

Columbia Care Reports Record Second Quarter 2021 Results

- Record Quarterly Revenue of \$109.7 Million, an Increase of 232% YoY, 19% QoQ
- Record Quarterly Adjusted Gross Profit of \$47.7 Million, an Increase of 300% YoY, 26% QoQ
- Record Gross Margin of 43%, an Increase of 737bps YoY, 266bps QoQ
- Record Adjusted EBITDA of \$16.4 Million, an increase of \$21.1 Million YoY, 58% QoQ
- Record Adjusted EBITDA Margin of 15%, an increase of 2,930bps YoY, 371bps QoQ
- Reaffirms 2021 Revenue Guidance of \$500 - \$530 Million and Adjusted EBITDA Guidance of \$95 - \$105 Million
- Raised \$74.5M in Q2 of 6.00% Convertible Debt, reflecting the lowest priced debt in the Company's history; Ended Q2 with Cash Balance of \$149.2M

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 second quarter ended June 30, 2021. All financial information is unaudited and provided in U.S. dollars unless otherwise indicated.

"We are pleased to report another record quarter for Columbia Care as we continue to execute on our strategic initiatives and build scale in markets across the country," said Nicholas Vita, CEO of Columbia Care. "Our results in the second quarter were driven by organic growth in new and maturing markets, increasing wholesale activity, and contribution from our recently closed acquisition of Green Leaf Medical (gLeaf). We saw continued year over year and sequential improvement in both gross and Adjusted EBITDA margins as we leverage the scale of our national portfolio and ramp in newer markets."

Vita continued, "The ongoing national rollout of our Cannabist retail storefront, with five Cannabist locations open to date, has been very successful and underpins our ongoing initiative to establish a portfolio of national product brands, beginning with our unique store-based experience. We are pleased to report a record number of new product and brand introductions in our markets, such as Seed & Strain flower and vapes, Triple Seven flower, and Plant Sugar edibles.

"Fundamentals continue to improve as we build scale, execute on planned CAPEX expansion projects, and build brand equity at the retail and product levels from coast to coast. We have more growth initiatives underway than ever before, and with New York, New Jersey and Virginia poised to transition to adult use, the opportunities for Columbia Care have never been greater. We have set the stage for a tremendous second half of the year with momentum building into 2022 and look forward to continuing to execute our strategic vision."

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

	Q2 2021	Q1 2021	Q2 2020	% QoQ	% YoY
Combined Results					
Revenue	\$109,744	\$ 92,492	\$33,012	19%	232%
Adj. Gross Profit ^[1]	\$ 47,678	\$ 37,720	\$11,908	26%	300%
Adj. Gross Margin ^[1]	43%	41%	36%	266bps	737bps
Adj. EBITDA	\$ 16,422	\$ 10,410	\$ (4,734)	58%	N/A
Reported Results					
Revenue	\$102,387	\$ 86,095	\$28,413	19%	260%
Gross Profit	\$ 43,339	\$ 34,994	\$10,140	24%	327%
Gross Margin	42%	41%	36%	168bps	664bps
Adj. EBITDA	\$ 14,790	\$ 9,076	\$ (5,481)	63%	N/A
Cash	\$148,750	\$176,498	\$42,350	-16%	251%

^[1] Excludes changes in fair value of biological assets and inventory sold for all periods presented, as well as \$1.4 million in Q2 2021 and \$0.1 million in Q1 2021 related to the mark-up of inventory acquired in gLeaf, Corsa Verde and The Healing Center San Diego.

*Combined Results include dispensary and manufacturing operations in
¹Ohio.*

Second quarter 2021 results include contribution from Green Leaf Medical as of the date of acquisition, June 10, 2021. With the close of the Ohio acquisition in July, all financial reporting will be consolidated under Reported Results going forward.

Operational Update

Lars Boesgaard, Columbia Care's Chief Financial Officer ("CFO"), will be leaving the Company effective August 31, 2021, to join AM-Pharma, a European late-stage biotechnology company, as their CFO. Vita commented, "We are grateful for Lars' contributions to Columbia Care, appreciate his support through this current transition and wish him all the best in his new role."

