UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____ to_____

Commission File Number: 000-56294

COLUMBIA CARE INC.

(Exact name of registrant as specified in its charter)

British Columbia **(State or other jurisdiction of incorporation or organization)**	**98-1488978** **(I.R.S. employer identification no.)**

680 Fifth Ave., 24th Floor
New York, New York 10019
(Address of principal executive offices and zip code)

(212) 634-7100
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**

Securities registered pursuant to Section 12(g) of the Act:
Common Shares
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the financial statements included in the filing reflects a correction of an error to previously issued financial statements:[(1)] Yes ☐ No ☐

Indicate by check mark whether any of those error corrections are restatements requiring a recovery analysis of incentive-based compensation under the registrant's clawback policies:[(1)] Yes ☐ No ☐

(1) Not applicable.

Aggregate market value of the registrant's common stock held by non-affiliates of the registrant, based upon the closing price of a common share of the registrant on June 30, 2022 as reported on the Canadian Stock Exchange on that date: $660,754,655.

As of March 23, 2023, there were 401,723,839 common shares, no par value (the "**Common Shares**"), of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

COLUMBIA CARE INC.
TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" regarding Columbia Care Inc. and its subsidiaries (collectively referred to as "Columbia Care," "we," "us," "our," or the "Company"). We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as, but not limited to, "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Particular risks and uncertainties that could cause our actual results to be materially different from those expressed in our forward-looking statements include those listed below:

- the satisfaction of the conditions precedent to the closing of the Arrangement (as defined herein);
- the receipt of the Key Regulatory Approvals (as defined herein);
- the ability of Columbia Care and Cresco Labs Inc. to complete the Divestitures (as defined herein);
- the impact of the Arrangement (as defined herein), or failure to complete the Arrangement (as defined herein), on the market price of the Common Shares;
- the closing of the Arrangement (as defined herein);
- the impact of the Arrangement (as defined herein) on the Company's current and future operations, financial condition and prospects;
- the impact of restrictions on the Company during the pending Arrangement (as defined herein);
- the value of the Cresco Labs Subordinate Voting Shares (as defined herein);
- the impact of potential payments to the Company's shareholders who exercise dissent rights in connection with the Arrangement (as defined herein);
- the availability of another attractive take-over, merger or business combination;
- the costs of the Arrangement and potential payment of the Columbia Care Termination Fee (as defined herein);
- the effect of the Arrangement (as defined herein) on the attention of Columbia Care's management;
- the possibility that Cresco Labs Inc. will issue additional equity securities;
- the tax consequences of the Arrangement may differ from anticipated treatment;
- Columbia Care's convertible notes, first-lien notes and warrants may cease to be qualified investments for Registered Plans (as defined herein);
- the fact that marijuana remains illegal under federal law;
- the enforcement of cannabis laws, including by U.S. border officials;
- the renewal of the Rohrabacher-Farr Amendment (as defined herein);
- the possibility of civil asset forfeiture of the Company's assets;
- the possibility that U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with cannabis operations in the U.S.;
- the application of anti-money laundering laws and regulations to the Company;
- access to U.S. bankruptcy protections;
- heightened scrutiny by regulatory authorities;
- the ability of U.S. residents to settle trades of the Company's securities;
- legal, regulatory or political change to the cannabis industry;
- access to the services of banks;
- access to public and private capital;
- unfavorable publicity or consumer perception of the cannabis industry;
- results of future clinical research;

- expansion to the adult-use market;
- the impact of laws, regulations and guidelines;
- penalties for regulatory violations;
- regulation by the Food and Drug Administration (the "**FDA**") and the Federal Trade Commission (the "**FTC**");
- the impact of Section 280E of the Internal Revenue Code;
- the continuing availability of third-party service providers;
- the ability of the Company to enforce its contracts;
- the impact of state laws pertaining to the cannabis industry;
- the lack of reliable data on the cannabis industry;
- the effect of conversion and potential future sales of Common Shares on the market prices of the Common Shares;
- the impact of additional issuances of equity by the Company;
- the availability of an investor to bring a derivative claim in a judicial forum of its choosing;
- the quality of cannabis grown by the Company and related agricultural business risks;
- the impact of climate change;
- the Company's reliance on third-party product manufacturers;
- potential product liability claims;
- the impact of products recalls;
- the impact of the Company's quality control systems;
- the impact of environmental regulation;
- the Company's limited operating history as a publicly-traded company;
- the Company's history of negative cash flow from operations;
- competition, including from new well-capitalized entrants into the cannabis industry;
- rising energy costs;
- the Company's reliance on key inputs, suppliers and skilled labor;
- the difficulty of forecasting the Company's sales;
- the ability to protect the Company's intellectual property, including its patents and trademarks;
- the potential infringement on intellectual property rights of third parties;
- competition from synthetic production and technological advances;
- constraints on marketing products;
- fraudulent or illegal activity by employees, contractors and consultants;
- the prohibition of public company ownership of cannabis businesses;
- potential cyber-attacks and security breaches;
- the potential application of high bonding requirements;
- the availability, cost and potentially limited scope of insurance coverage;
- the ability to pay dividends;
- the application of international regulations;
- the use of customer information and other personal and confidential information;
- liability for both U.S. and Canadian tax;

- net operating loss and other tax attribute limitations;
- the application of withholding tax on dividends;
- the application of gift, estate and transfer taxes on transfer of the Common Shares;
- the impact of changes in tax laws;
- the volatility of the market price of the Common Shares;
- the impact of further equity financing;
- potential conflicts of interest between the Company and its directors or officers;
- the limitation of certain remedies under the laws of British Columbia;
- the anticipated benefits of the Green Leaf Transaction (as defined herein);
- reliance on management;
- litigation;
- the ability to manage growth;
- the costs of being a public company;
- the impact of securities industry analyst research reports;
- future results and financial projections; and
- the impact of global financial conditions and disease outbreaks.

The list of factors above is illustrative and by no means exhaustive. Additional information regarding these risks and other risks and uncertainties we face is contained in Part I of this Form 10-K under, Item 1A, “Risk Factors.” Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended.

We urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I

ITEM 1. BUSINESS

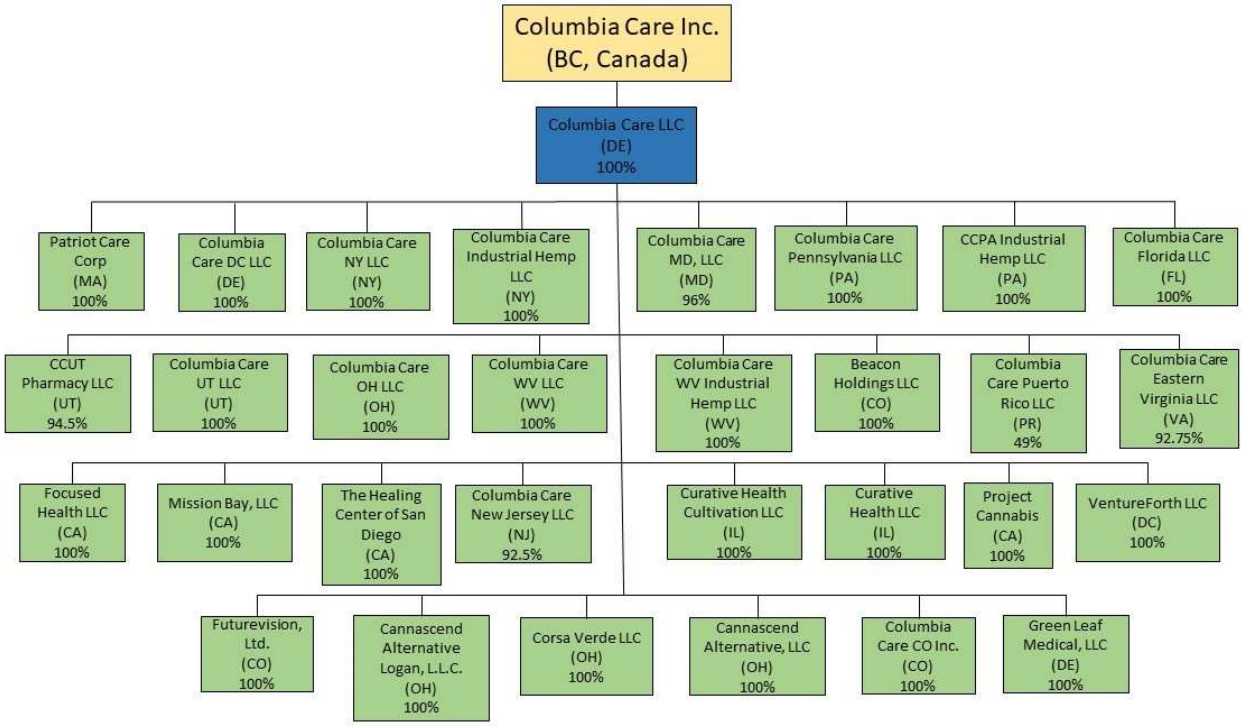
Background

Columbia Care Inc.'s common shares are listed on the Aequitas NEO Exchange (the "**NEO**") under the symbol "CCHW", on the Canadian Securities Exchange (the "**CSE**") under the symbol "CCHW", and are quoted on the OTCQX Best Market (the "**OTCQX**") under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

The Company's principal business activity is the production and sale of cannabis as regulated by the regulatory bodies and authorities of the jurisdictions in which it operates.

The Company, through its subsidiaries, currently owns or manages interests in several state-licensed medical and/or adult use marijuana businesses in Arizona, California, Colorado, Delaware, Florida, Illinois, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Utah, Virginia, Washington, D.C. and West Virginia. The Company has exited its prior operations in the Missouri, European Union and Puerto Rico markets.

The following organizational chart describes the organizational structure of the Company as of December 31, 2022. See Exhibit 21.1 to this annual report on Form 10-K for a list of subsidiaries of the Company. All lines represent 100% ownership of outstanding securities of the applicable subsidiary unless otherwise noted in Exhibit 21.1 or in the chart below.



Notes:

1. As a result of Columbia Care's acquisition of a 100% ownership interest in Resource Referral Services Inc., PHC Facilities Inc. and Wellness Earth Energy Dispensary, Inc., and a 49.9% ownership interest in Access Bryant SPC (collectively, "Project Cannabis"), Columbia Care owns 100% of PHC Facilities, Inc., Resource Referral Services, Inc., and Wellness Earth Energy Dispensary, Inc. Columbia Care also acquired 49.9% of Access Bryant SPC with an option to purchase 100% of the entity when regulatory conditions permit such.
2. Beacon Holdings, LLC includes the following licensed subsidiary entities: The Green Solution, LLC, Rocky Mountain Tillage, LLC, and Infuzionz, LLC.
3. Green Leaf Medical, LLC ("**Green Leaf Medical**" or "**Green Leaf**" or "**gLeaf**") includes the following licensed subsidiary entities: Green Leaf Medical, LLC (MD), Green Leaf Extracts, LLC (MD), Time for Healing, LLC (MD),

Wellness Institute of Maryland, LLC (MD), Green Leaf Medical of Ohio II, LLC (OH), Green Leaf Medicals, LLC (PA), and Green Leaf Medical of Virginia, LLC (VA).

The registered office of the Company is 666 Burrard St., #1700, Vancouver, BC V6C 2X8. The head office is located at 680 Fifth Ave., 24th Floor, New York, New York 10019.

History of the Company

The Company was incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") on August 13, 2018 under the name "Canaccord Genuity Growth Corp." as a special purpose acquisition corporation for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization or any other similar business combination.

On October 17, 2018, the Company announced that it had entered into a letter of intent with Columbia Care LLC ("**Old Columbia Care**") to exclusively negotiate a business combination between the two companies. On November 21, 2018, the Company announced that it had entered into a definitive agreement (the "**Transaction Agreement**") with Old Columbia Care pursuant to which, among other things, the Company would acquire all of the membership interests of Old Columbia Care by way of a merger between Old Columbia Care and a newly-formed Delaware subsidiary of the Company (the "**Business Combination**"). The Business Combination constituted the Company's qualifying transaction.

The Business Combination was completed on April 26, 2019, at which point Old Columbia Care became a 100% wholly-owned subsidiary of the Company. In connection with the closing of the Business Combination, the Company was continued out of the jurisdiction of Ontario under the OBCA and into the jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia) ("**BCBCA**").

Arrangement Agreement

On March 23, 2022, the Company entered into an arrangement agreement (the "**Arrangement Agreement**") with Cresco Labs Inc. ("**Cresco**"), pursuant to which, Cresco has agreed, subject to the terms and conditions thereof, to acquire all of the issued and outstanding Common Shares and proportionate voting shares ("**Proportionate Shares**" and together with the Common Shares, the "**Columbia Care Shares**") of Columbia Care, pursuant to a statutory plan of arrangement (the "**Plan of Arrangement**") under the BCBCA (the "**Arrangement**").

