



## Columbia Care Reports Record Fourth Quarter and Full Year 2020 Results; Reaffirms 2021 Guidance

March 16, 2021

- *Outperforms Full Year 2020 Outlook, Reaffirms 2021 Combined Revenue and Profitability Guidance*
- *Record 4Q Combined Revenue of \$81.8 Million, an Increase of 51% QoQ and 234% YoY; FY 2020 Combined Revenue up 151% to \$197.9M.*
- *Record 4Q Combined Adjusted EBITDA of \$9.5 Million, an Increase of 124% QoQ and up \$24 Million YoY*
- *Closed Acquisitions of Project Cannabis in December 2020 and The Healing Center San Diego in January 2021; Announced Definitive Agreement to Acquire Green Leaf Medical in December 2020*
- *Ended the Year with \$61M Cash and Raised \$140M Subsequent to Year End 2020, Bolstering Liquidity Position in Support of Long-Term Growth Initiatives*

NEW YORK--(BUSINESS WIRE)-- Columbia Care Inc. (NEO: CCHW) (CSE: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company") today reported financial and operating results for the fourth quarter and full year ended December 31, 2020. All financial information is audited and provided in US dollars unless otherwise indicated.

"We closed out 2020 with record results across key metrics, demonstrating the strength of our growth strategy and the potential of our expansive market portfolio," said Nicholas Vita, CEO of Columbia Care. "We generated significant sequential and year-over-year growth across combined revenue, gross profit, and Adjusted EBITDA, as well as robust gross margin expansion. We have outperformed our 2020 outlook, solidifying our position as an industry leading MSO. Corporate profitability continued to expand as we further leverage our national scale. Including the full fourth quarter's financial contribution of Project Cannabis, Columbia Care generated approximately \$87M in Combined Revenue and \$12M in Adjusted EBITDA."

"In 2020, we expanded our footprint in the top two global cannabis markets with accretive acquisitions in California and Colorado. We generated strong organic growth in our existing markets and plan to capitalize on favorable regulatory tailwinds in medical markets that are converting to adult use across the country. With our footprint in 17 U.S. markets, three of which will become operational in 2021, we are well positioned to take advantage of the tremendous opportunity for growth as cannabis adoption progresses."

"Our acquisition of Green Leaf Medical (GLeaf) remains on track to close in 3Q 2021 and is expected to expand our scale and vertically integrated footprint in four key, limited license markets - Maryland, Ohio, Virginia, and Pennsylvania, where we will become one of the largest fully-integrated operators in each state. We are also on track to open the first co-located medical and adult-use dispensary in Boston in 2Q 2021, and recently launched adult-use sales in Arizona. In 2021, we will leverage our vertically integrated national platform for key branding initiatives, both at the product level and in our stores. We will be rolling out several of our nationally-recognized, trusted brands across our markets and introducing a more approachable, more curated retail experience at our dispensaries to redefine the customer journey. We are excited to employ the many levers we have to drive outsized growth and margin expansion in 2021."

Fourth quarter 2020 combined and reported results include one full quarter of contribution from The Green Solution (TGS) in Colorado, which the Company acquired on September 1, 2020, as well as partial contribution from Project Cannabis, which the Company acquired on December 2, 2020.

### Fourth Quarter 2020 Financial Highlights<sup>1</sup> (in \$ thousands, excl. margin items):

	Q4 2020	Q3 2020	Q4 2019	% QoQ	% YoY
<b>Combined Results</b>					
Revenue	\$ 81,799	\$ 54,162	\$ 24,524	51%	234%
Adj. Gross Profit <sup>[1]</sup>	\$ 33,976	\$ 21,157	\$ 6,017	61%	465%
Adj. Gross Margin <sup>[1]</sup>	42%	39%	25%	248 bps	1700 bps
Adj. EBITDA	\$ 9,468	\$ 4,226	\$ (14,330)	124%	N/A
<b>Pro Forma Revenue</b>					
Revenue	\$ 86,876	N/A	N/A	N/A	N/A
<b>As Reported</b>					
Revenue	\$ 76,064	\$ 48,703	\$ 23,172	56%	228%
Gross Profit	\$ 30,368	\$ 17,231	\$ 5,489	76%	453%
Gross Margin	40%	35%	24%	454 bps	1623 bps
Adj. EBITDA	\$ 8,303	\$ 3,077	\$ (13,911)	170%	N/A