Beginning on September 1, 2021, Michael Livingstone, the Company's Vice President and Corporate Controller, will serve as interim CFO. Over the past fifteen years, Michael has developed an extensive operational background serving in finance and accounting leadership roles at Columbia Care and prior employers. A search for the permanent CFO is underway.

Selected State Level Highlights

Top 5 Markets by Combined Revenue: California, Colorado, Massachusetts, Ohio, Pennsylvania

Top 5 Markets by Adjusted EBITDA: Colorado, Illinois, Massachusetts, Ohio, Pennsylvania

Arizona

- Sequential revenue growth of 23% as adult use continues to ramp following January implementation; 54% growth YoY
- Continued focus on wholesale opportunities to increase gross margin
- Third party flower shortage in the market drove Columbia Care brand revenue higher, in particular, for Seed & Strain
- Cannabist rebranding of dispensary in Tempe completed in Q2; Prescott to follow in 2H 2021
- Reached maximum canopy for best efficiency of plant growth based on current infrastructure; planning upgrades to cultivation facility for additional wholesale and retail supply in Q3

California

- Sequential revenue growth of 4%, despite lower wholesale revenue and persistent COVID-19 headwinds
- Focused on product launches for Amber vapes and concentrates and Press tablets in Q3 and improved wholesale relationships
- Cannabist rebranding of San Diego dispensary completed in Q2
- Accelerated CAPEX spend for cultivation upgrades to increase yield, efficiency, and quality of production in light of wholesale market softness experienced in 1H 2021

Colorado

- Sequential revenue growth over 7.5% and EBITDA margin increase of 200bps, driven by late quarter impact from ongoing restructuring in cultivation and at retail as average dollar sales trended upwards despite greater than expected impact from inclement weather in Q2
- Gross margin stable at 42% as ongoing upgrades for the Steele indoor cultivation facility begin to flow through financials; initial trials indicate significant increases in flower quality, potency, and yield, with first significant harvest expected end of Q3/early Q4
- Focused on wholesale of finished goods and oil for 2H 2021

Florida

- Largest single market contributor to sequential revenue growth as a result of increased flower production and new product launches, achieving 46% increase in revenue sequentially and 335% over Q2 2020
- Adj. EBITDA positive in Q2 and 1,200bps increase in gross margin quarter over quarter due to continued scale and yield improvements
- Focused on expanding product lines, increasing supply of edibles and other manufactured products across retail footprint in 2H 2021
- Alachua greenhouse completed first harvest out of 38,280sqft facility in June

Illinois

- Cannabist rebrand at Villa Park dispensary and launch of new products such as Triple Seven flower and Seed & Strain vapes drove foot traffic and positive reviews, with

sequential revenue increasing 15% in Q2 and 397% YoY

- Margin improvement due to focus on manufacturing automation and increasing delivery schedules; gross margin and Adj. EBITDA margin each increased 600bps sequentially
- Production efficiencies resulting in >30% THC flower and strong terpene profiles
- Jefferson Park dispensary expansion to triple the size of the space is under construction and expected to be completed in 2H 2021

Massachusetts

- Sustained YoY revenue growth trajectory with 85% increase over Q2 2020 and 6% sequentially, driven by earlier than expected contributions from wholesale revenue
- Q2 implementations, such as institutionalization of wholesale supply chain and addition of automation equipment for flower and pre-roll, are expected to show financial impact in Q3
- Ongoing conversion of all 3 dispensaries to Cannabist branding, complemented by Q2 introduction of Seed & Strain, Triple Seven, Press, Amber and Plant Sugar brand products
- Adult-use sales commenced in downtown Boston co-located dispensary as of August 10, 2021