Consideration

Subject to the terms and conditions set forth in the Arrangement Agreement and Plan of Arrangement, holders of Columbia Care Shares will receive 0.5579 of a subordinate voting share of Cresco (each a "**Cresco Labs Subordinate Voting Share**"), subject to adjustment as described below (the "**Exchange Ratio**"), for each Columbia Care Share (on an as converted to Common Share basis) outstanding immediately prior to the effective time of the Arrangement (the "**Effective Time**"), with the Proportionate Shares treated on an as if converted basis to Common Shares pursuant to their respective terms; provided, the Exchange Ratio is subject to adjustment in the event that Columbia Care is required to issue shares in satisfaction of an earn-out payment for a prior acquisition, with the potential adjustment in proportion to the additional dilution from such potential issuance relative to Columbia Care's current fully diluted in-the-money outstanding shares. The Arrangement is intended to qualify as a reorganization for U.S. federal income tax purposes.

At the Effective Time, (i) all Columbia Care equity awards granted under Columbia Care's equity incentive plan or otherwise that are outstanding immediately prior to the Effective Time will be exchanged for replacement equity awards such that, upon exercise (with respect to options) or vesting (with respect to performance share units or restricted share units), as applicable, the holder will be entitled to receive Cresco Labs Subordinate Voting Shares, with the number of shares underlying such award and, in the case of options, the exercise price of such award adjusted based on the Exchange Ratio; (ii) each of the warrants to acquire Common Shares issued by Columbia Care that are outstanding immediately prior to the Effective Time will be exercisable, in accordance with the terms of such warrants, for the number of Cresco Labs Subordinate Voting Shares that the holder of such warrants would have been entitled to receive as a result of the transactions contemplated by the Arrangement if, immediately prior to the date upon which the Arrangement becomes effective pursuant to the Plan of Arrangement (the "**Effective Date**"), such holder had been the registered holder of the number of Common Shares to which such holder would have been entitled if such holder had exercised such holder's warrants immediately prior to the Effective Time; and (iii) each of the convertible notes issued by Columbia Care that are outstanding immediately prior to the Effective Time will be convertible, in accordance with the terms of such convertible notes, into the number of Cresco Labs Subordinate Voting Shares that the holder of such convertible notes would have been entitled to receive as a result of the transactions contemplated by the Arrangement if, immediately prior to the Effective Date, such holder had been the registered holder

of the number of Common Shares to which such holder would have been entitled if such holder had converted such holder's convertible notes immediately prior to the Effective Time.

Conditions to the Arrangement

The Arrangement is subject to a number of conditions, including the approval by Columbia Care shareholders holding at least 66 2/3% of the votes cast on the Arrangement resolution by Columbia Care shareholders voting as a single class present in person or represented by proxy and entitled to vote at the Meeting, and if required by applicable law, approval by Columbia Care shareholders holding a simple majority of the votes attached to Columbia Care Shares voting as a single class present in person or represented by proxy and entitled to vote at the Meeting, excluding the votes of those persons whose votes are required to be excluded under Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions. The aforementioned approvals were obtained at a Special Meeting of the Company's shareholders on July 8, 2022. It is a condition to closing in favor of Cresco that holders of less than 5% of the outstanding Columbia Care Shares shall have validly exercised dissent rights with respect to the Arrangement that have not been withdrawn as of the effective date of the Arrangement.

In addition, the Arrangement is subject to approval of the Supreme Court of British Columbia (or any other court with appropriate jurisdiction) at a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, which approval was granted through a final order issued on July 15, 2022, and certain regulatory approvals, including but not limited to the approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Arrangement is also conditioned upon neither a delisting from the Canadian Securities Exchange having occurred nor a cease trade order having been issued by any governmental entity in respect of the Cresco Labs Subordinate Voting Shares since the date of this Agreement and that remains in effect. The Arrangement Agreement may be terminated by mutual written consent of Columbia Care and Cresco and by either party in certain circumstances as more particularly set forth in the Arrangement Agreement.

Certain Other Terms of the Arrangement Agreement

The Arrangement Agreement includes customary representations, warranties and covenants of Cresco and Columbia Care and each party has agreed to customary covenants, including, among others, covenants relating to the conduct of its business during the interim period between execution of the Arrangement Agreement and the Effective Time.

The Arrangement Agreement provides for customary non-solicitation covenants, subject to the right of the board of directors of Columbia Care (the **"Board"**) to consider and accept a superior proposal (as defined in the Arrangement Agreement), and the right of Cresco to match any such proposal within five business days. The Arrangement Agreement also provides for the payment by Columbia Care to Cresco of a $65.0 million termination fee if the Arrangement Agreement is terminated in certain specified circumstances, including, among other things, in the event of (i) a Change in Recommendation, whereby the Board's recommendations or determinations with respect to the Arrangement are modified in a manner adverse to Cresco; (ii) Columbia Care, in accordance with certain procedures set forth in the Arrangement Agreement, accepts, recommends, approves or enters into an agreement to implement a Superior Proposal; or (iii) the Arrangement Agreement is terminated in certain circumstances, including in the event the resolution approving the Arrangement is not approved by Company Shareholders, the Arrangement is not consummated on or prior to March 31, 2023 (subject to modification by the parties and extension in certain circumstances, which date the parties have mutually agreed to extend to June 30, 2023), or in the event Columbia Care breaches any representation or warranty or fails to perform any covenant or agreement that causes the closing conditions related to Columbia Care's representations and warranties and covenants not to be satisfied, and such breach or failure is incapable of being cured on or prior to March 31, 2023 (now June 30, 2023) or is not cured and Cresco is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any closing condition related to Cresco's representations and warranties and covenants not to be satisfied, and if (x) prior to the date of termination an acquisition proposal meeting certain requirements has been publicly announced or otherwise communicated to Columbia Care, and (y) within 12 months of the date of such termination the acquisition proposal transaction is completed or Columbia Care has entered into a definitive agreement with respect to such transaction and such transaction is later consummated or effected (whether or not within such 12 month period).

On February 27, 2023, Cresco and Columbia Care announced that they had mutually agreed to extend the Arrangement Agreement to complete the acquisition by a further 90 days to June 30, 2023. This extension is intended to give the parties additional time to complete the divestitures required for Regulatory purposes.

Voting Support Agreements and Lock-up Agreements

Pursuant to certain voting support agreements (the **"Voting Support Agreements"**), certain Columbia Care shareholders holding an aggregate of more than 20% of the voting power of the issued and outstanding Columbia Care Shares as of March 23, 2022 have entered into Voting Support Agreements with Cresco, pursuant to which they have agreed to vote in favor of the Arrangement at the Meeting. The Voting Support Agreements terminate in certain circumstances, including upon the termination of the Arrangement

Agreement in accordance with its terms. Under the Arrangement Agreement, Columbia Care has agreed to hold the Meeting as soon as reasonably practicable and, in any event, on or before June 15, 2022 (or such later date as may be agreed to by Columbia Care and Cresco in writing, which the parties agreed to be July 8, 2022). In addition, pursuant to certain lock-up agreements (the **"Lock-up Agreements"**), certain Columbia Care shareholders holding an aggregate of more than 20% of issued and outstanding Columbia Care Shares (on an as converted to Common Share basis) as of March 23, 2022 agreed to restrict the sale or other transfer of 90% of the Cresco Labs Subordinate Voting Shares to be received by such Company Care shareholders pursuant to the Arrangement. The Lock-up Agreements provide for the release of the restrictions on the sale or other transfer of such Cresco Labs Subordinate Voting Shares in four equal installments on the date that is (i) 60 days following the Effective Date; (ii) 120 days following the Effective Date; (iii) 180 days following the Effective Date; and (iv) 240 days following the Effective Date.

General Development of the Business

Columbia Care has grown primarily by submitting responses to state-issued requests for proposals and obtaining cannabis licenses pursuant to such processes throughout the United States, where such activity is legal at the state-level. In 2020, 2021, and 2022, Columbia Care also grew significantly from acquiring other leading cannabis operations. The Company also provides management services to licensed entities. As of March 23, 2023, Columbia Care holds, directly or indirectly, 113 licenses with 126 discrete facilities that are operational or in development.

	2014-2022 Growth									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[1]
Employees	19	59	219	279	418	697	1,775	2,586	2,505	2,278
Facilities	10	18	21	25	54	70	107	132	131	126
Jurisdictions	4	7	10	11	15	16	16	18	17	16

Notes:

(1) As of March 23, 2023 and includes assets classified as held-for-sale

Excluding industrial hemp products, Columbia Care's cannabis license portfolio allows for an aggregate of approximately 2.039 million square feet of cultivation and manufacturing space within its currently leased or owned facilities and the potential to produce over 150,000 kilograms of dry flower annually, based on an assumed 65 grams per square foot of cultivation space and 5.2 harvests per year.

As a vertically-integrated company in the cannabis sector, where there may be material relationships or transactions that involve conflicts of interest, whether actual or perceived, Columbia Care will disclose any commissions, incentives, or other fees earned by Columbia Care, its pharmacists or other consultants. Columbia Care will also disclose risks associated with conflicts of interest, including but not limited to situations where Columbia Care, its clinics, pharmacists, or other consultants are paid a commission or education grant from a licensed producer or dispensary that is, or is related to, Columbia Care. Columbia Care does not currently have any material relationships or transactions that involve conflicts of interest, whether actual or perceived.

Recent Events

- Implementation of efficiency initiatives to close four unprofitable dispensaries, consolidate cultivation operations and decrease corporate overhead by approximately 25%, as announced on January 19, 2023.
- Signing of a Definitive Agreement, dated March 13, 2023, to sell the Company's Missouri assets which are considered non-core. These assets comprise one dispensary and one processing facility and are being divested for gross proceeds of approximately $7 million.

Development of Columbia Care's Portfolio of Licenses

The following is a summary of the more recent material developments of Columbia Care's growing portfolio of licenses. Columbia Care, through its respective subsidiaries, primarily entered these markets after being selected by state governments through competitive processes. Please refer to prior public filings for details of material licenses since inception.. Further details regarding Columbia Care's licenses and regulatory framework are set out under "*United States Regulatory Environment*."

Missouri

Columbia Care entered the Missouri market in 2020 and operated through a management services arrangement with Columbia Care MO LLC (**"Columbia Care MO"**). Columbia Care MO is licensed to operate a medical marijuana dispensary and a medical marijuana manufacturing facility. Columbia Care provided management services to both the medical marijuana dispensary and the medical marijuana manufacturing facility of Columbia Care MO for a fee. On March 13, 2023, the Company executed a Definitive Agreement to sell the Missouri assets which are considered non-core.

Utah

Columbia Care entered the Utah market in 2020 and operates through its wholly-owned subsidiaries, CCUT Pharmacy LLC ("**CCUT**") and Columbia Care UT LLC ("**Columbia Care UT**"). CCUT operates a dispensary in Springville, which opened in the second quarter of 2021. In 2020, CCUT also received an industrial hemp license from the Department of Agriculture and Food.

West Virginia

Columbia Care Hemp West Virginia LLC was awarded a Research and Marketing Cultivation of Industrial Hemp from the State of West Virginia in 2020. This allows Columbia Care to cultivate industrial hemp in the State of West Virginia as well as to perform research.

In 2020, Columbia Care WV LLC ("**Columbia Care WV**"), a wholly-owned subsidiary of Columbia Care, was awarded a medical cannabis grower license and medical cannabis processor license in West Virginia. Columbia Care WV operates a co-located cultivation and processing facility in Falling Waters. Columbia Care WV received final approval for cultivation operations in July 2021 and received final approval for processing operations in November 2021. In January 2021, Columbia Care WV was awarded 5 dispensary permits in Williamstown, Fayetteville, Morgantown, Beckley and St. Albans. As of December 31, 2022, Columbia Care had 4 active dispensaries in the state, located in Beckley, Morgantown, St Albans, and Williamstown.

Colorado

In September 2020, Columbia Care acquired The Green Solution ("**TGS**"), one of the largest vertically integrated cannabis operators in Colorado, through a transaction initially valued at approximately $140 million, excluding certain performance-based milestone payments.

Founded in 2010, TGS operated twenty-three dispensaries, one manufacturing facility and four cultivation locations. In Denver, TGS operated a manufacturing facility, three cultivation facilities and three dispensaries. TGS operates one dispensary and one cultivation facility (consisting of five cultivation licenses) in Trinidad. TGS operates five dispensaries in Aurora, one dispensary in Sheridan and dispensaries in Adams County, Black Hawk, Edgewater, Fort Collins, Glendale, Glenwood Springs, Northglenn, Silver Plume, and Pueblo. In November 2021, Columbia Care acquired Futurevision 2020, LLC and Futurevision Holdings, Inc. d/b/a Medicine Man ("Medicine Man"). Medicine Man operated one dispensary and cultivation location in Denver, one dispensary in Aurora, and one dispensary in Thornton. Columbia Care also exercised its option to acquire Medicine Man Longmont, LLC and its one dispensary in Longmont.