Cash	\$	61,111	\$	42,142	\$	47,464	45%	29%
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## Full Year 2020 Financial Highlights

	FY 2020	FY 2019	% YoY
<b>Combined Results</b>			
Revenue	\$ 197,909	\$ 78,811	151%
Adj. Gross Profit <sup>[1]</sup>	\$ 76,109	\$ 21,137	260%
Adj. Gross Margin <sup>[1]</sup>	38%	27%	1164 bps
Adj. EBITDA	\$ (905)	\$ (47,355)	98%

### Pro Forma Revenue

Revenue	\$ 290,290	N/A	N/A
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### As Reported

Revenue	\$ 179,503	\$ 77,459	132%
Gross Profit	\$ 65,772	\$ 20,609	219%
Gross Margin	37%	27%	1003 bps
Adj. EBITDA	\$ (4,138)	\$ (46,936)	91%

[1] Excludes changes in fair value of biological assets and inventory sold for all periods presented, as well as \$1.8 million in Q3 2020 and \$1.4 million in Q4 2020 related to the write-up of inventory acquired in The Green Solution and Project Cannabis acquisitions, respectively.

### Selected State Level Highlights:

#### Arizona:

- Launched adult-use cannabis sales in Tempe and Prescott dispensaries in January 2021.
- Continue to accelerate development plans for increasing canopy and yield at Chino Valley facility, while driving efficiencies in biomass production and launching branded edible lines and other manufactured products in Tempe.

#### California:

- Closed acquisition of Los Angeles-based [Project Cannabis](#) on December 2, 2020, adding four dispensaries and one 36,000sqft state-of-the-art cultivation facility; retail distribution to over 100 dispensaries statewide.
- In January 2021, closed acquisition of [The Healing Center San Diego](#) (THCSD), further enhancing the Company's retail presence, scale and other operational advantages from Project Cannabis and existing facilities in the State. Expanded THCSD's footprint and incremental point-of-sale stations in Q1 2021 as originally planned.
- Approximately one-third of market revenue derived from wholesale.
- Leveraging Project Cannabis' brand extension with Columbia Care's manufacturing facility in San Diego.
- *Pro forma, including a full quarter contribution of Project Cannabis, California approached breakeven in 4Q 2020.*

#### Colorado

- Continued strong retail growth trends and improved SKU mix between in-house and third-party brands.
- Optimized indoor and outdoor cultivation operations to increase plant count and yields; achieved record setting outdoor harvest of more than 42,000 lbs. of salable finished goods.
- Wholesale revenue up 37% sequentially in Q4, with product mix shifting to 75% finished goods.
- *Top five market by combined revenue and Adjusted EBITDA in 4Q 2020.*

#### Florida:

- Revenue up more than 50% sequentially in 4Q 2020, signaling strong momentum for 2021 as operational improvements materialize.
- Increased cultivation yields and potency, with plans to add incremental canopy in 2H 2021.
- Improved retail customer engagement and loyalty program and grew overall medical patient count during 4Q 2020.
- Opened three new dispensaries in Brandon, Longwood and Delray in 4Q; opened 8 total dispensaries in 2020.

#### Illinois:

- Revenue up more than 60% sequentially in 4Q 2020, signaling strong momentum for 2021.
- Multiple new SKUs being introduced in 2Q 2021, including edibles.
- Wholesale distribution to ~68% of the operators in the state.

