



Columbia Care Announces Private Placement of US\$25 Million and Executes on Next Phase of Balance Sheet Improvement Initiatives

September 18, 2023

NEW YORK--(BUSINESS WIRE)--Sep. 18, 2023-- Columbia Care Inc. (NEO: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company"), one of the largest and most experienced cultivators, manufacturers and retailers of cannabis products in the U.S., today announced that it has entered into subscription agreements with institutional investors (the "Investors"), for the purchase and sale of 22,244,210 units of the Company (the "Units") at a price of C\$1.52 per Unit (the "Issue Price") pursuant to a private placement (the "Offering"), for aggregate gross proceeds of approximately C\$33.8 million or approximately US\$25 million (the "Initial Tranche").

The Investors will have the option to purchase US\$25 million in additional Units at a price equal to the Issue Price, upon written notice to the Company at any time up to 45 days following the date hereof (the "Investor Option"). In connection with the transaction, the Company and the investors entered into a customary registration rights agreement. The Units will be subject to limited lock-up requirements.

The Company has also entered into a non-binding agreement with the Investors with respect to the repurchase by the Company of up to US\$25 million of principal amount of their holdings in the 6.0% senior secured convertible notes due June 2025 of the Company (the "2025 Convertible Notes"), the purchase price of which would be payable in common shares of the Company ("Common Shares"). Completion of these transactions would be subject to definitive documentation and receipt of all necessary regulatory approvals.

In addition, the Company is in continued discussions, as previously disclosed, with certain holders of the Company's 13% senior secured notes due May 2024 (the "2024 Notes"), to exchange their 2024 Notes into the Company's 9.5% senior secured notes due February 2026 on a one-for-one basis (the "Debt Exchange").

Private Placement Offering

Each Unit consists of one Common Share (or Common Share equivalent) and a one half of one common share purchase warrant of the Company (each full warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share of the Company at a price of C\$1.96 per share, a 29% premium to issue, for a period of 3 years following the closing of the Initial Tranche and the Investor Option, as applicable.

The closing of the Initial Tranche is subject to customary closing conditions and is expected to close on or about September 21, 2023.

The Company intends to use the proceeds from the Offering to reduce its outstanding indebtedness and for general corporate purposes.

The Common Shares to be sold in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state or other applicable jurisdiction's securities laws and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in the Securities Act) absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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 16 U.S. jurisdictions. Columbia Care operates 125 facilities including 94 dispensaries and 31 cultivation and manufacturing facilities, including those under development. Columbia Care is one of the original multi-state 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 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, Hedy, gLeaf, Classix, Press, and Amber. For more information on Columbia Care, please visit www.columbia.care.

Caution Concerning Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information or forward looking statements within the meaning of applicable securities laws and reflect the Company's current expectations regarding future events. Statements concerning Columbia Care's objectives, goals, strategies, priorities, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of the Company 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. Forward looking statements in this press release include, among others, statements related to: the anticipated proceeds of the Offering, the satisfaction of the closing conditions and expected timing of the closing of the Offering, the exercise of the Investor Options and proceeds thereof, the receipt of necessary approvals of the repurchase of the 2025 Convertible Notes, the closing of the repurchase of the 2025 Convertible Notes, the use of proceeds of the Offering, and the closing of the Debt Exchange.

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. Securityholders should review the risk factors discussed under "Risk Factors" in Columbia Care's Form 10-K for the year ended December 31, 2022, as filed with the applicable securities regulatory authorities and as also described from time to time in other documents filed by the Company with U.S. and 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 regarding the impact of 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.

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