New Jersey

- Revenue increased 20% sequentially; gross margin turned positive in Q2, increasing by 7200bps sequentially
- Cultivation facility completed first harvest in July, allowing establishment of multiple wholesale partnerships to ensure products are available for patients throughout the state
- Two additional dispensary locations in southern NJ region in development: Deptford location will open in Q3 2021, and Hamilton Township location will open in Q1 2022; both will be Cannabist locations
- Second cultivation and production facility in Vineland is under development and will provide 250,000sqft of additional canopy, manufacturing, and distribution space to support medical and adult-use in 2022

New York

- Revenue up 11% sequentially and 72% YoY, despite lingering COVID-19 impacts in Manhattan and Brooklyn locations
- Progress with cultivation preparations at new Long Island cultivation facility (~1Msqft), targeting initial harvest in Q4, as preliminary approval has been received to begin cultivation operations on site
- Continued focus on wholesale opportunities and new product launches, such as new flavor chews ahead of adult use
- As an existing Registered Organization, we are in the process of locating four incremental medical dispensaries to add to our current four medical dispensaries; three of the added dispensaries will be co-located with adult use for a total of eight dispensaries in New York

Ohio

- Revenue increased 18% sequentially and 110% YoY, including gLeaf dispensary contribution following June 10 acquisition closing
- Patient satisfaction with strains improved; number of transactions increased 15% QoQ
- CannAscend, Corsa Verde and gLeaf acquisitions closed, with integration now underway
- Strong wholesale relationships continue, with Columbia Care flower in more than 90% of all dispensaries in state
- Mt. Orab cultivation facility to have incremental canopy available by Q4 in a phased approach with final completion in Q1 2022; increased canopy will drive increased gross margin and EBITDA, and incremental biomass will allow for continued brand and SKU launches for wholesale and retail

Pennsylvania

- Revenue increased 28% sequentially and 46% YoY, including gLeaf contribution following June 10 acquisition closing
- With close of gLeaf transaction, Columbia Care will be vertically integrated in PA with the largest cultivation operation in the state upon completion of gLeaf's 174,000sqft expansion for a total of 274,000sqft
- gLeaf currently wholesales to nearly all dispensaries in Pennsylvania (+95%), and gLeaf's wholesale operations will be margin accretive to the Company's PA operations

Virginia

- Revenue grew 227% QoQ, including gLeaf contribution following June 10 acquisition closing
- Positive Adj. EBITDA margin increased 200bps; sequential gross margin improvement of approximately 400bps in Columbia Care operations
- Columbia Care completed first wholesale transactions in Q2; working with all licensed operators in VA to advance wholesale opportunities
- Focused on integration of gLeaf operations and increasing intra-company wholesale since close of transaction on June 10; gLeaf currently has largest cultivation and delivery operations in the state
- Flower sales to begin in Virginia in September; increasing canopy and building inventory in preparation
- Actively pursuing 5 additional dispensary locations for each license, for a total of 12 dispensaries between Columbia Care and gLeaf; 3 additional dispensaries to open 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 does not assume any future changes in the regulatory environment in markets where Columbia Care currently operates. See "Caution Concerning Forward-Looking Statements" below for further discussion.

Conference Call and Webcast Details

The Company will host a conference call on Thursday, August 12, 2021, at 8:00 a.m. ET to discuss its financial and operating results for the second 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/45712/indexl.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 June 30, 2021.

About Columbia Care Inc.

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of cannabis products and related services, with licenses in 18 U.S. jurisdictions and the EU. Columbia Care operates 130 facilities including 99 dispensaries and 31 cultivation and manufacturing facilities, including those under development. Columbia Care is one of the original providers of medical cannabis in the U.S. and now delivers industry-leading products and services to both the medical and adult-use markets. In 2021, the company launched Cannabist, its new retail brand, creating a national dispensary network that leverages proprietary technology platforms. The company offers products spanning flower, edibles, oils, and tablets, and manufactures popular brands including Seed & Strain, Triple Seven, gLeaf, Classix, Plant Sugar, Press, Amber and Platinum Label CBD. 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 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 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 of 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, 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 with 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 current or future litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effecting 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, 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 paragraphs. 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		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2021	2020	2021	2020
Revenue	\$ 102,387	\$ 28,413	\$ 188,482	\$ 54,736

