

Columbia Care Reports Record First Quarter 2021 Results; Reaffirms 2021 Guidance

- *Record 1Q Combined Revenue of \$92.5 Million, an Increase of 220% YoY*
- *Record 1Q Combined Adjusted Gross Profit of \$37.7 Million, an Increase of 316% YoY*
- *Record 1Q Combined Adjusted EBITDA of \$10.4 Million, an increase of \$20 Million YoY*
- *Reaffirms 2021 Combined Revenue of \$500 - \$530 Million and Adjusted EBITDA Guidance of \$95 - \$105 Million as Green Leaf Acquisition Remains on Track for Closing at beginning of 3Q*
- *Raised US\$140M in 1Q, Bolstering Liquidity Position in Support of Long-Term Growth Initiatives; Ended 1Q with Cash Balance of US\$176M*
- *Closed Acquisition in April of 34-Acre Cultivation and Manufacturing Site in New York with ~1M square feet of Developed, Operational, Cost-Effective Cultivation Capacity – Affirms Leadership Position as New York’s Most Scaled Cultivator*
- *Launched Cannabist as National Dispensary Network Leveraging Proprietary Technology Platforms and Cohesive Retail Ecosystem to Provide a Personalized, Seamless Experience from Coast to Coast*

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 first quarter ended March 31, 2021. All financial information is unaudited and provided in US dollars unless otherwise indicated.

“We sustained our record 2020 momentum into the first quarter of 2021, with significant growth across both the top and bottom line,” said Nicholas Vita, CEO of Columbia Care. “Our combined revenue results reflect organic growth and further integration progress on key California and Colorado acquisitions. We continue to build scale and leverage in our existing markets, leading to positive trendlines for growth and profitability. The sequential increase in combined revenue and Adjusted EBITDA more than offset expected seasonality in Colorado and recently lifted COVID restrictions in California and was driven by substantial growth in Florida, Arizona, Illinois, and Ohio. Legacy Columbia Care same store sales increased 60 percent year over year.

“Recognizing the tremendous opportunity we have before us, we continue to deepen our state, regional and national footprint by adding scale to capitalize on additional upside in rapidly expanding medical programs and, in particular, in markets transitioning to adult-use

across the country. Significant strategic investments in markets such as New York, New Jersey and Virginia will enable us to be the most efficient and scaled leaders in those markets and will cement our position as the industry leader on the east coast.

Vita continued, “We are leveraging our vertically integrated national platform and advancing our ongoing product and retail branding initiatives. Last week, we unveiled the Cannabist retail ecosystem, which is now open in Utah, a new market for Columbia Care, bringing our active market total to 15 nationwide. The Cannabist experience will be introduced across additional locations in the coming months – from San Diego to Boston – complementing the ongoing nationwide rollout of our product brands such as Seed & Strain, Triple Seven, Press, Amber and Classix.

“As we look ahead, we remain on track to close the acquisition of Green Leaf Medical (gLeaf) by the beginning of the third quarter, which will solidify our fully integrated leadership presence in Pennsylvania, Maryland, Ohio and Virginia. We have dispensaries currently in development in Missouri, New Jersey, Virginia, and West Virginia that will open in 2021, with additional locations in the commercialization pipeline, along with significant cultivation and production upgrades throughout our portfolio.”

First Quarter 2021 Financial Highlights¹ (in \$ thousands, excl. margin items):

	Q1 2021	Q4 2020	Q1 2020	% QoQ	% YoY
Combined Results					
Revenue	\$ 92,492	\$81,799	\$ 28,936	13%	220%
Adj. Gross Profit ^[1]	\$ 37,720	\$33,976	\$ 9,068	11%	316%
Adj. Gross Margin ^[1]	41%	42%	31%	-75bps	944bps
Adj. EBITDA	\$ 10,410	\$ 9,468	\$ (9,865)	10%	N/A
Reported Results					
Revenue	\$ 86,095	\$76,064	\$ 26,323	13%	227%
Gross Profit	\$ 34,994	\$30,368	\$ 8,033	15%	336%
Gross Margin	41%	40%	31%	72bps	1,013bps
Adj. EBITDA	\$ 9,076	\$ 8,303	\$(10,037)	9%	N/A
Cash	\$176,498	\$61,111	\$ 26,858	189%	557%

^[1] Excludes changes in fair value of biological assets and inventory sold for all periods presented, as well as \$1.4 million in Q4 2020 and \$0.1 million in Q1 2021 related to the write-up of inventory acquired in The Green Solution, Project Cannabis and The Healing Center San Diego.

First quarter 2021 combined and reported results include contribution from The Healing Center San Diego (THCSD), which the company acquired on January 7, 2021.