- Villa Park (Chicagoland) dispensary adult-use sales have continued to grow since its launch in late 3Q 2020; Chicago (Jefferson Park) dispensary expansion expected to be completed by 3Q 2021.
- *Top five market by combined revenue and Adjusted EBITDA in 4Q 2020.*

#### Massachusetts:

- Adult-use sales planned to commence in 2Q 2021 at downtown Boston co-located adult-use dispensary.
- Current plans to increase throughput for wholesale concentrates and edibles through automation in 1Q 2021, and increase throughput for wholesale flower derivatives through automation in 2Q 2021. Wholesale represented 7% of revenue in 4Q 2020 and is trending similarly for 1Q 2021.
- *Top five market by combined revenue and Adjusted EBITDA in 4Q 2020.*

#### New Jersey:

- Commenced dispensary operations in June 2020.
- Harvests from phases two and three of planned canopy expansions are expected to commence in 2Q 2021 and 3Q 2021, respectively.
- Two additional dispensaries expected to open in 2Q and 3Q 2021, bringing total to the state maximum of three.
- Targeting approximately \$24 million of capex for two additional dispensaries and canopy expansions in 2021; we have secured a second facility providing 300,000sqft of canopy, manufacturing, and distribution space to support medical and adult-use.
- Adult-use sales are not considered in 2021 guidance; provide upside to 2021 financial outlook.

#### Ohio:

- First cultivation wholesale in June 2020; first manufacturing wholesale commenced in 4Q 2020; now delivering to 83% of open dispensaries.
- Revenue growth of 450% YoY (4Q 2020 v. 4Q 2019) and 20% sequentially (4Q 2020 v. 3Q 2020), with majority of 2020 revenue from dispensaries as wholesale ramps.
- Cultivation canopy expansion under way.
- *Top five market by combined revenue and Adjusted EBITDA in 4Q 2020.*

#### Pennsylvania:

- Increased operational hours at retail by 25% and expanded number of point-of-sale stations.
- Positioned to be the largest wholesaler in the state following acquisition of GLeaf in 3Q 2021, with more than 274,000sqft of cultivation capacity by the end of 2021 distributing to approximately 85% of open dispensaries.
- *Top five market by combined revenue and Adjusted EBITDA in 4Q 2020.*

#### Virginia:

- Opened first medical dispensary in late December 2020; Columbia Care remains one of only four licensed operators in the state.
- Expect wholesale to begin in March 2021, with the potential for approved flower product sales in 3Q 2021.
- Plans to open an additional dispensary in September 2021 and accelerate four additional dispensary openings by year-end, for a total statewide retail footprint of six dispensaries.
- When combined with GLeaf, the Company will have 147,000sqft of cultivation and manufacturing capacity.

#### 2021 Outlook

Metric	Pro Forma Guidance
Combined Revenue	\$500M - \$530M
Combined Adjusted Gross Margin	47%+
Combined Adjusted EBITDA	\$95M - \$105M

Columbia Care's 2021 outlook is based on current trends and is consistent with forecast previously disclosed on March 3, 2021.

Columbia Care's pro forma 2021 outlook assumes the Company's pending acquisition of GLeaf closes in the 3<sup>rd</sup> quarter but does not include any contribution from future acquisitions nor does it assume any changes in the regulatory environment in markets where Columbia Care currently operates, such as the pending adult-use program in New Jersey. The outlook also excludes markets where a conversion from medical only to adult use is under consideration by the Governor and/or legislature, such as New York and Virginia. See "Caution Concerning Forward-Looking Statements" below for further discussion.

#### Conference Call and Webcast Details

The Company will host a conference call on Tuesday, March 16, 2021 at 8:00 a.m. ET to discuss its full financial and operating results for the fourth

quarter and full year 2020.

To access the live conference call via telephone, please dial 1-877-407-8914 (US Callers) or 1-201-493-6795 (international callers). A live audio webcast of the call will also be available in the Investor Relations section of the Company's website at <https://ir.col-care.com/> or at <https://78449.themediaframe.com/dataconf/productusers/colc/mediaframe/43954/index.html>.

A replay of the audio webcast will be available in the Investor Relations section of the Company's website approximately 2 hours after completion of the call and will be archived for 30 days.

## Non-IFRS Financial Measures

In this press release, Columbia Care refers to certain non-IFRS financial measures, Combined Revenue, Adjusted EBITDA, Combined Adjusted EBITDA, gross profit excluding changes in fair value of biological assets and inventory sold and Combined Gross Profit excluding changes in fair value of biological assets and inventory sold. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Columbia Care considers certain non-IFRS measures to be meaningful indicators of the performance of its business. A reconciliation of such non-IFRS financial measures to their nearest comparable IFRS measure is included in this press release and a further discussion of some of these items is contained in the Company's Management's Discussion and Analysis for the year ended December 31, 2020.