Production costs	(59,048)	(18,273)	(110,149)	(36,563)
Gross profit before fair value adjustments	43,339	10,140	78,333	18,173
Fair value adjustments biological assets and inventory, net	10,496	(4,321)	20,529	237
Gross profit	53,835	5,819	98,862	18,410
Operating expenses	(51,522)	(29,579)	(99,038)	(61,148)
Income (loss) from operations	2,313	(23,760)	(176)	(42,738)
Other expense, net	(8,062)	(3,653)	(15,889)	(4,613)
Income tax (expense) benefit	(5,130)	76	(10,139)	(634)
Net loss	(10,879)	(27,337)	(26,204)	(47,985)
Net loss attributable to non-controlling interests	(718)	(3,203)	(630)	(3,741)
Net loss attributable to Columbia Care shareholders	(10,161)\$	(24,134)	(25,574)\$	(44,244)
Weighted average common shares outstanding - basic and diluted	313,771,867	218,027,207	304,346,270	217,283,357
Earnings per common share attributable to Columbia Care shareholders - basic and diluted	\$ (0.03)\$	(0.11)\$	(0.08)\$	(0.20)

TABLE 2 - RECONCILIATION OF IFRS TO NON-IFRS MEASURES

(in US \$ thousands, unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net loss	\$ (10,879)\$	(27,337)\$	(26,204)\$	(47,985)
Income tax expense	5,130	(76)	10,139	634
Depreciation and amortization	13,064	5,902	25,159	11,630
Net interest and debt amortization	8,635	1,684	16,208	2,481
EBITDA	\$ 15,950	\$ (19,827)\$	25,302	\$ (33,240)

Share-based compensation	5,172	8,007	12,841	15,123
Fair value adjustments biological assets and inventory, net	(10,496)	4,321	(20,529)	(237)
Fair value mark-up for acquired inventory	1,352	-	1,492	-
Adjustments for acquisition and other non-core costs	3,324	49	5,093	867
Fair value changes on derivative liabilities	(2,092)	-	(1,913)	-
Loss on conversion of debt to equity	1,580	-	1,580	-
Impairment of disposal group	-	1,969	-	1,969
Adjusted EBITDA	\$ 14,790	\$ (5,481)	\$ 23,866	\$ (15,518)

TABLE 3 - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(in US \$ thousands, unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net cash used in operating activities	\$ (13,699)	\$ (18,094)	\$ (14,967)	\$ (28,524)
Net cash used in investment activities	(73,778)	(6,903)	(83,920)	(29,719)
Net cash provided by financing activities	59,729	40,489	186,526	53,129
Net (decrease) increase in cash	(27,748)	15,492	87,639	(5,114)
Cash balance - beginning of period	176,498	26,858	61,111	47,464
Cash balance - end of period	148,750	42,350	148,750	42,350

TABLE 4 - COMBINED FINANCIALS AND RECONCILIATIONS
(in US \$ thousands, unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020

Revenue, as reported	\$	102,387	\$	28,413	\$	188,482	\$	54,736
CannAscend revenues		7,531		4,599		14,118		7,212
Eliminations		(174)		-		(364)		-
Combined revenue		109,744		33,012		202,236		61,948
Gross profit, as reported	\$	43,339	\$	10,140	\$	78,333	\$	18,173
CannAscend gross profit		3,081		1,768		5,747		2,803
Eliminations		(94)		-		(174)		-
Combined gross profit		46,326		11,908		83,906		20,976
Adjusted EBITDA, as reported	\$	14,790	\$	(5,481)	\$	23,866	\$	(15,518)
CannAscend Adjusted EBITDA		1,712		747		3,156		919
Eliminations		(80)		-		(190)		-
Combined Adjusted EBITDA		16,422		(4,734)		26,832		(14,599)

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