Development of Columbia Care's Other Business Elements

2020

March 2020 Private Placement of Units

In March 2020, the Company completed the first tranche of a non-brokered private placement (the "**March 2020 Private Placement**") of units (the "**March 2020 Private Placement Units**") for gross proceeds of US$14,250,000. Each March 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 9.875% senior secured first-lien notes (the "**March 2020 Private Placement Notes**"); and (ii) 113 common share purchase warrants (the "**March 2020 Private Placement Warrants**") of the Company. On April 23, 2020, the Company completed the second and final tranche of the March 2020 Private Placement for additional gross proceeds of US$1,000,000. In total, the gross proceeds under the March 2020 Private Placement totaled US$15,250,000.

The March 2020 Private Placement Notes were governed by the terms of a trust indenture dated March 31, 2020 between the Company and Odyssey Trust Company, as trustee. The March 2020 Private Placement Warrants are governed by the terms of a

warrant indenture (the "**March 2020 Warrant Indenture**") dated March 31, 2020 between the Company and Odyssey Trust Company, as warrant agent.

Launch of Virtual.Care Platform

In April 2020, the Company announced the launch of Virtual.Care (the "**Platform**"), an online educational and informational tool for patients, designated caregivers, and adult use purchasers, in those states where adult use cannabis is legalized. The Platform is accessed via the Company's age-gated website and was initially launched in three states: California, Illinois and Massachusetts and has now expanded to five additional jurisdictions: Arizona, Maryland, New Jersey, New York, and Washington, D.C.

Prior to launching the Platform, the Company's compliance team and external counsel undertook a review of the applicable federal and state privacy, advertising and cannabis laws and launched the Platform in a manner to comply with those laws. The Company's Platform is not intended to be used in advertising activities but is intended to be used solely as a virtual educational tool, allowing users to understand the products that the Company offers. There are no sales of products completed over the Platform.

A user may pre-order products but to complete an order, the user must physically visit the applicable Columbia Care dispensary. This requirement furthers compliance since no orders will be completed for residents of jurisdictions where medical and/or recreational cannabis is illegal, as applicable.

In jurisdictions where medical cannabis is legal, upon arrival of the user, the dispensary staff person will verify the user's medical marijuana card, government-issued identification and confirm the user's allotment to ensure the user is not exceeding the state's allotment limits. Once all of the foregoing is verified, the user will pay for the product to complete the purchase. The Platform does not allow medical users to obtain online certifications and any such certifications must be obtained through the normal channels.

In jurisdictions where recreational use is legal, upon arrival at the Columbia Care dispensary, the dispensary staff will verify that the user is at least 21 years of age by verifying the user's government-issued identification. Once the identification is verified, the user will pay for the product to complete the transaction. If the user does not have valid identification, the user will not be able to purchase cannabis at the Company's dispensaries. This process also allows monitoring of sales to non-residents and only allow sales where the state regulatory schemes allow an out-of-state resident to purchase product if he or she is present in the legal jurisdiction.

May 2020 Private Placement

In May 2020, the Company completed a concurrent brokered and non-brokered private placement (the "**May 2020 Private Placement**") of units (the "**May 2020 Private Placement Units**") for gross proceeds of US$19,115,000. Each May 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes (the "**May 2020 Private Placement Notes**"); and (ii) 120 common share purchase warrants (the "**May 2020 Private Placement Warrants**") of the Company.

The May 2020 Private Placement Notes are governed by the terms of a trust indenture (the "**May 2020 Trust Indenture**") dated May 14, 2020 between the Company and Odyssey Trust Company, as trustee. The May 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**May 2020 Warrant Indenture**") dated May 14, 2020, between the Company and Odyssey Trust Company, as warrant agent.

The May 2020 Private Placement Units were issued pursuant to the terms of certain subscription agreements (the "**May 2020 Private Placement Subscription Agreements**") entered into between the Company and the subscribers of the May 2020 Private Placement Units and pursuant to an agency agreement dated as of May 11, 2020, between the Company and Canaccord Genuity Corp., as agent for the May 2020 Private Placement.

As part of the May 2020 Private Placement, the March 2020 Private Placement Notes were cancelled and exchanged for an equivalent number of May 2020 Private Placement Notes. Subscribers of March 2020 Private Placement Units were issued an additional 8.55 May 2020 Private Placement Warrants for each March 2020 Private Placement Unit held by such subscribers. On March 28, 2023, the term date of the May 2020 Private Placement Notes was extended to May 14, 2024.

Roll-Up of Better-Gro

In June 2020, the Company acquired (the "**Better-Gro Acquisition**") the remaining 30% of the issued and outstanding equity interests of Better-Gro not already owned by the Company for aggregate consideration of US$15,500,000, of which US$14,500,000 was satisfied through the issuance by the Company of Common Shares.

Following closing of the Better-Gro Acquisition, the Company now indirectly owns 100% of the equity Interests of Better-Gro.

June 2020 Private Placement of Convertible Notes

In June 2020, the Company completed the first tranche of a non-brokered private placement (the "**June 2020 Convertible Note Private Placement**") of 5.00% senior secured convertible notes (the "**June 2020 Convertible Notes**") for gross proceeds of US$12,800,000. In July 2020, the Company completed the second tranche of the June 2020 Convertible Note Private Placement for additional gross proceeds of US$3,960,000. Later in July 2020, the Company completed the third and final tranche of the June 2020 Convertible Note Private Placement for additional gross proceeds of US2,000,000. In total, the gross proceeds under the June 2020 Convertible Note Private Placement amounted to US$18,760,000. The June 2020 Convertible Notes are governed by the terms of the May 2020 Trust Indenture, as supplemented by a first supplemental indenture (the "**June Supplemental Indenture**") dated as of June 19, 2020, between the Company and Odyssey Trust Company, as trustee.

July 2020 Private Placement of Units

In July 2020, the Company completed a brokered private placement (the "**July 2020 Unit Private Placement**") of units (the "**July 2020 Private Placement Units**") for gross proceeds of US$4,000,000. Each July 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of May 2020 Private Placement Notes; and (ii) 75 common share purchase warrants (the "**July 2020 Private Placement Warrants**") of the Company.

The July 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**July 2020 Warrant Indenture**") dated July 2, 2020, between the Company and Odyssey Trust Company, as warrant agent.

Sale-Leaseback Transaction with Innovative Industrial Properties

In July 2020, Columbia Care announced that it had closed a sale-leaseback with Innovative Industrial Properties (the "**IIP Sale-Leaseback**") valued at approximately $14 million. The IIP Sale-Leaseback involved two properties totaling 54,000 square feet in Vineland, New Jersey.

October 2020 Private Placement of Units

In October 2020, Columbia Care completed a brokered private placement of units (the "**October 2020 Private Placement Units**") for gross proceeds of approximately US$20.4 million. Each October 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes (the "**October 2020 Private Placement Notes**"); and (ii) 60 common share purchase warrants of the Company (the "**October 2020 Private Placement Warrants**").

The October 2020 Private Placement Notes are governed by the terms of the May 2020 Trust Indenture, as supplemented, between the Company and Odyssey Trust Company, as trustee. The October 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**October 2020 Warrant Indenture**") dated October 29, 2020, between the company and Odyssey Trust Company, as warrant agent.

November 2020 Private Placement of Units

In November 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$8.4 million. Also in November 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$3.3 million.

Later in November 2020, Columbia Care completed a non-brokered private placement of units (the "**November 2020 Private Placement Units**") for gross proceeds of approximately US$200,000. Each November 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of October 2020 Private Placement Notes; and (ii) 125 October 2020 Private Placement Warrants.

The Green Leaf Transaction

In December 2020, Columbia Care announced that it had entered into a definitive agreement (the "**Green Leaf Medical Agreement**") to acquire Green Leaf Medical (the "**Green Leaf Transaction**"), a privately held, multi-state operator. The Green Leaf Medical Agreement contemplates upfront consideration of approximately US$240,000,000, comprised of US$45,000,000 in cash and US$195,000,000 payable in Common Shares, in addition to potential performance-based milestone payments in 2022 and 2023.

The Green Leaf Transaction closed on June 11, 2021, following receipt of all required regulatory approvals, including, but not limited to the Hart-Scott-Rodino Antitrust Improvements Act, as well as state level approvals.

2021

January 2021 Offering of Common Shares

In January 2021, Columbia Care completed a bought deal public offering of Common Shares (the "**January 2021 Offering**") for gross proceeds of C$149,508,625, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The January 2021 Offering was conducted in each of the provinces of Canada, other than Québec, pursuant to a prospectus supplement to the Company's base shelf prospectus dated September 2, 2020, and elsewhere outside of Canada on a private placement basis.

February 2021 Private Placement of Common Shares

In February 2021, Columbia Care completed a bought deal private placement of Common Shares (the "**February 2021 Offering**") for gross proceeds of C$28,980,000, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The February 2021 Offering was conducted in certain provinces of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws. The Common Shares were also sold in the United States and in certain jurisdictions outside of Canada and the United States, in each case in accordance with applicable laws.

April 2021 Conversion of June 2020 Convertible Notes

In April 2021, Columbia Care offered an incentive program to the holders of its June 2020 Convertible Notes, pursuant to which, the Company issued to each holder of the June 2020 Convertible Notes that surrendered such June 2020 Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares for each $1,000 aggregate principal amount of June 2020 Convertible Notes surrendered for conversion. The Company issued 4,550,139 Common Shares in connection with the conversion of the June 2020 Convertible Notes.

July 2021 Private Placement

In July 2021, Columbia Care completed a private placement (the "**July 2021 Convertible Note Private Placement**") of 6.00% secured convertible notes for gross proceeds of US$74,500,000.

2022

February 2022 Private Placement

On February 3, 2022, Columbia Care closed a private placement of US$185,000,000 aggregate principal amount of 9.50% senior-secured first-lien notes due 2026 (the "**2026 Notes**"). The 2026 Notes are senior secured obligations of the Company and were issued at 100% of face value. The 2026 Notes accrue interest payable semi-annually in arrears and mature on February 3, 2026, unless earlier redeemed or repurchased. The Company may redeem the 2026 Notes at par, in whole or in part, on or after February 3, 2024, as more particularly described in the fourth supplemental trust indenture governing the 2026 Notes. In connection with the offering of the 2026 Notes, the Company received binding commitments to exchange approximately $31,750,000 of the Company's existing 13% senior secured notes due 2023, pursuant to private agreements in accordance with the trust indenture, for an equivalent amount of 2026 Notes plus accrued but unpaid interest and any negotiated premium thereon. As a result of the note exchanges, the Company received aggregate gross proceeds of $153,250,000 in cash pursuant to the offering of the 2026 Notes.

VentureForth Acquisition and Settlement

On April 18, 2022, in connection with the acquisition and settlement of preexisting relationships, the Company issued 18,755,802 common shares (the "**VentureForth Shares**") and, on April 18, 2022 and April 24, 2022 paid approximately $26,000,000 to acquire, by merger, VentureForth Holdings, LLC, which is the owner of VentureForth, LLC ("**VentureForth**"). VentureForth holds two licenses from the Washington D.C. Alcoholic Beverage Regulation Administration ("**ABRA**"), specifically, one license to cultivate and manufacture medical cannabis and one license to dispense medical cannabis. The Company previously had a management services agreement with VentureForth. The shares issued and amounts paid also amicably resolved, with no admissions of liability and in exchange for releases, certain direct, indirect, derivative and indemnification claims relating to a confidential arbitration to which VentureForth, a separate subsidiary of the Company and certain members of the Company's management team were respondent parties.

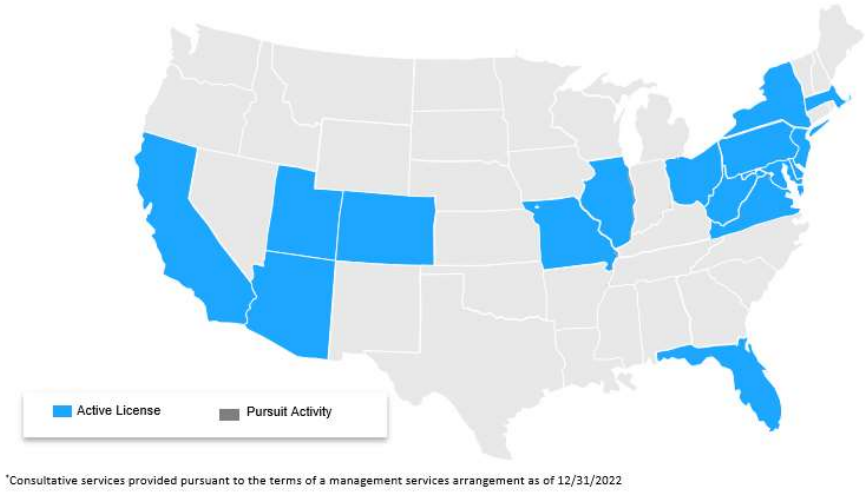
Description of the Business

Overview of the Company

Columbia Care is a U.S.-based, vertically-integrated consumer product, health and wellness cannabis company with cultivation, product development, production, home delivery and dispensary operations. The Company has built one of the broadest and longest operational records of any licensee in publicly administered medicinal and adult-use cannabis programs in the United States. It has developed proprietary branded products with intellectual property comprised of a variety of medical and adult-use form factors, including but not limited to proprietary formulations, precision manufactured dosing and cannabis flower and flower-derived products. The Company's mission is to improve lives through product innovation, research and development and outstanding patient and consumer experience. Columbia Care's vision is to address the world's health and wellness needs through plant-based medicine and products.