Selected State Level Highlights:

Arizona:

- Same store sales increased approximately 70% from the same period last year, driven largely by the accelerated statewide roll-out of adult-use sales in January

- Expanding manufacturing in Tempe and upgrading cultivation facility in Chino Valley for additional wholesale and retail supply in 2H2021
- Continued focus on increasing gross margin, above 54% in 1Q, through new product offerings and supply chain management, inclusive of yield improvement, plant count and wholesale agreements

California:

- Sequential revenue growth of nearly 3x with addition of acquisitions, increasing wholesale momentum throughout 1Q
- Experienced softness across market-wide retail and wholesale revenue related to COVID-19 restrictions in January, February and early March – with noticeable uptick towards end of quarter
- Began first phase of manufacturing Project Cannabis finished goods out of De Soto facility towards the end of 1Q
- Gross margin increased 10 percentage points QoQ, driven by accretive margins from Project Cannabis and THCSD
- *Top five market by Combined Revenue and Adjusted EBITDA in 1Q 2021*

Colorado

- Revenue improved 27% YoY and 1Q gross margin was 42%; sequential results slowed in 1Q due to expected seasonality and decision to partially take off-line and upgrade largest indoor grow in preparation for '100 days of heat' during 2Q and 3Q leading to accelerated GM and EBITDA expansion in 2Q and 2H2021
- Used market seasonality to purchase 3rd party finished goods in wholesale market to build inventory in anticipation of 2/3Q state-wide supply shortages
- Implementing cultivation improvements to increase yields and utilization of manufacturing capacity in order to drive margin improvement in 2021
- *Top five market by Combined Revenue and Adjusted EBITDA in 1Q 2021*

Florida:

- Revenue up 58% sequentially in 1Q 2021 and 3x YoY with significant same-store sales expansion, due to dispensary-level supply chain improvements and flower availability
- Implemented more efficient in-store processes, expanded product offerings, and updated dispensary websites across retail footprint
- Restructured production planning process resulted in a 61% quarterly improvement in cultivation yields; gross margin increased more than 2,000bps QoQ in 1Q
- Commercialization at our Alachua greenhouse complex initiated at the end of 1Q slowed GM improvement trendline; first harvest expected by end of 2Q providing significant scale to drive gross margin at accelerated pace in 2H2021

Illinois:

- Revenue up over 2x YoY, with continued robust retail sales performance and contribution from adult-use sales
- Working to secure approval to open completed Chicago dispensary expansion, which would triple the size of current retail square footage

- New product strains continue to drive foot traffic and generate positive reviews throughout the market
- Automated machinery will arrive in 2Q to drive Aurora facility utilization and reduce variable labor costs, development of infrastructure for new product launches slowed margin gains due to absorption allocations but are expected to accelerate into 2Q and 2H

Massachusetts:

- Sustained YoY revenue growth trajectory, driven by earlier than expected contributions from wholesale revenue; partially offset by supply constraints
- Adult-use sales remain on track to begin late 2Q 2021 at the co-located store in downtown Boston, the first Cannabist location in MA
- Modest sequential Gross Margin decline in 1Q due to supply chain constraints, ongoing construction and expansion activity at the Lowell cultivation and manufacturing facility in preparation for automated post-harvest equipment installation; will result in increased capacity utilization and throughput beginning in late 2Q
- *Top five market by Combined Revenue and Adjusted EBITDA in 1Q 2021*

New Jersey:

- Retail sales growth outperformed expectations YoY and doubled sequentially
- Significant drag on overall gross margin due to accelerated development of cultivation and manufacturing fixed assets; first significant harvest from legacy Vineland facility expected in 3Q
- Two additional dispensaries to open in 2021: Deptford in 2Q and a third by year end to match expanded cultivation capacity, bringing total to the state maximum of three; both will be Cannabist locations
- Second cultivation and production facility in Vineland providing 250,000sqft of canopy, manufacturing, and distribution space to support medical and adult-use is slated for commercialization in 4Q

New York:

- Revenue up +60% YoY, in part driven by wholesale and strong home delivery program
- Gross Margin softness reflected ongoing expansion projects in both cultivation and manufacturing
- Acquisition of Long Island cultivation facility (~1Msqft), offers the opportunity to scale with growing demand and potential for social equity partnerships
- Legislative approval of adult-use sales and expansion of medical program, including flower sales, provides significant upside; as an existing Registered Organization, we will be able to add four incremental medical dispensaries and co-locate three adult-use facilities for a total of eight

Ohio:

- Robust performance across both retail and wholesale, with same store sales up more than 3x YoY and with wholesale relationships with more than 85% of dispensaries in the state
- Commenced operations at manufacturing facility, which is now producing and selling

finished goods

- Canopy expansion underway at existing cultivation facility expected to be completed by end of 3Q or mid 4Q 2021, with first material harvest in early 2022
- *Top five market by Combined Revenue and Adjusted EBITDA in 1Q 2021*

Pennsylvania:

