



Columbia Care Reports Preliminary First Quarter 2020 Results and Provides Operational Update

May 7, 2020

Unaudited First Quarter Combined Revenue ⁽¹⁾ up 125% Over Prior Year Period and 18% Sequentially

Capital Transactions Provide Approximately \$45 Million in Liquidity – Additional Transactions Expected to Follow in 2H 2020

NEW YORK--(BUSINESS WIRE)-- Columbia Care, Inc. (NEO: CCHW) (CSE: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company") is providing an operational update along with preliminary financial results for the first quarter ended March 31, 2020.

The Company will host a conference call on Thursday, May 14th, 2020 at 8:30 a.m. EDT to discuss its financial and operating results for the first quarter of 2020.

First Quarter 2020 Financial Highlights:

- Combined Revenue ⁽¹⁾ of \$28.9 million, an increase of 125% year-over-year and 18% sequentially
- Combined Gross Profit ⁽¹⁾ of \$9.1 million (excluding changes in fair value of biological assets and inventory sold), an increase of 106% year-over-year and 49% sequentially – gross margin up 700 basis points from 4Q 2019
- Combined Adjusted EBITDA ⁽¹⁾ of (\$9.8) million, an improvement of 500 basis points year-over-year and 3100 basis points, sequentially
- Reported revenue of \$26.3 million, an increase of 105% year-over-year and 14% sequentially
- Reported gross profit of \$8.0 million (excluding changes in fair value of biological assets and inventory sold), an increase of 83% year-over-year and 45% sequentially – gross margin up 700 basis points from 4Q 2019
- Reported Adjusted EBITDA of (\$10.0) million, an improvement of 400 basis points year-over-year and 2800 basis points, sequentially
- \$26.9 million cash balance as of March 31, 2020

Since the beginning of 2020, the Company:

- Secured over \$45 million in capital commitments through a series of transactions, including:
 - \$34.5 million in binding, executed senior secured first-lien term debt commitments, a portion of which funded in the first quarter – the first tranche of an expected \$50 million debt offering
 - \$11 million from the sale of a 10% minority interest in the Company's non-US business, Columbia Care International, to Avalon Pharma, one of the largest pharmaceutical manufacturers in the MENA region
- Received Board approval to file preliminary short form shelf prospectus, which is expected to be filed in the next business day
- Continued to move forward with its plan to monetize real estate through one or more Sale Leasebacks – bringing additional, non-dilutive liquidity to the balance sheet later this year
- Launched operations in New Jersey and Virginia
- Suspended operations in Puerto Rico effective May 7, 2020, representing less than 2% of expected 2020 revenue, to accelerate the Company's pathway to consolidated profitability
- Commercially launched and completed the first sales of its pharmaceutical quality, physician prescribed Columbia Care medical marijuana products in the United Kingdom and Germany

"For the fourth quarter in a row, Columbia Care generated triple-digit revenue growth compared to the prior year. During the quarter we increased gross margin 700 basis points sequentially, reduced the EBITDA loss by approximately one-third, reduced corporate overhead spend sequentially, drove 85% of dispensaries open at least twelve months to positive EBITDA and received strategic validation for our Rest of World business while forming a key Ex. US partnership. We have since improved our liquidity with very little dilution or leverage and suspended operations in our most challenged market." said Nicholas Vita, CEO of Columbia Care. "Additionally, we opened new facilities, introduced novel products and developed technology solutions to ensure consumers are able to access our products and services regardless of their ability to travel or come to our locations – accomplishing all of this despite the chaos brought on by COVID-19. The team showed leadership, strength, discipline, and cohesiveness during a period that has broken competitors and, in some cases, entire industries. We will continue to build our culture and organization to drive shareholder value and thank our investors, communities, policymakers, and regulators for their willingness to innovate and focus on opportunities rather than obstacles. On behalf of everyone at Columbia Care, we are proud to serve you all and thank you for your support."

All 2020 figures in this release are unaudited due to the preliminary nature of this announcement.

Conference Call and Webcast Details

To access the live conference call via telephone, please dial 1-877-407-8914 (US callers) or 1-201-493-6795 (international callers) and provide passcode EQUI-EVT 22. 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/>.

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, such as adjusted revenue, adjusted EBITDA and 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. More details relating to some of these non-IFRS financial measures and a reconciliation to their nearest comparable IFRS measure is contained in the Company's Management, Discussion and Analysis for the twelve months ended December 31, 2019 and will be contained in the Management, Discussion and Analysis of the period ended March 31, 2020, both of which will be available on SEDAR at www.sedar.com.

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 US jurisdictions ^(2,3) and the EU. Columbia Care has completed more than 1.6 million sales transactions since inception and working in collaboration with renowned and innovative teaching hospitals and medical centers globally, continues to be a patient-centered health and wellness company 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.

Caution Concerning Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws and reflect the Company's current expectations regarding future events. The Company has made assumptions with respect to closing and funding for its financing transactions, which, although considered reasonable by the Company at the time of preparation, may prove to be incorrect, as well as other risk factors discussed under "Risk Factors" in Columbia Care's Annual Information Form dated March 31, 2020, filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com and described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

Notes:

- (1) *Includes managed Ohio dispensaries expected to complete ownership transfer in 4Q2020*
- (2) *Includes Colorado, subject to successful completion of the acquisition of The Green Solution*
- (3) *Includes West Virginia industrial hemp cultivation license*

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