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of cannabis products and services in the United States.

Figure 1: Columbia Care Footprint



Columbia Care actively operates or has under development, cultivation and/or production assets in Arizona, California, Colorado, Delaware, Florida, Illinois, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Utah, Virginia, Washington, D.C., and West Virginia. Columbia Care's existing U.S. license portfolio allows for (i) an aggregate of approximately 2,278,710 square feet of indoor cultivation and production footprint (including operational, in development and optioned space) within its currently leased or owned facilities (including options to expand within such facilities), with the potential to produce more than 150,000 kg of dry flower on an annual basis and (ii) an aggregate of approximately 143.8 acres of outdoor cultivation and production footprint (including operational and optioned space). This capacity does not include the potential yield from Columbia Care's outdoor marijuana and industrial hemp acreage, which will vary seasonally. Since Columbia Care currently has operating facilities and projects under development across multiple jurisdictions in the United States, Columbia Care is not substantially dependent on any individual cultivation facility or dispensary.

The table below describes each jurisdiction's indoor and greenhouse cultivation and/or production operations as of December 31, 2022:

Jurisdiction	Approximate / Current Facility Size (sq. ft.)	Status	Approximate Expansion Capacity (sq. ft.)
Arizona	28,000	Operational	
	6,800	Operational	—
California	45,572	Operational	
	36,028	Non-Operational	—
Colorado[1]	20,295	Operational	
	58,488	Operational	
	29,444	Operational	
	12,327	Non-Operational	
	29,699	Non-Operational	
	35,000	Non-Operational	—
Delaware	20,000	Operational	
	37,524	Under development	—
Florida	13,845	Operational	
	40,000	Operational	
	13,248	Operational	
	38,280	Operational	168,000
Illinois	32,802	Operational	—
Maryland	42,000	Operational	
	17,040	Operational	0
Massachusetts	38,890	Operational	—
Missouri[2]	12,630	Operational	—
New Jersey	50,274	Operational	
	270,000	Operational	
New York	58,346	Operational	149,997
	740,000[3]	Under development	200,000
Ohio	110,521	Operational	
	7,201	Operational	—
Pennsylvania	100,000	Operational	
	174,000	Under development	
Puerto Rico[4]		Operations	
	25,486	awaiting sale	—
Virginia	65,765	Operational	
	82,000	Operational	—
Washington, D.C.	7,100(5)	Operational	
	9,491	Operational	—
West Virginia	39,293	Operational	—
Total	**2,347,389**		**517,997**

Notes:

(1) Acquired in connection with the TGS and Medicine Man acquisitions.
(2) Subject to a management services agreement through which the Company will provide consultative services.
(3) Includes 30,000 sq. ft. of operational greenhouse canopy at Riverhead, Long Island facility.
(4) Operations suspended indefinitely as of May 7, 2020 and subsequently sold on February 7, 2023.

The table below describes each jurisdiction's outdoor cultivation and/or production operations:

Jurisdiction	Approximate Size (acres)	Status	Approximate Expansion Capacity
Colorado	11.5[1]	Non-Operational	32.3[3]
	50[2]	Non-Operational	74.9
Total	**61.5**		**107.2**

Notes:

(1) Includes 13,604 sq. ft. indoor processing facility located on the premises.
(2) Includes four separate 3,960 sq. ft. greenhouse cultivation facilities located on the premises.

(3) Columbia Care has the potential to expand outdoor cultivation activities up to 107.2 acres under current lease terms subject to state and local regulatory approval.

Columbia Care's refined cultivation practices have experienced several iterations since its inception. Its cultivation expertise reflects years of operating experience and specialized input from agricultural, manufacturing, scientific and security experts. The Company has implemented the best practices employed at its nationwide locations in each new facility that it develops and expects to continue to improve and optimize its methods and infrastructure to ensure competitiveness and excellence.

Columbia Care's production platform is designed to cultivate and manufacture cannabinoid-based products that are used specifically for medical use or consumer wellness, and health and lifestyle products produced to assure consistency and quality. Columbia Care engages national engineering consultants to design bespoke systems that follow industry best practices in order to produce its products. Columbia Care does all of this to optimize product quality, minimize the risk of exposing patients and consumers to potentially harmful contaminants while maximizing the effectiveness and consistency of the approved products delivered.

Columbia Care believes that a clean and sanitized growing and processing environment is key to ensuring the integrity of products. These self-imposed disciplines are more resource intensive, but are designed to yield a safe, consistent, contaminant-free product that will lead the market in quality, safety and, where applicable, efficacy.

Columbia Care's growing process is designed to maximize quality, consistency and yield, while limiting contamination by fungal and bacterial diseases, insect and vertebrate pests, non-organic pesticides and other harmful contaminants. Each step in Columbia Care's cultivation process, including (i) germination/propagation; (ii) vegetation; (iii) bloom; and (iv) harvest is carefully executed using refined standard operating procedures and training protocols. Columbia Care has standardized nutrient protocols, growing environments, water and irrigation strategies, growing mediums, climate controls, plant tracking, and staffing programs among other components of its cultivation and manufacturing operations. Its ultimate goal is to maximize the biomass output (grams per square foot) across all Columbia Care-operated facilities at the lowest cost possible without sacrificing product quality.

Extraction

Columbia Care utilizes a number of well-established, regulatory-approved methods for cannabinoid extraction and performs extraction of the leaves, trimmings and flowers of female cannabis plants to produce an approved cannabinoid product form. Once extracted, Columbia Care's expert formulation staff formulates proprietary extracts into easily administered consumer products and medications for patient and consumer delivery by following protocol and state regulations.

Dispensaries

Columbia Care has, manages or is developing dispensaries in Arizona, California, Colorado, Delaware, Florida, Illinois, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Utah, Virginia, Washington, D.C. and West Virginia. All of Columbia Care's dispensaries have either licensed pharmacists or trained personnel on staff to ensure that customers and patients have access to knowledgeable personnel that can advise on the responsible use of cannabis including delivery formats and dosing schedules. The table below describes each jurisdiction's dispensary operations as of December 31, 2022.

Jurisdiction	City	Status
Arizona	Prescott	Operational
	Tempe	Operational
California	North Hollywood	Operational
	San Diego (2 locations)	Operational
	San Francisco	Operational
	Studio City	Operational
Colorado	Adams County	Operational
	Aspen	Non-Operational
	Aurora (6 locations)	Operational
	Black Hawk	Operational
	Denver (4 locations)	Operational
	Edgewater	Operational
	Fort Collins	Operational
	Glendale	Operational
	Glenwood Springs	Operational
	Longmont	Operational
	Northglenn	Operational

Jurisdiction	City	Status
Arizona	Prescott	Operational
	Tempe	Operational
	Sheridan	Operational
	Silver Plume	Operational
	Pueblo	Operational
	Trinidad	Operational
	Thornton	Operational
Delaware	Rehoboth Beach	Operational
	Smyrna	Operational
	Wilmington	Operational
Florida	Bonita Springs	Operational
	Bradenton	Operational
	Brandon	Operational
	Cape Coral	Operational
	Delray Beach	Operational
	Gainesville	Operational
	Jacksonville	Operational
	Longwood	Operational
	Melbourne	Operational
	Miami	Operational
	Orlando	Operational
	Sarasota	Operational
	St. Augustine	Operational
	Stuart	Operational
Illinois	Chicago	Operational
	Villa Park	Operational
Maryland	Chevy Chase	Operational
	Frederick	Operational
	Rockville[2]	Operational
	Prince George's County	Under Development
Massachusetts	Boston	Operational
	Greenfield	Operational
	Lowell	Operational
Missouri[3][4]	Hermann	Operational
New Jersey	Vineland	Operational
	Deptford	Operational
	May's Landing	Under development
New York	Brooklyn	Operational
	Manhattan	Operational
	Riverhead	Operational
	Rochester	Operational
Ohio	Dayton	Operational
	Logan	Operational
	Marietta	Operational
	Monroe	Operational
	Warren	Operational
Pennsylvania	Allentown	Operational
	Scranton	Operational
	Wilkes-Barre	Operational
Utah	Springville	Operational
Virginia	Portsmouth (co-located with cultivation and manufacturing operations)	Operational
	Richmond (co-located with cultivation and manufacturing operations)	Operational
	Short Pump	Operational
	Virginia Beach	Operational

Jurisdiction	City	Status
Arizona	Prescott	Operational
	Tempe	Operational
	Carytown	Operational
	Williamsburg	Operational
	Colonial Heights	Under development
	Hampton	Under development
	4 Additional Locations	Under development
Washington, D.C.	Washington, D.C.	Operational
West Virginia	Beckley	Operational
	Morgantown	Operational
	St. Albans	Operational
	Williamstown	Operational

Notes:

(1) Closed prior to the end of 2022
(2) Currently subject to a management services agreement until final regulatory approval is granted for the acquisition
(3) Subject to an option agreement
(4) Refer to the Subsequent Events note in the Notes to the Financial Statements

Performance Indicators

As Columbia Care seeks to manage its development, management currently uses key performance indicators ("**KPIs**") to assess its rate of growth and performance. These KPIs, which are subject to change, include top-line revenue, growth in gross margin and Adjusted EBITDA margin (non-GAAP measure). These KPIs are further discussed under "*Non-GAAP Measures"* in Item 2.

Branding and Marketing

Columbia Care employs a diverse and knowledgeable staff of pharmacists and trained personnel for its dispensaries that reflect and embody its brand. Columbia Care has built its reputation on providing trusted, high-quality medical cannabis products to improve patients' wellness journeys, which are also now available for adult-use consumption. The Company believes that Columbia Care has become known in the jurisdictions in which it operates as a trusted mark for health and wellness cannabis by constantly innovating to provide the best solutions for its patients and customers.

In 2021, Columbia Care launched its Cannabist retail ecosystem. The Cannabist retail experience is centered on making shopping for cannabis as simple and approachable as possible, accommodating the vast range of experience levels among patients and customers. Merchandising set-ups and store layouts are organized to help customers move through the space with intent and become more comfortable in the process. Additionally, retail spaces are designed to encourage employees and customers to engage in conversations that enhance the shopping experience, whether through product recommendations or general education. To fully realize this goal, Cannabist staff undergo extensive training. Beyond the in-store experience, technology serves as a bridge across the retail ecosystem that enables a seamless shopping experience. Cannabist locations will continue to leverage existing solutions, such as Virtual.Care, the personal shopping platform, and a proprietary web-based application called Forage to help customers on their product discovery journey. Several dispensary locations in Utah, Arizona, Illinois, California, Massachusetts, Florida and New York were transformed into Cannabist locations during 2021 and 2022. A number of new store openings in Virginia and West Virginia since 2021 are also Cannabist locations.

Cannabis-based Product Selection and Offerings

Columbia Care has continually been at the forefront of developing and introducing innovative and safe products to serve patients' and customers' unique needs. Columbia Care offers a competitive product portfolio in the jurisdictions in which it operates. Depending on the jurisdiction, Columbia Care offers a variety of products, including, without limitation, flower, concentrates, edibles and/or accessories. As shown below, the product mix varies between jurisdictions. As such, Columbia Care benefits from its diverse and expanding product portfolio.

The Company's products have similar characteristics due to the same raw material ingredient (cannabis), similar nature of cultivation process, the type or class of customer and the regulatory nature of our industry. Revenues from transactions with no single external customer exceed 10% of the consolidated revenues. Revenue earned outside of the United States of America is immaterial for the

years ended December 31, 2022, 2021, and 2020. Long-lived assets located outside of the United States of America are immaterial as at December 31, 2022, 2021, and 2020.

Columbia Care has begun to bring its family of branded products to all jurisdictions where it has manufacturing operations. Columbia Care's focus is to develop proprietary formulations and delivery technologies that provide patients and adult-use customers with high quality and differentiated products.

In 2016, Columbia Care announced the launch of its line of controlled-dose, solid-fill medicinal cannabinoid capsules. Formulated using the full range of active cannabinoid ingredients from plants grown in its cultivation facilities, these proprietary capsules offer a variety of concentrations in a more accessible and convenient delivery form to patients and customers.