- Revenue momentum continues to accelerate, up 80% YoY
- Increased operational hours in 1Q to drive revenue growth, as weather and COVID-19 restrictions impacted early months
- Adding incremental canopy, pending acquisition of gLeaf, to support 2022 growth opportunities and drive gross margin improvement
- *Top five market by Combined Revenue and Adjusted EBITDA in 1Q 2021*

Virginia:

- First market to be EBITDA positive in first quarter of revenue generation
- Sales increased more than 50% each month of operations; average dispensary sales of ~\$165 per basket
- First harvest achieved in 1Q; developing significant cultivation expansion plan to meet expected market demand with flower entering medical program
- On track to expand Columbia Care retail footprint to six dispensaries and incremental cultivation and manufacturing capacity by year end

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 the forecast previously provided on March 16, 2021.

Columbia Care's pro forma 2021 outlook assumes the Company's pending acquisition of gLeaf closes early in the third 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, or the potential for the addition of flower sales in New York and Virginia during 4Q 2021. The outlook also excludes markets where a conversion from medical only to adult use is pending, 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 Monday, May 17, 2021 at 8:00 a.m. ET to discuss its financial and operating results for the first quarter of 2021.

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/44932/index1.html>.

A replay of the audio webcast will be available in the Investor Relations section of the Company's website approximately two 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 three months ended March 31, 2021.

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 122 facilities² including 92 dispensaries and 30 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, capsules 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.

¹ *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.*

² *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, 2021 and filed with the applicable Canadian securities regulatory authorities on SEDAR at 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		Three Months Ended	
	March 31, 2021		March 31, 2020	
Revenue	\$	86,095	\$	26,323
Production costs		(51,101)		(18,290)
Gross profit before fair value adjustments		34,994		8,033
Fair value adjustments biological assets and inventory, net		10,033		4,558
Gross profit		45,027		12,591

Operating expenses	(47,516)	(31,569)
Loss from operations	(2,489)	(18,978)
Other expense, net	(7,827)	(960)
Income tax expense	(5,009)	(710)
Net loss	(15,325)	(20,648)
Net loss attributable to non-controlling interests	88	(538)
Net loss attributable to Columbia Care shareholders	(15,413) \$	(20,110)
Weighted average common shares outstanding - basic and diluted	294,815,943	216,539,508
Earnings per common share attributable to Columbia Care shareholders - basic and diluted	\$ (0.05) \$	(0.09)

TABLE 2 - RECONCILIATION OF IFRS TO NON-IFRS MEASURES

(in US \$ thousands, unaudited)

	Three Months Ended		Three Months Ended	
	March 31, 2021		March 31, 2020	
Net loss	\$	(15,325)	\$	(20,648)
Income tax expense		5,009		710
Depreciation and amortization		12,095		5,728
Net interest and debt amortization		7,573		797
EBITDA	\$	9,352	\$	(13,413)
Share-based compensation		7,669		7,116
Fair value adjustments biological assets and inventory, net		(10,033)		(4,558)
Fair value mark-up for acquired inventory		140		-
Adjustments for acquisition and other non-core costs		1,769		818
Fair value changes on derivative liabilities		179		-
Adjusted EBITDA	\$	9,076	\$	(10,037)

TABLE 3 - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(in US \$ thousands, unaudited)

	Three Months Ended		Three Months Ended	
	March 31, 2021		March 31, 2020	
Net cash used in operating activities	\$	(1,268)	\$	(10,430)
Net cash used in investment activities		(10,142)		(22,816)
Net cash provided by financing activities		126,797		12,640
Net (decrease) increase in cash		115,387		(20,606)
Cash balance - beginning of period		61,111		47,464
Cash balance - end of period		176,498		26,858

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

(in US \$ thousands, unaudited)

	March 31, 2021		March 31, 2020	
Cash	\$	176,498	\$	26,858
Total current assets		342,408		138,798
Property and equipment, net		119,971		122,057
Right of use assets		189,746		82,279
Total assets		941,605		408,085
Total current liabilities		160,765		37,468
Total liabilities		488,454		153,282
Total equity		453,151		254,803

TABLE 5 - COMBINED FINANCIALS AND RECONCILIATIONS

(in US \$ thousands, unaudited)

	Three Months Ended		Three Months Ended	
	March 31, 2021		March 31, 2020	
Revenue, as reported	\$	86,095	\$	26,323
CannAscend revenues		6,587		2,613
Eliminations		(190)		-
Combined revenue		<u>92,492</u>		<u>28,936</u>

Gross profit, as reported	\$	34,994	\$	8,033
CannAscend gross profit		2,666		1,035
Eliminations		(80)		-
Combined gross profit		37,580		8,033
Adjusted EBITDA, as reported	\$	9,076	\$	(10,037)
CannAscend adjusted EBITDA		1,444		172
Eliminations		(110)		-
Combined adjusted EBITDA		10,410		(9,865)

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