



## The Cannabist Company Announces Debt Repurchase Agreement to Reduce Leverage by up to \$25 Million

January 22, 2024

NEW YORK--(BUSINESS WIRE)--Jan. 22, 2024-- The Cannabist Company Holdings Inc. (NEO: CBST) (OTCQX: CBSTF) (FSE: 3LP) ("The Cannabist Company" or the "Company"), one of the largest and most experienced cultivators, manufacturers and retailers of cannabis products in the U.S., announced today that, further to its previously announced intention to repurchase up to US\$25 million of principal amount of 6.0% senior secured convertible notes due June 2025 of the Company (the "2025 Convertible Notes"), it has entered into a binding agreement (the "Agreement") with certain offshore institutional investors (the "Investors") to conditionally effect such repurchase (the "Repurchase") for common shares of the Company ("Common Shares").

"We are pleased to have reached agreement on the previously announced transaction to reduce leverage and decrease interest expense, maintaining momentum for our balance sheet improvement plan. We are grateful for the constructive relationship with our investors that enabled this transaction to come to fruition and look forward to delivering on additional initiatives in the months ahead," said David Hart, CEO of The Cannabist Company.

Pursuant to the terms of the Agreement, the Investors shall:

1. by January 31, 2024, exchange, assign, transfer and sell ("Transfer") US\$5 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at a price per Common Share equal to the greater of CAD\$0.41 per Common Share and the 12.5% discount to the 5-day volume weighted average price of the Common Shares (the "Initial Exchange Price") on Cboe Canada Inc. (the "Exchange") prior to receipt of a Transfer notice;
2. upon fulfillment of certain conditions related to the trading price of the Common Shares on the Exchange, on or prior to February 29, 2024, Transfer US\$5 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at the Initial Exchange Price, and
3. upon fulfillment of certain conditions related to the trading price of the Common Shares on the Exchange, on or prior to June 30, 2024, Transfer in three separate equal tranches, an aggregate of US\$15 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at a price per Common Share equal to the greater of CAD\$0.57 per Common Share and the 12.5% discount to the 5-day volume weighted average price of the Common Shares on the Exchange prior to receipt of a Transfer notice, in each case, subject to adjustment in certain instances.

In the event the conditions are fulfilled and the Investors fail to Transfer their 2025 Convertible Notes in accordance with the terms of the Agreement, the Company has the right, but not the obligation, to require the Investors to Transfer some or all of the portion of the \$25 million of 2025 Convertible Notes still held by the Investors. Assuming all of the conditions are fulfilled, and the entire US\$25 million principal amount of 2025 Convertible Notes are Transferred for Common Shares issued at the minimum prices set out in the Agreement, a maximum of 68,564,698 Common Shares would be issued in connection with the Repurchase.

In connection with the Repurchase, the Company obtained waivers from holders of, in the aggregate, US\$34.5 million principal amount of 2025 Convertible Notes confirming that they did not object to the Company completing the Repurchase and confirming that they had no intention of participating in a Repurchase of their 2025 Convertible Notes on similar terms. Should the holders of the balance of the 2025 Convertible Notes (representing an aggregate amount of US\$5 million) participate in a similar Repurchase of their 2025 Convertible Notes, the Company expects that approximately US\$3.57 million principal amount of 2025 Convertible Notes could be repurchased, with the remaining balance being potentially Transferred for New Notes.

In connection with the Repurchase, ATB Capital Markets acted as exclusive financial advisor to the Company and to the Company's special committee.

### About The Cannabist Company (f/k/a Columbia Care)

The Cannabist Company, formerly known as 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. The Company operates 125 facilities including 94 dispensaries and 31 cultivation and manufacturing facilities, including those under development. The Cannabist Company is one of the original multi-state providers of 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, please visit [www.cannabistcompany.com](http://www.cannabistcompany.com).

### No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell, buy or subscribe for any securities or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In particular, this communication is not an offer of securities for sale into the United States. No offer of securities shall be made in the United States or to or for the account or benefit of a U.S. person (as that term is used in Regulation S of the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) absent registration under the U.S. Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. In addition, hedging transactions may not be conducted unless in compliance with the U.S. Securities Act.

## **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. Forward-looking statements or information contained in this release include, but are not limited to, statements or information with respect to the Repurchase, the fulfilment of the conditions to one or more of the Transfers contemplated by the Repurchase, the prices at which the Common Shares will be issued if the conditions to one or more of the Transfers are fulfilled, the ability to complete a future offering of convertible notes on favourable terms if at all, the potential for additional holders to Transfer their 2025 Convertible Notes, and the Company’s ability to execute on retail, wholesale, brand and product initiatives. There can be no assurances that the conditions to any future Transfer will be fulfilled or that the Common Shares will be issued. These forward-looking statements or information, which although considered reasonable by the Company, may prove to be incorrect and are subject to known and unknown risks and uncertainties that may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied by any forward-looking information. In addition, securityholders should review the risk factors discussed under “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2022, as filed with Canadian and U.S. securities regulatory authorities and described from time to time in subsequent documents filed with applicable securities regulatory authorities.

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