Columbia Care introduced proprietary, controlled-dose, hard-pressed tablets in New York State. The tablets are manufactured by segregating and formulating precise combinations of active compounds derived from targeted strains of cannabis plants. From the formulation of these tablets, Columbia Care introduced additional products to provide a spectrum of cannabinoid profiles to address the continuum of patient and consumer needs. This precisely engineered diversity of optimized cannabinoids includes the Company's patent pending Ceed line of medicinal cannabis products, including TheraCeed tablets, EleCeed sublingual tinctures and ClaraCeed vaporization oil.

In 2020, the Company launched Seed & Strain, its first lifestyle cannabis brand. Available in a number of markets, products include flower, pre-rolls and concentrates. Other product and branded categories include but are not limited to confections, chocolate, drink mixes, condiments, kief, shatter, and wax/crumble. Columbia Care launched Classix in five markets simultaneously in October 2021, and has since brought the brand to additional markets. Triple Seven has also been expanded from California to other operational markets.

Columbia Care intends to continue launching national brands across its medical and adult-use markets in order to maintain the consistency and quality of products that all patients and customers have come to expect from the Company.

None of Columbia Care's products have been shown to effectively treat or cure any disease. None of Columbia Care's products require approval by the FDA, and none of Columbia Care's products have been approved, reviewed or cleared by the FDA for any purpose.

Product Pricing

Columbia Care's prices vary based on market conditions and product pricing from non-cannabis suppliers. As a result of different tastes, preferences and customer demographics across its core markets, average dispensary sales differ significantly from state to state.

Caring for The Community We Serve

Having completed over 10 million sales transactions in multiple medicinal and adult-use cannabis markets since its inception, Columbia Care's team has accumulated significant experience in the treatment of large consumer and specialized patient populations, addressing a wide range of unique combination of qualifying conditions, symptoms and risks. Columbia Care has dedicated funding for research collaborations and initiatives with leading academic medical centers across the country to enhance patient care, inform the policy debate and empower healthcare and wellness professionals with data on best practices and safe and efficacious cannabinoid use. Through its public policy efforts, Columbia Care is also at the forefront of ensuring that social equity is a large part of legalization efforts across the United States.

Columbia Care has launched extensive patient care initiatives including utilizing anonymized patient data to facilitate product optimization and innovation on behalf of patient and consumer needs. Columbia Care's proprietary database is an important aspect of Columbia Care's product development as it invests in branded formulations and administration types that best respond to patient and consumer needs.

Columbia Care has distinguished itself by establishing research collaborations with renowned medical and research institutions globally. The collaborations are designed to improve product efficacy and assess the medical utility in its products while enhancing patient safety. Columbia Care has developed innovative and collaborative working relationships with a number of leading academic, patient advocacy, research and healthcare organizations as well as partnerships with private, academic, agricultural, policy, sustainability and economic programs at various institutions in the pursuit of expanding the body of scientific knowledge related to cannabis. This focus is one of the principal foundations of Columbia Care's corporate culture and has materially contributed to Columbia Care's position as one of the most qualified and experienced operators in certain regulated markets in the U.S. Some of the collaboration partners include but are not limited to researchers affiliated with the following institutions: Mount Sinai Hospital,

Columbia University, Arizona State University, Brandeis University, The Center for Discovery in New York, The Dana Farber Cancer Institute, New York University, Albert Einstein/Montefiore Medical Center, Stanford University and King's College London.

Banking and Processing

Columbia Care deposits funds from its dispensary operations into bank accounts established with various banking partners. The Company ensures that the banks used are fully aware of the nature of the business and industry in which the Company operates. Columbia Care currently accepts cash, cashless ATMs, and in certain locations the CNC card. The CNC card is the first store credit card in the cannabis industry, providing Columbia Care customers an alternative payment method in participating markets, increasing access to the Company's products. Payment methods currently vary by market.

During the years ended December 31, 2022 and 2021, Columbia Care earned retail revenues of approximately $4.5 million and $4.5 million, respectively, from the CNC program. Columbia Care does not consider the CNC program to be a material revenue stream.

Real Estate Strategy

In each market that Columbia Care enters, it spends a significant amount of time and resources selecting real estate in highly desirable locations with convenient access to customers, healthcare communities and health and wellness providers and public transit, close proximity to major interstates and other traffic routes, ample parking, and the potential for significant foot traffic. Columbia Care typically targets retail spaces with a footprint of 2,500 to 7,500 square feet and cultivation/manufacturing facilities with a footprint of 20,000 to 65,000+ square feet, depending on the market and available real estate inventory. Columbia Care's practice is to secure leases with a base term of five to ten years with extension options for renewal terms of five years.

In-Store Pickup and Delivery

Columbia Care is currently associated with certain third-party platforms that offer pre-ordering for in-store pickup, online payment processing and home delivery services, where allowed by law. Where required, patients are offered educational material and/or consultations regarding route of administration and dosing format.

Inventory Management

In the jurisdictions where Columbia Care is operational, it has comprehensive inventory management practices that are compliant with applicable state laws and regulations. Such practices ensure control over Columbia Care's cannabis and cannabis product inventory using seed to sale tracking software. See "*Columbia Care Compliance Program – Inventory and Security Policies*". Columbia Care's practices are designed to avoid contamination and to ensure the safety and quality of the products dispensed.

Information Technology

Columbia Care strategically invests in information technology infrastructure. In fiscal year 2022, Columbia Care has initiated an effort to consolidate its operational systems, to provide national governance over business process and intelligence across merchandise planning, inventory management, production, costing, order management, accounting, reporting and analysis. These systems will provide the flexibility to support global and multi-channel expansion. Columbia Care has invested in information technology security platforms which are designed to protect patient and customer records and personal information in compliance with applicable laws and regulations.

Research and Development

Columbia Care has been tracking consented patient outcomes since 2013, and now has a research database of more than 20 million sales transactions across all sales locations. It is working with experts to analyze this anonymized data to devise new genetics and new products tailored to individual patient conditions and wellness states.

Columbia Care has operated a product development and process development center in its Rochester, New York cultivation and manufacturing location since 2014, and now also conducts these activities in San Diego, California and Denver, Colorado. At these facilities, unit-dose formulations of proprietary cannabinoid combinations are created, and methods of extraction and separation are scaled. Additional work to add automation to these efforts and commercial manufacturing is ongoing.

Employees

As of December 31, 2022, Columbia Care had 2,505 employees across its operating jurisdictions, versus 2,586 employees as of December 31, 2021. As of March 23, 2023, Columbia Care had approximately 2,278 employees.

Columbia Care is committed to:

- Hiring, training and retaining an efficient, hard-working and qualified labor force that reflects the racial, cultural and ethnic composition of the communities it serves, including people of color, veterans, older workers and persons with physical and/or cognitive disabilities.
- Providing a work environment that is free of unlawful harassment, discrimination and retaliation: in furtherance of this commitment, Columbia Care strictly prohibits all forms of unlawful discrimination and harassment.
- Complying with all laws protecting qualified individuals with disabilities, as well as employees', independent contractors', vendors', unpaid interns' and volunteers' religious beliefs and observances.

Columbia Care is committed to all of the above without regard to race, ethnicity, religion, color, sex, gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member and veteran status, marital status, pregnancy, age, protected medical condition, genetic information, disability, or any other protected status in accordance with all applicable federal, state, provincial and local laws.

Columbia Care employees are highly talented individuals who have educational achievements ranging from doctorates to masters to undergraduate degrees in a wide range of disciplines, as well as staff who have been trained on the job to uphold the highest standards as set by Columbia Care. It is currently a requirement that all of Columbia Care's employees pass background checks.

In addition, the safety of Columbia Care's employees is a priority and Columbia Care is committed to the prevention of illness and injury through the provision and maintenance of a healthy workplace. Columbia Care takes all reasonable steps to ensure staff are appropriately informed and trained to ensure the safety of themselves as well as others around them.

Columbia Care strives to provide an equal opportunity for all its employees to pursue career advancement and to consistently look within its organization for potential job candidates prior to posting employment offerings externally. Importantly, it does not embrace these policies solely out of altruism or an obligation under state requirements, but because it has learned from experience that the organization thrives and becomes more productive by maintaining a culture of inclusion where everyone feels valued and their individual contributions are appreciated and rewarded.

Competition

Columbia Care competes with other retail, manufacturing and cultivation license holders across the states in which it operates, as well as additional states. Many of Columbia Care's competitors are smaller, local operators, as well as an increasing number of operators with a significant presence in multiple states that compete directly with Columbia Care for regional market share. In certain markets, a number of dispensaries and cultivators operate illegally and compete directly with Columbia Care. However, Columbia Care expects that law enforcement will increasingly respond to illicit market operators. In addition to physical dispensaries, Columbia Care also competes with third-party delivery services, which provide direct-to-consumer delivery services.

Further, as more U.S. jurisdictions pass legislation allowing adult-use of cannabis, Columbia Care expects an increased level of competition in the U.S. market. A number of publicly-traded companies are expanding operations to states that have decriminalized cannabis consumption. The increasingly competitive U.S. state markets may adversely affect the financial condition and operations of Columbia Care.

See "*United States Regulatory Environment*" for additional details as to the regulatory environment in which Columbia Care operates. See Item 1A—"Risk Factors" with respect to competition.

Intellectual Property

Columbia Care pursues patent and trademark protection around the world directed to its product and product candidates in an effort to establish intellectual property positions regarding cannabinoid products and devices. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination to the U.S. Patent and Trademark Office or foreign equivalents is often significantly narrowed by the time they are issued, if issued at all. Columbia Care expects this may be the case with respect to its pending patent applications referenced below.

Columbia Care's intellectual property strategy seeks to provide protection for its product and product candidates, through the prosecution of different types of patent and trademark applications in the U.S. and worldwide.

Columbia Care's patent portfolio covers a number of its products and product candidates. As of March 3, 2023, this portfolio included 1 issued U.S. patent and at least 12 pending patent applications owned by Columbia Care, filed in one or more of three jurisdictions, including Canada and the U.S., which have strong patent systems. The issued U.S. patent is projected to expire in 2037. The patent applications, if granted, are projected to expire between 2037 and 2040, excluding any extension of patent term that may be available in a particular country.

Our patent portfolio includes:

- 6 pending patent applications, filed in the US and Canada, that protect our EleCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use, and devices comprising the compositions;
    - These patent applications, if granted, are projected to expire between 2037 and 2040, excluding any extension of patent term that may be available in a particular country.
- 11 pending patent applications, filed in the US and Canada, that protect our TheraCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use, kits for their use, devices comprising the compositions, and cartridges for use in devices;
    - These patent applications, if granted, are projected to expire between 2037 and 2040, excluding any extension of patent term that may be available in a particular country.
- 6 pending patent applications, filed in the US and Canada, that protect our ClaraCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use and administration, kits for their administration, and cartridges for use in devices;
    - These patent applications, if granted, are projected to expire in 2039, excluding any extension of patent term that may be available in a particular country.
- and 1 patent application, filed in the US, that protect our Seed & Strain DabTabs, including claims to compositions and methods of their use.
    - These applications, if granted, are projected to expire in 2040, excluding any extension of patent term that may be available in a particular country.

While the USPTO has granted many patents for cannabis-related technologies, none have yet been successfully enforced in court. Until U.S. courts definitively address the enforceability of cannabis-related patents, or cannabis products are legalized federally in the U.S., we cannot be certain that any of our patents can be effectively enforced against our competitors, even if their products infringe our patents, which could have a material adverse effect on our business.

The USPTO may deny federal trademark registration if the trademark application covers goods or services that violate federal law, including cannabis products. However, certain hemp-derived goods, including hemp-derived CBD products with a THC concentration of not more than 0.3% on a dry weight basis, as well as ancillary products or services, are considered lawful under federal law and may be eligible for federal trademark registration. Additionally, the USPTO may accept trademark applications for consulting services or goods that do not directly involve the cannabis flower, such as computer software, educational platforms, and brand apparel. Trademarks covering these lawful goods and services are generally enforceable in federal court. Cannabis goods and services that do not meet the USPTO standard for trademark registration may qualify for state trademark registration in states where such goods and services have been legalized, and are generally enforceable in state courts in those states.

No guarantee can be given that Columbia Care will be able to successfully assert its trademark rights, nor can the company guarantee that its trademark registrations will not be invalidated, circumvented or challenged. Any such invalidity, particularly with respect to a product name, or a successful intellectual property challenge or infringement proceeding against the company, could have a material adverse effect on Columbia Care's business.

In addition to patents and trademarks, Columbia Care relies upon unpatented trade secrets and know-how to develop and maintain its competitive position. Columbia Care has developed numerous proprietary technologies and processes. While actively exploring the patentability of these techniques and processes, Columbia Care relies on non- disclosure/confidentiality arrangements and trade secret protection.

Columbia Care seeks to protect its proprietary information, in part, by executing confidentiality agreements with third parties, its collaborators, and scientific advisors, and as well as non-disclosure and invention assignment agreements with its employees and consultants. The confidentiality agreements it enters into are designed to protect its proprietary information and the agreements or clauses requiring assignment of inventions to the Company are designed to grant it ownership of technologies that are developed through its relationship with the respective counterparty. Columbia Care cannot guarantee, however, that these agreements will afford it adequate protection of its intellectual property and proprietary information rights.

