of Notes prior to closing.

In addition, in accordance with the terms of a previously executed agreement, as amended, the Company also intends to issue US\$6.25 million of Notes in exchange for the cancellation of previously issued 6% senior secured convertible notes due 2025 held by certain offshore institutional investors.

The Notes will be senior secured obligations of the Company and mature in March 2027, unless earlier converted or repurchased. The conversion rate will be 3,278.6 common shares in the capital of the Company ("Common Shares") per \$1,000 principal amount of Notes (equivalent to a price of approximately US\$0.305 per Common Share), subject to customary adjustments. The conversion price of the Notes represents a premium of approximately 25% over the closing price of the Common Shares on the Cboe Canada (the "Exchange") on March 14, 2024. The Notes are subject to an original issue discount and priced at \$800 per issuance of \$1,000 in principal amount of new Notes. As a result, assuming that the Company enters into additional commitments for US\$2 million, the Company will receive US\$15.6 million of new capital and extinguish US\$5.0 million of 6% Senior Secured Convertible Notes Due 2025. In connection with the Offering, the Company and the investors will enter into a customary registration rights agreement.

The closing of the Offering is expected to occur on or about March 19, 2024 (the "Closing Date") and is subject to the completion of formal documentation and receipt of all regulatory approvals, including the approval of the Exchange. The Notes will be offered for sale on a private placement basis in certain provinces and territories of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws. The Notes may also be sold in the United States to or for the account or benefit of "U.S. persons" (as defined in the United States Securities Act of 1933, as amended) (the "U.S. Securities Act"), on a private placement basis pursuant to an exemption from the registration requirements of the U.S. Securities Act, and in such jurisdictions outside of Canada and the United States as may be agreed upon by the Company, in each case in accordance with applicable laws. The Notes issued will be subject to a customary four-month hold period under Canadian securities laws.

The net proceeds from the Offering will be used for repayment of debt, including the remaining \$13.2 million of 13% senior secured notes due May 2024, working capital and general corporate purposes.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The Notes and the Common Shares issuable upon conversion of the Notes have not been and the Notes will not be registered under the U.S. Securities Act or any state securities laws, and accordingly, may not be offered or sold unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell, buy or subscribe for any securities or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this communication is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S of the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) absent registration under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. In addition, hedging transactions may not be conducted unless in compliance with the U.S. Securities Act.

Caution Concerning Forward Looking Statements

This press release contains certain statements that constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws and reflect the Company's current expectations regarding future events. Forward-looking statements or information contained in this release include, but are not limited to, statements or information with respect to the Offering or the completion thereof. There can be no assurances that the conditions to the completion of the Offering will be satisfied or that the Notes will be issued. These forward-looking statements or information, which although considered reasonable by the Company, may prove to be incorrect and are subject to known and unknown risks and uncertainties that may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied by any forward-looking information. In addition, securityholders should review the risk factors discussed under "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2023, as filed with Canadian and U.S. securities regulatory authorities and described from time to time in subsequent documents filed with applicable securities regulatory authorities.

Investors

Lee Ann Evans

SVP, Capital Markets

investor@cannabistcompany.com

Media

Lindsay Wilson

SVP, Communications

media@cannabistcompany.com

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