## About Columbia Care Inc.

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of medical and adult use cannabis products and related services with licenses in 18 U.S. jurisdictions and the EU. Columbia Care operates 114 facilities<sup>1</sup> including 87 dispensaries and 27 cultivation and manufacturing facilities. Columbia Care is one of the original providers of medical cannabis in the United States, and continues to deliver an industry-leading, patient-centered medicinal cannabis operation that has quickly expanded into the adult use market as a premier operator. The company currently offers products spanning flower, edibles, oils, and tablets, and manufactures popular brands including Seed & Strain, Amber and Platinum Label CBD. With more than four million sales transactions since its inception in 2012, Columbia Care is known for setting the standard for compassion, professionalism, quality, care, and innovation in the rapidly expanding cannabis industry. For more information on Columbia Care, please visit [www.col-care.com](http://www.col-care.com).

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<sup>1</sup> Combined Results include dispensary and manufacturing operations in Ohio. Consolidation of these businesses will follow closing of executed purchase option agreements which are subject to regulatory review. Pro Forma financial results include impact of Project Cannabis for the full fourth quarter of 2020, and impact of Project Cannabis and The Green Solution for the full year of 2020.

<sup>2</sup> Pro forma facilities either open or under development.

## Caution Concerning Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Statements concerning Columbia Care's objectives, goals, strategies, priorities, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of Columbia Care as well as statements under the heading "2021 Outlook" are forward-looking statements. The words "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would", "could", "should", "continue", "plan", "goal", "objective", and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions, including assumptions on revenue and expected gross margins, capital allocation, EBITDA break even targets and other financial results; growth of its operations via expansion, for the effects of any transactions; expectations for the potential benefits of any transactions including the acquisition of Green Leaf Medical; statements relating to the business and future activities of, and developments related to, the Company after the date of this press release, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations and plans; expectations that planned acquisitions (including the acquisition of Green Leaf Medical) will be completed as previously announced; expectations regarding cultivation and manufacturing capacity; expectations regarding receipt of regulatory approvals; expectations that licenses applied for will be obtained; potential future legalization of adult-use and/or medical cannabis under U.S. federal law; expectations of market size and growth in the U.S. and the states in which the Company operates; expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally; and other events or conditions that may occur in the future. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations. Holders of securities of the Company are cautioned that forward-looking statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Company at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the available funds of the Company and the anticipated use of such funds; the availability of financing opportunities; legal and regulatory risks inherent in the cannabis industry; risks associated with economic conditions, dependence on management and currency risk; risks relating to U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third-party service providers; risks related to the enforceability of contracts; reliance on the expertise and judgment of senior management of the Company, and ability to retain such senior management; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to the management of growth; increasing competition in the industry; risks inherent in an agricultural business; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; limited research and data relating to cannabis; as well as those risk factors discussed under "Risk Factors" in Columbia Care's Annual Information Form dated March 31, 2020 and filed with the applicable Canadian securities regulatory authorities on

SEDAR at [www.sedar.com](http://www.sedar.com), in the Company's Annual Information Form, and as described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this press release as well as statements regarding the Company's objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. No undue reliance should be placed on forward-looking statements contained in this press release. Such forward-looking statements are made as of the date of this press release. Columbia Care undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Columbia Care's combined revenue, combined gross margins and combined adjusted EBITDA, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Columbia Care's future business operations. Columbia Care disclaims any intention or obligation to update or revise any FOFI contained in this document, whether because of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