Trade secrets and know-how can be difficult to protect. In particular, some of Columbia Care's trade secrets and know-how for which it decides to not pursue additional patent protection may, over time, be disseminated within the industry through independent development and public presentations describing the methodology.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

Under U.S. federal law, marijuana is currently classified as a Schedule I drug. The Controlled Substances Act (21 U.S.C. § 811) (the "**CSA**") classifies drugs in five different schedules. As a Schedule I drug, the federal Drug Enforcement Agency ("**DEA**") considers marijuana to have a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use of the drug under medical supervision. In October of 2022, President Joseph R. Biden announced that marijuana scheduling under federal law would be reviewed, directing federal agencies, including the Departments of Justice and Health and Human Services to review the scheduling status of marijuana under the CSA. In his announcement, the president noted that marijuana is scheduled as more dangerous than fentanyl which has contributed to a nationwide epidemic of overdose deaths. Following the passage of the Agriculture Improvement Act of 2018 (popularly known as the "**2018 Farm Bill**"), cannabis with a tetrahydrocannabinol ("**THC**") content below 0.3% dry weight volume is classified as hemp and has been removed from the CSA. Hemp and products derived from it lawfully cultivated or manufactured in accordance with the 2018 Farm Bill, U.S. Department of Agriculture regulations and applicable state laws may now be sold into commerce and transported across state lines. The 2018 Farm Bill explicitly preserves the authority of the FDA to regulate certain products containing cannabis or cannabis-derived compounds such as CBD under the federal Food, Drug and Cosmetic Act ("**FD&C Act**") and Section 351 of the Public Health Service Act. In conjunction with the enactment of the 2018 Farm Bill, the FDA released a statement about the regulatory status of CBD, noting the FDA's position that it is unlawful to introduce food containing added CBD into interstate commerce, or to market CBD products as, or in, dietary supplements, regardless of whether the substances are hemp-derived. In January of 2023, the FDA issued a statement in connection with its denial of three citizen petitions requesting that the agency engage in rulemaking to establish regulations under which CBD derived from hemp could be legally marketed as a dietary ingredient in foods and dietary supplements. FDA stated that it is seeking assistance from Congress to create a new regulatory pathway that is better designed to regulate products that contain hemp derived cannabanoids, including CBD. In the interim, FDA stated that products (including dietary supplements, conventional foods, and animal foods) on the market are at risk of FDA enforcement as the agency deems "appropriate." To date, the FDA's enforcement actions against companies manufacturing CBD products has primarily been limited to the issuance of warning letters to companies whose products have made prohibited, misleading, and unapproved drug claims. Various states have also enacted state-specific laws pertaining to the handling, manufacturing, labeling, and sale of CBD and other hemp consumable products. While some states explicitly authorize and regulate the production and sale of hemp-derived CBD consumable products or otherwise provide legal protection for authorized individuals to engage in such activities, other states restrict the sale of CBD products or prohibit such products outright.

Under federal law, cannabis having a concentration of THC greater than 0.3% by dry weight volume is marijuana. The scheduling of marijuana as a Schedule I drug is inconsistent with what Columbia Care believes to be many valuable medical uses for marijuana accepted by physicians, researchers, patients, and others. As evidence of this, the FDA on June 25, 2018 approved Epidiolex (CBD) oral solution for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, in patients two years of age and older. This is the first FDA-approved drug that contains a purified drug substance derived from marijuana. In this case, the substance is cannabidiol, or CBD, a cannabinoid found in both hemp and marijuana, which does not contain the intoxication properties of THC, the primary psychoactive component of marijuana. Columbia Care believes the CSA categorization as a Schedule I drug is not reflective of the medicinal properties of marijuana or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties, and can be safely administered. Moreover, while certain published studies show that marijuana may be less harmful than alcohol, alcohol is not classified under the CSA. This disparity may reflect the comparative stigma associated with marijuana that factors into scheduling decisions by the DEA.

The federal position is also not necessarily consistent with democratic approval of marijuana at the state government level in the United States. As of December 31, 2022, 37 states, the District of Columbia, Guam, Puerto Rico, the Northern Mariana Islands and the

U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, the Northern Mariana Islands, Guam and 21 of these states – Alaska, Arizona, California, Colorado, Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Virginia and Washington – marijuana is legal for adult-use regardless of medical condition, although not all of those jurisdictions have fully implemented their legalization programs. As more and more states legalized medical and/or adult-use marijuana, the federal government attempted to provide clarity on the incongruity between federal prohibition under the CSA and these state-legal regulatory frameworks. Until 2018, the federal government provided guidance to federal law enforcement agencies and banking institutions through a series of United States Department of Justice **(**"**DOJ**") memoranda. One significant memorandum was drafted by former Deputy Attorney General James Cole in 2013 (the "**Cole Memo**").

The Cole Memo offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The Cole Memo put forth eight prosecution priorities:

1. Preventing the distribution of marijuana to minors;
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
4. Preventing the state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
5. Preventing the violence and the use of firearms in the cultivation and distribution of marijuana;
6. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
8. Preventing marijuana possession or use on federal property.

On January 4, 2018, former United States Attorney General Jefferson Sessions rescinded the Cole Memo by issuing a new memorandum to all United States Attorneys (the "**Sessions Memo**"). Rather than establish national enforcement priorities particular to marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that "[i]n deciding which marijuana activities to prosecute... with the DOJ's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions." Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles.

The former Attorneys General who succeeded former Attorney General Sessions following his resignation did not provide a clear policy directive for the United States as it pertains to state-legal marijuana-related activities. It is still not yet known whether the Department of Justice under President Biden and Attorney General Merrick Garland will re-adopt the Cole Memo or announce a substantive marijuana enforcement policy. Justice Garland stated at a confirmation hearing in 2021 before the United States Senate that "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use." [1] Recently, in testimony in February of 2023 before the Senate Judiciary Committee, Attorney General Garland said the DOJ is "still working on a marijuana policy" and that policy – when issued – "will be very close to what was done in the Cole Memorandum."[2]

[1] John Schroyer, (2021 February 22) Attorney general nominee Garland signals friendlier marijuana stance, available at https://mjbizdaily.com/attorney-general-nominee-merrick-garland-signals-friendlier-marijuana-stance/

[2] Ben Adlin, (March 1, 2023) Biden's Attorney General says DOJ is 'still working on' federal marijuana policy approach. https://www.marijuanamoment.net/bidens-attorney-general-says-doj-is-still-working-on-federal-marijuana-policy-approach/

Nonetheless, there is no guarantee that state laws legalizing and regulating the sale and use of marijuana will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to marijuana (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. Currently, in the absence of uniform federal guidance, as had been established by the Cole Memo, enforcement priorities are determined by respective United States Attorneys, and notwithstanding public statements to the contrary, federal law enforcement could enforce the CSA – and its criminal prohibition on commercial cannabis activity -- vigorously.

Due to the CSA categorization of marijuana as a Schedule I drug, federal law also makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 (the "**Bank Secrecy Act**"). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult-use marijuana, the Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**"), in 2014, issued guidance to prosecutors of money laundering and other financial crimes (the "**FinCEN Guidance**"). The FinCEN Guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated (such as keeping marijuana away from children and out of the hands of organized crime). The FinCEN Guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. Verifying with the appropriate state authorities whether the business is duly licensed and registered;
2. Reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;
3. Requesting from state licensing and enforcement authorities available information about the business and related parties;
4. Developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult-use customers);
5. Ongoing monitoring of publicly available sources for adverse information about the business and related parties;
6. Ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
7. Refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to marijuana businesses, these businesses can be forced into becoming "cash-only" businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not substantially increased banks' willingness to provide services to marijuana businesses. This is because, as described above, the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business they accept as a customer.

Those state-chartered banks and credit unions that do have customers in the marijuana industry charge marijuana businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance.

Unlike the Cole Memo, however, the FinCEN Guidance from 2014 has not been rescinded.

Despite the rescission of the Cole Memo in 2018, Columbia Care continues to do the following towards ensuring compliance with the guidance provided by the Cole Memo, the FinCEN Guidance, and other best industry practices:

Columbia Care and its subsidiaries operate in compliance with licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions.

Columbia Care's cannabis-related activities adhere to the scope of the licensing obtained – for example, in the states where only medical cannabis is permitted, products are sold only to patients who hold the necessary documentation to permit the possession of the cannabis.

Columbia Care performs due diligence on contractors or anyone provided access to secure areas of its facilities to prevent cannabis products from being distributed to minors.

Columbia Care works to ensure that the licensed operators have an adequate inventory tracking system and adequate procedures in place so that their compliance system can track inventory effectively. This is done so that there is no diversion of cannabis or cannabis products into states where cannabis is not permitted by state law, or across state lines in general.

Columbia Care conducts background checks as required by applicable state law.

Columbia Care conducts reviews of activities of the cannabis businesses, the premises on which they operate, and the policies and procedures that are related to possession of cannabis or cannabis products outside of its licensed premises (including the cases where such possession is permitted by regulation – e.g., transfer of products between licensed premises). These reviews are completed to ensure that licensed operators do not possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands.

Columbia Care's product packaging complies with applicable regulations and contains necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

Moreover, certain temporary federal legislative enactments that protect the medical marijuana industries have also been in effect for several years. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of temporary appropriations measures that have been enacted into law as amendments (or "riders") to federal spending bills passed by Congress and signed by the past three presidents. For instance, in the Appropriations Act of 2015, Congress included a budget "rider" that prohibits DOJ from expending any funds to enforce any law that interferes with a state's implementation of its own medical marijuana laws. The rider is known as the "**Rohrabacher-Farr Amendment**" after its original lead sponsors.

The Rohrabacher-Farr Amendment was renewed most recently in the Consolidated Appropriations Acts of 2023, which funds the agencies of the federal government through September 30, 2023. Notably, the Rohrabacher-Farr Amendment has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities. While the Rohrabacher-Farr Amendment has been included in successive appropriations legislation or resolutions since 2015, its inclusion or non-inclusion is subject to political change.

There is a growing consensus among marijuana businesses and numerous congressmen and congresswomen that guidance and temporary legislation are an inappropriate way to protect cannabis businesses. Numerous bills have been introduced in Congress in recent years to decriminalize aspects of state-legal marijuana trades. This has led to a bipartisan Congressional Marijuana Working Group in Congress. In December 2022, the U.S. House of Representatives and Senate passed, and President Biden signed into law, the Medical Marijuana and Cannabidiol Research Expansion Act, which provides for significantly broader opportunities to study cannabis. Other important measures have received successful votes in congressional committees or passage in the U.S. House of Representatives. For instance, the SAFE Banking Act, which had more than 200 cosponsors and would prevent federal banking regulators from taking adverse actions against financial institutions solely due to an institution's provision of financial services to state-legal marijuana businesses, passed the U.S. House of Representatives with strong bipartisan support in 2019 and 2021, and again passed the House as an amendment to the America COMPETES Act in 2022. However, the SAFE Banking Act has failed to pass the U.S. Senate.

An additional challenge to marijuana-related businesses is that the provisions of the Internal Revenue Code, Section 280E ("**Section 280E**"), are being applied by the IRS to businesses operating in the medical and adult-use marijuana industry. Section 280E prohibits marijuana businesses from deducting ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. As a result of Section 280E, the Company's effective tax rate can be highly variable and depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be.

State Regulatory Environment

The following sections describe the legal and regulatory landscape in the states in which Columbia Care operates. While Columbia Care works to ensure that its operations comply with applicable state laws, regulations, and licensing requirements, for the reasons described above and the risks further described under the heading "*Risk Factors*", there are significant risks associated with the business of Columbia Care. Readers are strongly encouraged to carefully read and consider all of the risk factors contained under the heading "*Risk Factors*" below.

Except as described above and elsewhere in this Annual Report on Form 10-K, Columbia Care is in material compliance with applicable law and has not received any citations or notices of violation which have an impact on Columbia Care's licenses, business activities or operations.

ARIZONA

Arizona Regulatory Landscape

In 2010, Arizona passed Ballot Proposition 203, which amended Title 36 to the Arizona Revised Statutes. This amendment added Chapter 28.1, titled the Arizona Medical Marijuana Act (the "**AMMA**"). The AMMA is codified in Arizona Revised Statutes § 36-2801 *et. seq*. The AMMA also appointed the Arizona Department of Health Services ("**ADHS**") as the regulator for the program and authorized ADHS to promulgate, adopt and enforce regulations for the AMMA. These ADHS regulations are embodied in the Arizona Administrative Code Title 9 Chapter 17 (the "**Medical Rules**"). ARS § 36-2801(12) defines a "'nonprofit medical marijuana dispensary'" as a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to cardholders.

