

Columbia Care Signs Definitive Agreement to Acquire Medicine Man, a Rapidly Growing, Vertically Integrated Operator in the Denver Metro Area

Pioneering Vertical Operator Will Significantly Strengthen Columbia Care's Position as Leader in World's Second-Largest Cannabis Market

- *Immediately accretive to Columbia Care's gross margin, Adjusted EBITDA, and free cash flow*
- *Adds four retail locations and a 35,000-square-foot cultivation facility that produces approximately three million grams of dried flower annually, all of which is sold through Medicine Man stores*
- *Transaction is expected to close in 4Q 2021*

NEW YORK--(BUSINESS WIRE)-- [Columbia Care Inc.](#) (NEO: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company"), one of the largest and most experienced cultivators, manufacturers and providers of cannabis products in the United States, today announced that it has entered into a definitive agreement to acquire [Medicine Man Denver](#) ("Medicine Man"), a premier vertically integrated cannabis company that has been serving the Denver metro area since 2009.

The acquisition of Medicine Man further solidifies Columbia Care's position as the most scaled retailer, cultivator, and manufacturer in Colorado, the world's second-largest cannabis market. Medicine Man is outperforming the broader Colorado market, with sales growth of 42 percent in 2020, versus 24 percent for the state, and 64 percent year-to-date through May, versus 25 percent for the state. The acquisition will add one cultivation facility and four dispensaries, including one co-located adult-use and medical location and three adult-use facilities to Columbia Care's national footprint.

"We have great admiration for what Medicine Man's leaders, Sally Vander Veer and Andy Williams, have built over the past 12 years through their tireless leadership, local and state-level advocacy, and exceptional business acumen and vision," said Nicholas Vita, CEO of Columbia Care. "Medicine Man will further cement our position as the leading vertically integrated operator in Colorado, in tandem with our ongoing integration of The Green Solution, and will have a positive impact on our financial performance for years to come. We are also confident that the strong alignment of values between our two companies will help Columbia Care continue its growth in Colorado in a sustainable and responsible way. We are thrilled to bring one of Colorado's longest-running and most highly respected cannabis companies into the Columbia Care family."

Medicine Man brings a highly experienced and talented team of executives and employees that further bolsters Columbia Care's strong pool of talent. The company's founders and management team are pioneers of Colorado's legal cannabis industry, and over the past 12 years have built a widely regarded, highly profitable business that has earned strong loyalty amongst both its customers and employees. Because of this, Medicine Man has been recognized as a best-in-class retailer, employer and cultivator through numerous awards.

Andy Williams, Medicine Man's President and Co-Founder, stated: "Since 2009, the Medicine Man family has helped to pioneer the cannabis industry in Colorado. We have done it responsibly and vigorously, for our customers, employees, and our family. Our industry is changing and growing now faster than ever. We recognize the need to partner with others in order to continue to compete within, and help to responsibly transform, the industry as it grows. We are proud to be joining our businesses with Columbia Care, a true leader in this next phase of growth in the cannabis industry. Columbia Care is made up of people with family business values and has the horsepower to lead the cannabis industry into the future. We are truly excited to be part of this new team."

"Medicine Man is thrilled to announce our partnership with Columbia Care," said Sally Vander Veer, CEO of Medicine Man. "They are an ideal partner, and I am confident in their ability to uphold the higher standards that our family-owned and operated cultivation and dispensaries have built over the past twelve years. I knew this opportunity was the right fit for our family and employees because of our shared commitment to operational excellence, emphasis on employees and culture, and a customer-first mentality. I look forward to a seamless integration and an exciting next chapter of growth and success."

The upfront consideration of \$42.0 million, comprising \$8.4 million in cash and \$33.6 million in stock, represents a multiple of approximately 4.5x projected 2021 EBITDA. The transaction terms also include a potential additional milestone payment in 2022 if certain performance targets are met.

Advisors

Foley Hoag LLP is serving as legal counsel to Columbia Care. Right Side Advisory Services is acting as financial advisor to Medicine Man. Husch Blackwell LLP is acting as legal counsel to Medicine Man.

About Columbia Care

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of cannabis products and related services, with licenses in 18 US jurisdictions and the EU. Columbia Care currently operates 122 facilities¹ including 92 dispensaries and 30 cultivation and manufacturing facilities. Columbia Care is one of the original providers of medical cannabis in the U.S. and continues to deliver industry-leading products and services. The company launched Cannabist, its new retail brand, creating a national dispensary network that leverages proprietary technology platforms. Through its dispensary network, the company offers products spanning flower, edibles, oils, and tablets, and manufactures popular brands including Seed & Strain, Triple Seven, Classix, Plant Sugar, Press, Amber and Platinum Label CBD. 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.

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 relating to the revenue guidance and positive adj. EBITDA guidance for Medicine Man 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; statements relating to the business and future activities of, and developments related to, the Company and Medicine Man after the date of this press release, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company and Medicine Man business, operations and plans; expectations relating to the disposition of Medicine Man real estate for certain expected proceeds; 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, Medicine Man 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.

¹ *Pro forma facilities either open or under development; includes facilities where Columbia Care provides consultative services pursuant to the terms of a management services arrangement*

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