**TABLE 1 - CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in US \$ thousands, except share and per share figures, unaudited)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue	\$ 76,064	\$ 23,172	\$ 179,503	\$ 77,459
Production costs	(45,696)	(17,683)	(113,731)	(56,850)
Gross profit before fair value adjustments	30,368	5,489	65,772	20,609
Fair value adjustments biological assets, net	(12,092)	12,662	205	16,252
Gross profit	18,276	18,151	65,977	36,861
Operating expenses	(45,278)	(34,738)	(140,074)	(129,751)
Loss from operations	(27,002)	(16,587)	(74,097)	(92,890)
Other expense, net	(51,291)	(788)	(62,768)	(964)
Income tax (benefit) expense	4,614	(10,641)	3,665	(12,874)
Net loss	(73,679)	(28,016)	(133,200)	(106,728)
Net loss attributable to non-controlling interests	(18,002)	(2,192)	(22,424)	(4,139)
Net loss attributable to Columbia Care shareholders	\$ (55,677)	\$ (25,824)	\$ (110,776)	\$ (102,589)
Weighted average common shares outstanding - basic and diluted	264,966,556	216,424,962	232,576,117	209,992,187
Earnings per common share attributable to Columbia Care shareholders - basic and diluted	\$ (0.21)	\$ (0.12)	\$ (0.48)	\$ (0.49)

**TABLE 2 - RECONCILIATION OF IFRS TO NON-IFRS MEASURES**

(in US \$ thousands, unaudited)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net loss	\$ (73,679)	\$ (28,016)	\$ (133,200)	\$ (106,728)
Income tax expense	(4,614)	10,641	(3,665)	12,874
Depreciation and amortization	10,745	4,929	30,270	15,189
Net interest and debt amortization	7,042	524	13,831	1,698
EBITDA	\$ (60,506)	\$ (11,922)	\$ (92,764)	\$ (76,967)
Share-based compensation	6,596	9,834	28,937	34,373
Fair value adjustments biological assets, net	12,092	(12,662)	(205)	(16,252)
Fair value mark-up for acquired inventory	1,346	-	3,111	-
Adjustments for acquisition and other non-core costs	3,634	839	7,117	839
Fair value changes on derivative liabilities	9,189	-	11,745	-
Impairment on disposal group	-	-	1,969	-
Indemnification costs	14,195	-	14,195	-
Earnout liability accrual	21,757	-	21,757	-

Listing fee expense	-	-	-	11,071
Adjusted EBITDA	\$ 8,303	\$ (13,911)	\$ (4,138)	\$ (46,936)

**TABLE 3 - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(in US \$ thousands, unaudited)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net cash used in operating activities	\$ (6,979)	\$ (6,117)	\$ (42,606)	\$ (59,743)
Net cash (used in) provided by investment activities	(2,788)	(33,136)	(26,697)	(91,255)
Net cash provided by financing activities	28,736	2,211	82,950	152,221
Net increase (decrease) in cash	18,969	(37,042)	13,647	1,223
Cash balance - beginning of period	42,142	84,506	47,464	46,241
Cash balance - end of period	61,111	47,464	61,111	47,464

**TABLE 4 - CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (SELECT ITEMS)**

(in US \$ thousands, unaudited)

	December 31, 2020	December 31, 2019
Cash	\$ 61,111	\$ 47,464
Total current assets	213,698	154,489
Property and equipment, net	114,400	104,034
Right of use assets	187,715	79,031
Total assets	792,591	402,276
Total current liabilities	148,966	35,402
Total liabilities	470,715	135,344
Total equity	321,876	266,932

**TABLE 5 - COMBINED FINANCIALS AND RECONCILIATIONS**

(in US \$ thousands, unaudited)

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue, as reported	\$ 76,064	\$ 23,172	\$ 179,503	\$ 77,459
CannAscend revenues	5,829	1,352	18,715	1,352
Eliminations	(94)	-	(309)	-
Combined revenue	81,799	24,524	197,909	78,811
Gross profit before fair value adjustments, as reported	\$ 30,368	\$ 5,489	\$ 65,772	\$ 20,609
CannAscend gross profit before fair value adjustments	2,308	528	7,411	528
Eliminations	(46)	-	(185)	-
Combined gross profit before fair value adjustments	32,630	6,017	72,998	21,137
Adjusted EBITDA, as reported	\$ 8,303	\$ (13,911)	\$ (4,138)	\$ (46,936)
CannAscend adjusted EBITDA	1,213	(419)	3,357	(419)
Eliminations	(48)	-	(124)	-
Combined adjusted EBITDA	9,468	(14,330)	(905)	(47,355)

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