The ADHS has established the medical marijuana program, which includes a vertically integrated license, meaning if allocated a Medical Marijuana Dispensary Registration Certificate (a "**Certificate**"), entities are authorized to dispense and cultivate medical cannabis. Each Certificate allows the holding entity to operate one on-site cultivation facility, and one off-site cultivation facility which can be located anywhere within the State of Arizona. An entity holding a Certificate is required to file an application to renew with the ADHS on a biannual basis, which must also include audited annual financial statements.

To qualify to use medical marijuana under the AMMA, a patient is required to have a debilitating medical condition. Valid medical conditions include but may not be limited to HIV, cancer, glaucoma, immune deficiency syndrome, Hepatitis C, Crohn's disease, agitation of Alzheimer's disease, ALS, cachexia/wasting syndrome, muscle spasms, nausea, seizures, severe and chronic pain or another chronic or debilitating condition.

Arizona S.B. 1494 went into effect in August 2019. The bill authorized the ADHS to adopt rules for inspecting medical marijuana dispensaries and created an independent testing regime for marijuana cultivated by a medical marijuana dispensary. Beginning in November 2020, before marijuana is sold, it must be tested for unsafe levels of microbial contamination, heavy metals, pesticides, herbicides, fungicides, growth regulators and residual solvents.

S.B. 1494 also authorized civil penalties of up to $1,000 per violation (not to exceed $5,000 in a 30-day period) on medical marijuana dispensaries. Regulations implementing S.B. 1494 went into effect on August 27, 2019. The Department promulgated amendments to the medical marijuana regulations, which became effective September 8, 2022. Changes include, among other things, a new process to apply for changes to registrations, such as changes of location and additional laboratory testing requirements.

In 2020, Arizona passed Ballot Proposition 207, which amended Title 36 to the Arizona Revised Statutes. This amendment added Chapter 28.2, titled the Smart and Safe Arizona Act (the "SSAA"). The SSAA is codified in Arizona Revised Statutes § 36-2850 et. seq. The SSAA appointed ADHS as the regulator for the program and required ADHS to promulgate, adopt, and enforce regulations for the SSAA. ADHS first published rules to administer the Adult- use Marijuana Program in the Arizona Administrative Code Title 9 Chapter 18 (the "Adult-use Rules;" together with the Medical Rules, the "Rules"). These Adult-use Rules became effective on January 15, 2021. ADHS promulgated additional amendments to the Adult-use Rules effective September 8, 2022, which make changes, among others, to the requirements for marijuana establishments preparing food or beverages and additional laboratory testing requirements. ARS § 36-2850 defines "marijuana establishment" as an entity licensed by the department to operate all of the following: a single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana and manufacture marijuana products; a single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers; and a single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.

Columbia Care (through its subsidiaries in the State of Arizona) follows applicable licensing requirements and the regulatory framework enacted by the State of Arizona.

Arizona Medical Marijuana Licensing Requirements

In order for an applicant to receive a Certificate, it must: (i) fill out an application on the form prescribed by ADHS, (ii) submit the applicant's articles of incorporation and by-laws, (iii) submit fingerprints for each principal officer or board member of the applicant for a background check to exclude felonies, (iv) submit a business plan and policies and procedures for inventory control, security, patient education, and patient recordkeeping that are consistent with the AMMA and the Medical Rules to ensure that the dispensary will operate in compliance, and (v) designate an Arizona licensed physician as the Medical Director for the dispensary. Certificates are renewed biannually so long as the dispensary is in good standing with ADHS, pays the renewal fee, and submits an independent third-party financial audit.

Once an applicant has been issued a Certificate, they are allowed to establish one physical retail dispensary location, one cultivation location which is co-located at the dispensary's retail site (if allowed by local zoning) and one additional off-site cultivation location. None of these sites can be operational, however, until the dispensary receives an approval to operate from ADHS for the applicable site. This approval to operate requires: (i) an application on the ADHS form, (ii) demonstration of compliance with local zoning regulations, (iii) a site plan and floor plan for the applicable property, and (iv) an in-person inspection by ADHS of the applicable location to ensure compliance with the Medical Rules and consistency with the dispensary's applicable policies and procedures.

Arizona Adult-use Marijuana Licensing Requirements

In order for an applicant to receive a marijuana facility agent license, it must submit to ADHS (i) the personal identification information prescribed by ADHS including a background check and fingerprints and (ii) the applicable fee as prescribed in the Adult-use Rules. The license must be renewed every two years. A licensee may seek renewal by submitting to ADHS, at least thirty calendar days before the license expiration, (a) information on the license, (b) updated personal information including a criminal records check, and (c) the applicable fee as prescribed in the Adult- use Rules.

ADHS may issue one marijuana establishment license for every 10 pharmacies registered under § 32-1929 and no more than two licenses per county that contains no registered medical marijuana dispensaries, or one license per county that contains one registered medical marijuana dispensary. In the event that more complete and compliant applications are received than ADHS may issue, ADHS will issue the licenses according to criteria prescribed in the Adult-use Rules. The initial round of license applications were due March 9, 2021.

In order for an application to be considered complete and compliant such that an applicant may be considered for a marijuana establishment license, the applicant must (i) pay the appropriate non-refundable fee prescribed by ADHS, (ii) submit the ADHS-prescribed application, (iii) documentation of: facility agent licenses for principal officers and board members, good standing with the Arizona Corporation Commission, zoning compliance, ownership of or permission to use the physical address, and sufficient funds.

Applicants that have a Certificate issued under the Medical Rules, the applicant may apply for a marijuana establishment license by submitting (i) an attestation from each principal officer and board member approving the application, (ii) the license number on the applicant's dispensary registration certificate, (iii) whether the applicant wants to transfer the cultivation site under the registration certificate to the marijuana license, and (iv) the applicable fee.

A holder of a marijuana establishment license may apply for approval to operate a marijuana establishment by submitting, within 18 months after the marijuana establishment license was issued, the following: (i) an application on the form prescribed by ADHS, (ii) documentation of local permission to use the property as a marijuana establishment (such as a certificate of occupancy, special use permit, or a conditional use permit), (iii) a list of activities the establishment is requesting, including cultivation, manufacturing, or preparation of edible products, (iv) a license of the location as a food establishment if preparing edible products, (v) a site plan, and (vi) a floor plan.

Marijuana establishments that received their license through the process for applicants with Certificates may begin operating without submitting the above if the entity holding the license (i) received approval to operate under the Medical Rules and (ii) is operating and available to dispense medical marijuana in accordance with the Medical Rules.

Marijuana establishment licenses must be renewed every two years.

Arizona Licenses

The table below describes the Certificates and approvals held by Salubrious Wellness Clinic, Inc. and 203 Organix, LLC.

Holding Entity	Permit/License	Registration Number	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Salubrious Wellness Clinic, Inc.	Medical Dispensary Registration Certificate	00000097DCGK00454998	Tempe, AZ	08/07/24	The certificate allows the holder to cultivate, dispense, produce, process, extract, distribute and sell at retail and wholesale medical marijuana from the

Holding Entity	Permit/License	Registration Number	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
					dispensary and one offsite cultivation facility.
Salubrious Wellness Clinic, Inc.	Approval to Operate cultivation at offsite location	00000097DCGK00454998	Chino Valley, AZ	08/07/24	Approval to operate cultivation offsite location
Salubrious Wellness Clinic, Inc.	Adult-Use Dispensary Registration Certificate	00000071ESFP14031510	Tempe, AZ	08/07/24	Approval to dispense adult-use cannabis
203 Organix, LLC	Medical Dispensary Registration Certificate	00000074DCGW00540313	Prescott, AZ	08/07/24	The certificate allows the holder to cultivate, dispense, produce, process, extract, distribute and sell at retail and wholesale medical marijuana from the dispensary and one offsite cultivation facility.
203 Organix, LLC	Adult-Use Dispensary Registration Certificate	00000070ESCO78837103	Prescott, AZ	08/07/24	Approval to dispense adult-use cannabis

Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable Certificate, Columbia Care would expect Salubrious Wellness Clinic, Inc. and 203 Organix, LLC to receive the applicable renewed Certificate in the ordinary course of business. 203 Organix's Approval to Operate a cultivation facility in Wickenburg is not in use and is therefore not considered a material contract of Columbia Care.

Arizona Security Requirements for Dispensary Facilities

Any dispensary facility (both retail and cultivation) or marijuana establishment must abide by the following security requirements: (i) ensure that access to the facilities is limited to authorized agents of the dispensary who are in possession of a dispensary agent identification card, and (ii) equip the facility with: (a) intrusion alarms and surveillance equipment, (b) exterior and interior lighting to facilitate surveillance, (c) at least one 19-inch monitor for surveillance and a video capable of printing a high resolution still image, (d) high resolution video cameras at all points of sale, entrances, exits, and limited access areas, both in and around the building, (e) 30 days' video storage, (f) failure notifications and battery backups for the security system, and (g) panic buttons inside each building.

Arizona Dispensing Requirements

In order to dispense medical marijuana to a qualifying patient or designated caregiver, a licensed dispensary is required to (1) verify the qualifying patient's or designated caregiver's identity, (2) offer appropriate patient education or support materials, (3) make available testing results related to the product sought, if requested by the qualifying patient or designated caregiver, (4) enter the qualifying patient's or designated caregiver's registry identification number on the identification card presented into the medical marijuana electronic verification system, (5) verify the validity of the identification card presented, (6) verify that the amount of marijuana product to be dispensed would not cause the qualifying patient to exceed the regulatory limit, and (7) enter information into the medical marijuana electronic verification system regarding the amount of medical marijuana dispensed, whether it was dispensed directly to the qualifying patient or to a caregiver, the date and time of dispensing, the registry identification number of the dispensary agent, and the dispensary's registry identification number.

Arizona Storage Requirements

Any dispensary facility (both retail and cultivation) or marijuana establishment must abide by the following requirements for the storage of product: (i) product must be stored in an area that is separate from areas used to store toxic and flammable materials, (ii) product must be stored in a manner that is clean and sanitary, (iii) product must be protected from flies, dust, dirt, and any other contamination, and (iv) surfaces and objects used in the handling and storage of product must be cleaned daily.

Additionally, the Rules establish strict inventory protocols for tracking product from "seed to sale," which requires product to be traceable to the original plants used to grow the cannabis used in the product. These requirements include (1) daily updated inventory amounts of marijuana products, (2) acquisitions of medical marijuana from qualifying patients or designated caregivers, (3) acquisitions of medical marijuana from other dispensaries, (4) information related to batches of marijuana cultivated by the licensee, (5) information regarding provision of medical marijuana to other dispensaries, (6) information relating to required testing of marijuana products, and (7) the disposition of marijuana products determined not to be dispensed to a patient or to be included in manufacturing a marijuana product. Licensed dispensaries are additionally required to keep records regarding qualifying patients that: (1) include dated entries from registered dispensary agents regarding dispensing, (2) are safeguarded against unauthorized access and tampering, (3) include documentation of requests by qualifying patients and caregivers regarding marijuana products and educational materials.

Arizona Transportation Requirements

Dispensaries may transport medical cannabis and marijuana establishments may transport adult-use cannabis between their own sites or between their sites and another dispensary's site and must comply with the following Rules: (i) prior to transportation, the dispensary agent must complete a trip plan showing: (a) the name of the dispensary agent in charge of transporting the cannabis, (b) the date and start time of the trip, (c) a description of the cannabis, cannabis plants, or cannabis paraphernalia being transported; and (d) the anticipated route of transportation, including any anticipated stops during the trip; (ii) during transport the dispensary agent shall: (a) carry a copy of the trip plan at all times, (b) use a vehicle with no medical cannabis identification, (c) have a means of communicating with the dispensary, and (d) ensure that no cannabis is visible, and (iii) dispensaries must maintain trip plan records for at least two years.

Arizona Adult-use Operating Requirements

Marijuana establishments must (i) ensure that the retail location is operating and available at least 30 hours a week between the hours of 7:00 a.m. and 10:00 p.m. within 18 months after receiving the marijuana establishment license, (ii) develop, implement and regularly review and update, no less than once every 12 months, policies related to job descriptions and employment contracts, training of facility agents, and inventory control, (iii) ensure all principal officers, board members, employees, and volunteers maintain valid marijuana facility agent licenses and keep them in their possession when working with marijuana, (iv) inform ADHS within 10 days when a marijuana facility agent is no longer employed or volunteering with the marijuana establishment, (v) document loss or theft and (vi) post the marijuana establishment's approval to operate, the license, hours of operation, and the applicable ADHS-prescribed warning signs.

Marijuana products to be sold at a marijuana establishment's retail location must (i) comply with the packaging and labeling requirements in the SSAA, (ii) be labeled with the appropriate product information and warnings as prescribed by ADHS, and (iii) be placed in child-resistant packaging.

