



## **Columbia Care Completes Acquisition of Green Leaf Medical; Cements Market Leading Position in Mid-Atlantic**

June 11, 2021

- *Affirms Company's Position as a Leading Cultivator, Processor, Wholesale Supplier and Retailer in Limited License States of Maryland, Ohio, Pennsylvania and Virginia*
- *Adds Approximately 400,000 Square Feet of Cultivation and Production Capacity as well as Four Operational Dispensaries and Six In-Development Dispensaries in Key Markets*
- *Immediately Accretive to Columbia Care Gross Margin, Adjusted EBITDA and Free Cash Flow with Acquisition Multiple of Approximately 4.8x 2021 Adjusted EBITDA*
- *Achieves Vertical Integration in all 18 of Columbia Care's Markets, Enabling the Company to Launch Brands Across the Country, Expand Retail and Wholesale Market Share, Optimize Margin Profile and Drive Shareholder Value*

NEW YORK--(BUSINESS WIRE)-- Columbia Care Inc. (NEO: CCHW) (CSE: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company"), one of the largest and most experienced cultivators, manufacturers and providers of medical and adult-use cannabis products in the United States, today announced that it has completed its acquisition of Green Leaf Medical, LLC ("Green Leaf" or "gLeaf"), a privately held, fully-integrated cannabis multi-state operator (MSO) with a leading market presence throughout the mid-Atlantic region.

Total upfront consideration was approximately \$240 million, comprised of \$45 million in cash and \$195 million in Columbia Care stock, with the potential for additional performance-based milestones in 2022 and 2023. This transaction is immediately accretive to gross margin, Adjusted EBITDA and cash flow from operations.

"I am pleased to announce the completion of Columbia Care's acquisition of Green Leaf today, well ahead of our originally anticipated close, which secures our position as a national leader and the most scaled operator in the Mid-Atlantic," said Nicholas Vita, CEO of Columbia Care. "Green Leaf's proprietary gLeaf brand, cultivation and production scale, and outstanding reputation and culture are exceptional complements to the Columbia Care operational footprint in these key markets. Together, we will accelerate and expand our strategy of offering the best products and service to these rapidly expanding medical markets and will be well-positioned in states that are preparing for adult-use, such as Virginia. We are thrilled to welcome the Green Leaf team, led by Philip Goldberg and Kevin Goldberg, to the Columbia Care family and will strive to ensure the continued growth and customer focus that Green Leaf is known for through a thoughtful and deliberate integration."

Philip Goldberg, Green Leaf's CEO and Co-Founder, commented: "We set out to build a leading cultivation, extraction and retail network that optimizes the customer experience by leveraging technology and meaningful human interaction – and we're proud that we have accomplished that. After searching for the right home for our company, people and communities, it was clear that there was one organization that shared our vision and priorities – Columbia Care." Kevin Goldberg, Co-Founder, General Counsel and President of Green Leaf added: "We are incredibly grateful to the Green Leaf employees who built the company right alongside us and are the heart of our organization. We look forward to the opportunity to expand the gLeaf brand into Columbia Care's markets and realize the benefits of our combined innovation and growth that happens with the two teams joined together."

For additional information regarding the transaction, please refer to Columbia Care's [press release issued on December 22, 2020](#), or visit the presentations section of the investors' website at [www.ir.col-care.com](http://www.ir.col-care.com).

### **Additional Highlights**

#### *Green Leaf 1Q 2021 Financial Performance<sup>1</sup>*

- Revenue of approximately \$29 Million
- Gross Margin in excess of 50%
- Adj. EBITDA Margin in excess of 30%

#### *Pennsylvania*

- One of the largest and most scaled cultivators and processors in Pennsylvania, with a 274,000 ft<sup>2</sup> cultivation and processing facility; over 100,000 ft<sup>2</sup> of this capacity is currently operational, and fully funded construction on the additional 174,000 ft<sup>2</sup> will be completed and operational by year-end 2021
- One of the state's largest wholesalers; products are sold in approximately 85% of Pennsylvania's 100 operating dispensaries
- Perfects vertical operations when combined with Columbia Care's dispensaries in northeast Pennsylvania, offering significant revenue and margin expansion opportunities in both retail and wholesale channels

## Maryland

- Fully built out 42,000 ft<sup>2</sup> cultivation facility, and a separate processing facility with opportunities to significantly increase production and efficiencies
- Green Leaf has two operating dispensaries in Maryland (Montgomery and Frederick County) with a third pre-approved dispensary (Prince George's County) in development and expected to open in 2022, creating local scale with Columbia Care's existing Montgomery County dispensary
- One of the state's largest wholesalers, with products sold in nearly half of the state's 95 operating dispensaries
- Operates a robust statewide home delivery service, with 14 delivery vehicles and personnel that can be leveraged in adjacent markets of Washington, D.C., Virginia and Delaware via existing Columbia Care footprint
- The transaction increases Columbia Care's total Maryland dispensary license count to four, which is the maximum number allowed per operator in the state, making it one of the most scaled retailers and wholesalers in Maryland

## Virginia

- Green Leaf is the largest cultivator in the state, operating a fully built out 82,000 ft<sup>2</sup> cultivation, production and dispensary facility in Richmond, with plans for significantly increased efficiencies underway
- Green Leaf commenced cultivation operations in May 2020 and retail operations in November 2020, serving as the retailer in 20 counties in central Virginia—including the state capital, Richmond
- Provides home delivery access throughout the state with 10 vehicles
- Adds to Columbia Care's existing operations in southeastern Virginia (Norfolk/Hampton Roads), one of the most densely populated areas in the state, and complements Columbia Care's operational cultivation and production facility, the second largest in the state with over 60,000ft<sup>2</sup>, as well as one operating dispensary in the Norfolk area
- Each licensee is entitled to operate one co-located cultivation/dispensary facility and five stand-alone dispensaries in their authorized region – allowing up to ten additional dispensaries between both licensees, all of which are currently in various stages of development
- Flower will be available in Virginia beginning September 2021

## Ohio

- Green Leaf operates one retail dispensary – enabling Columbia Care to achieve the state maximum of five dispensaries
- Columbia Care operates, and is expanding into, a 63,000 ft<sup>2</sup> cultivation, production and manufacturing facility, which also recently launched commercial sales, making it one of the most scaled, fully integrated operators in the state
- Columbia Care currently sells finished goods to more than 85% of licensed dispensaries in Ohio

All amounts reflected in this press release and references to \$ are in U.S. dollars.

### 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 facilities<sup>2</sup> 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. 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).

### 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 Green Leaf Medical 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 Green Leaf Medical after the date of this press release, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company and Green Leaf Medical business, operations and plans; expectations relating to the disposition of Green Leaf Medical 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, Green Leaf Medical 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](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.

<sup>1</sup> 1Q 2021 financial results based on unaudited Green Leaf management numbers. Gross margin and Adj. EBITDA are non-IFRS measures.

<sup>2</sup> 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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#### **Investor Contact**

Lee Ann Evans  
Investor Relations  
+1.212.271.0915  
[ir@col-care.com](mailto:ir@col-care.com)

#### **Media Contacts**

Lindsay Wilson  
Columbia Care  
+1.978.662.2038  
[media@col-care.com](mailto:media@col-care.com)

Gabriella Velez  
5WPR  
[columbiacare@5wpr.com](mailto:columbiacare@5wpr.com)

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