Prior to selling or transferring any marijuana product to a consumer, the marijuana facility agent must (i) verify the consumer's age, (ii) make available the results of testing of the marijuana if requested, and (iii) ensure that the amount to be sold or transferred does not exceed one ounce, with not more than 5 grams being in the form of a marijuana concentrate.

A marijuana establishment that prepares, sells, or transfers marijuana-infused edible food products shall (i) obtain a license or permit as a food establishment under 9 A.A.C. 8, Article 1, (ii) ensure that the products are prepared according to the applicable requirements in 9 A.A.C. 8, Article 1, whether prepared on-site or by another marijuana establishment, and (iii) ensure that any sold products (a) are sold in accordance with 9 A.A.C. 8, Article 1, (b) contain no more total THC than 10 mg per serving or 100 mg per package, and (c) if packaged as more than one serving, are scored or delineated into standard serving size and consistent in THC disbursement.

ADHS Inspections and Enforcement

ADHS may inspect a medical facility at any time upon five (5) days' notice to the dispensary. However, if someone has alleged that the dispensary is not in compliance with the AMMA or the Medical Rules, ADHS may conduct an unannounced inspection. ADHS will provide written notice to the dispensary of any violations found during any inspection and the dispensary then has 20 working days to take corrective action and notify ADHS.

ADHS must revoke a Certificate if a dispensary: (i) operates before obtaining approval to operate a dispensary from ADHS, (ii) dispenses, delivers, or otherwise transfers cannabis to an entity other than another licensed dispensary, a qualifying patient with a valid registry identification card, a designated caregiver with a valid registry identification card, or a laboratory with a valid laboratory registration certificate, (iii) acquires usable cannabis or mature cannabis plants from any entity other than another licensed dispensary,

a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card, or (iv) if a principal officer or board member has been convicted of an excluded felony offense.

Furthermore, ADHS may revoke a Certificate if a dispensary does not: (i) comply with the requirements of AMMA or the Medical Rules, (ii) implement the policies and procedures or comply with the statements provided to ADHS with the dispensary's application.

ADHS may inspect an adult-use facility at any time during regular hours of operation. ADHS must make at least one unannounced visit annually to each licensed facility.

ADHS may suspend or revoke a marijuana establishment license if (i) the marijuana establishment (a) provides false or misleading information to ADHS, (b) operates before obtaining approval to operate from ADHS, (c) diverts marijuana to an individual or entity not allowed to possess marijuana, or (d) acquires marijuana from an individual or entity not allowed to possess marijuana; (ii) a principal officer or board member (a) has been convicted of an excluded felony offense, or (b) provides false or misleading information to ADHS; (iii) the marijuana establishment does not (a) comply with the requirements in the SSAA or the Adult-use Rules, or (b) implement the policies or procedures or comply with the statements provided to ADHS in the marijuana establishment's application.

CALIFORNIA

California Regulatory Landscape

In 1996, California was the first state to legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996. This legalized the use, possession and cultivation of medical marijuana by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However, in November 2016, voters in California overwhelmingly passed Proposition 64, the Adult Use of Marijuana Act ("**AUMA**") creating an adult-use marijuana program for adults 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern a medical and adult-use licensing regime for cannabis businesses in the State of California. The four agencies that originally regulated marijuana at the state level were the Bureau of Cannabis Control ("**BCC**"), California Department of Food and Agriculture ("**DFA**"), California Department of Public Health ("**DPH**"), and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

On July 1, 2019, California enacted A.B. 97. In relevant part, the bill authorizes licensing authorities to issue citations and fines to a licensee or an unlicensed person who violates MAUCRSA. The maximum fine is $5,000 per violation for licensees and $30,000 per violation for unlicensed persons. Each day of a violation constitutes a separate violation.

A.B. 97 also repeals a prior requirement that an applicant for a provisional license first hold a temporary license. The bill also requires applicants for provisional licenses to submit evidence of compliance with the California Environmental Quality Act, limits the validity of a provisional license to 12 months with subsequent renewals as approved by the relevant licensing authority, and allows licensing authorities to revoke provisional licenses for failing to diligently pursue final licensure. Finally, the bill requires the DPH to establish a certification program for manufactured cannabis products comparable to the National Organic Program and the California Organic Food and Farming Act.

On October 12, 2019, California enacted A.B. 1529. The bill mandates that all cannabis vaping cartridges and cannabis vaporizers must include a universal symbol identifying the product as a vaping product.

On July 12, 2021, California Governor Gavin Newsom signed into law Assembly Bill 141 (AB-141), which creates the Department of Cannabis Control ("**DCC**"). The DCC will consolidate the state's cannabis program oversight from three of the existing agencies – the BCC, the DFA, and the DPH – under a single department in an effort to centralize and simplify regulatory and licensing oversight in California. DCC similarly announced its intention to create a single Licensing Division that would be responsible for licensing of all cannabis businesses. On or about September 15, 2021, the DCC filed emergency regulations to consolidate, clarify, and make

consistent cannabis regulations to the California Office of Administrative Law. After a limited comment period, these consolidated emergency regulations were approved and became effective on or about September 27, 2021. These regulations created consistent standards for cannabis licensees across all license types, by aligning application requirements, unifying terminology, and clarifying ownership and financial interest requirements. Consolidated regulations became effective on a non-emergency basis on November 7, 2022. Additional regulatory amendments promulgated in 2022 include requirements and procedures to apply to DCC for a Large Cultivation License under MAUCRSA and emergency rules for track and trace requirements for delivery vehicles.

Additional statutory amendments signed into law in 2022, include, among other things, classification of cannabis beverages as a form of edible cannabis product and allowance of more packaging types for beverages, requiring applicants with 20 or more employees to execute labor peace agreements (this requirement applies to applicants with 10 or more employees after July 1, 2024), additional taxation rules, new advertising and labeling rules for cannabis vaporizer products, and a prohibition on local laws that prohibit delivery of medicinal products to qualifying patients.

At present, to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities with marijuana licensing programs. Therefore, cities in California are allowed to determine the number of licenses they will issue to marijuana operators or can choose to outright ban marijuana.
Columbia Care (through its subsidiaries in the State of California) follows applicable licensing requirements and the regulatory framework enacted by the State of California.

California Licenses

The table below describes the licenses held by Columbia Care subsidiaries in California. The granting of a temporary license does not guarantee that an annual license will subsequently be granted.

Holding Entity	Permit/License	City	Expiration/ Renewal Date (if applicable) (MM/DD/YY)	Description
Mission Bay, LLC	California Department of Cannabis Control - # C10-0000472-LIC	San Diego	07/18/23	Adult-Use and Medicinal Provisional Retailer License
Focused Health, LLC	California Department of Cannabis Control – CDPH- 10003760	San Diego	07/29/23	Annual Manufacturing License – Type 7: Volatile Solvent Extraction
Focused Health, LLC	California Department of Cannabis Control – CCL19-0003852	San Diego	12/26/23	Provisional Cannabis Cultivation License – Adult-Use Specialty Indoor -
Focused Health, LLC	California Department of Cannabis Control - C11-0001210-LIC	San Diego	06/09/23	Adult-Use and Medicinal Provisional Distributor License
The Healing Center of San Diego, LLC	California Department of Cannabis Control - C10-0000213-LIC	San Diego	06/13/23	Adult-Use and Medicinal Provisional Retailer License
PHC Facilities, Inc.	California Department of Cannabis Control CCL18-0003760	Los Angeles	04/26/23	Provisional Cannabis Cultivation License – Adult-Use Medium Indoor
PHC Facilities, Inc.	California Department of Cannabis Control - C11-0000072-LIC	Los Angeles	05/09/23	Adult-Use and Medicinal Provisional Distributor License
PHC Facilities, Inc.	California Department of Cannabis Control - C10-0000050-LIC	Los Angeles	05/09/23	Adult-Use and Medicinal Provisional Retailer License

Holding Entity	Permit/License	City	Expiration/ Renewal Date (if applicable) (MM/DD/YY)	Description
Resource Referral Services, Inc.	California Department of Cannabis Control - C10-0000130-LIC	North Hollywood	06/04/23	Adult-Use and Medicinal Provisional Retailer License
Access Bryant SPC	California Department of Cannabis Control - C10-0000527-LIC	San Francisco	07/28/23	Adult-Use and Medicinal Provisional Retailer License
The Wellness Earth Energy Dispensary, Inc.	California Department of Cannabis Control – C10-0000288-LIC	Studio City	06/24/23	Adult-Use and Medicinal Provisional Retailer License

California Licensing Requirements

A medicinal retailer license permits the sale of medicinal cannabis and cannabis products to a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations. An adult-use retailer license permits the sale of cannabis and cannabis products to any individual age 21 years of age or older who presents a valid government-issued photo identification.

An adult-use or medicinal cultivation license permits cannabis cultivation activity which means any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis. Such licenses further permit the production of a limited number of non-manufactured cannabis products and the sales of cannabis to certain licensed entities within the state of California for resale or manufacturing purposes.

An adult-use or medical manufacturing license permits the manufacturing of cannabis products. Manufacturing includes the compounding, blending, extracting, infusion, packaging or repackaging, labeling or relabeling, or other preparation of a cannabis product.

In the state of California, only cannabis that is grown in the state can be sold in the state. Although California is not a vertically-integrated system, the state allows licensees to make wholesale purchase of cannabis from, or a distribution of cannabis and cannabis product to, another licensed entity within the state.

Holders of marijuana licenses in California are subject to a detailed regulatory scheme encompassing: security, staffing, sales, manufacturing standards, inspections, inventory, advertising and marketing, product packaging and labeling, records and reporting, and more. As with all jurisdictions, the full regulations, as promulgated by each applicable state agency, should be consulted for further information about any particular operational area.

California Dispensary Requirements

Cannabis retailers may only sell cannabis products that were received by the retail licensee from a licensed distributor or licensed microbusiness authorized to engage in distribution, and the licensed retailer must verify that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided. The goods must have undergone appropriate laboratory testing, and the batch number labeled on the package of cannabis goods must match the batch number on the corresponding certificate of analysis for regulatory compliance testing. The packaging and goods must comply with all applicable laws in order for the goods to be sold at the retail location. In addition to cannabis goods, a licensed retailer may sell only cannabis accessories and licensee's branded merchandise. A licensed retailer may not provide free cannabis goods except for in certain limited circumstances.

Cannabis retailers may only display cannabis goods for inspection and sale in the retail area. Such goods may be removed from their packaging and placed in containers to allow for customer inspection, so long as the containers are not readily accessible to customers without assistance of retailer personnel. A container must be provided to the customer by the licensed retailer or its employees, who must remain with the customer at all times that the container is being inspected by the customer. Cannabis goods removed from their packaging in this way may not be sold or consumed. They must be destroyed appropriately when they are no longer being used for display.

California Reporting Requirements

The state of California uses METRC as the state's track-and-trace ("**T&T**") system used to track commercial cannabis activity and movement across the distribution chain for all state-issued annual licensees. The system allows for other third-party system integration via application programming interface. Only licensees have access to METRC.

California Storage, Transportation, and Security Requirements

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, California's marijuana businesses are required to do the following:

- maintain a fully operational security alarm system;
- contract for security guard services;
- maintain a video surveillance system that records continuously 24 hours a day;
- ensure that the facility's outdoor premises have sufficient lighting;
- not dispense from its premises outside of permissible hours of operation;
- store cannabis and cannabis product only in areas per the premises diagram submitted to the state of California during the licensing process;
- store all cannabis and cannabis products in a secured, locked room or a vault;
- report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
- ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the BCC that meet BCC distribution requirements are to be used to transport cannabis and cannabis products.

DCC Inspections

The DCC, and its authorized representatives, shall have full and immediate access to inspect and enter onto any premises licensed by the DCC. Prior notice of an inspection, investigation, review, or audit is not required. The DCC may also test any vehicle or equipment possessed by, in control of, or used by a licensee or their agents and employees for the purpose of conducting commercial cannabis activity. Moreover, it may test any cannabis goods or cannabis-related materials, or products possessed by, in control of, or used by a licensee or their agents and employees for the purpose of conducting commercial cannabis activity. The DCC may also copy any materials, books, or records of any licensee or their agents and employees. Failure to cooperate with and participate in any DCC investigation pending against the licensee may result in a licensing violation subject to discipline.

COLORADO

Colorado Regulatory Landscape

On November 7, 2000, Colorado voters approved Amendment 20, which amended the state constitution to allow the use of marijuana in the state by approved patients with written medical consent. On November 6, 2012, Colorado voters approved Amendment 64, which amended the state constitution to establish an adult use cannabis program in Colorado and permit the commercial cultivation, manufacture and sale of marijuana to adults 21 years of age or older. The commercial sale of marijuana for adult use to the general public began on January 1, 2014 at cannabis businesses licensed under the regulatory framework. As of January 1, 2020, medical and adult use marijuana are regulated together under a single statute – the Colorado Marijuana Code.

Under the Colorado Marijuana Code, the Marijuana Enforcement Division of the Colorado Department of Revenue is empowered to grant licenses to both adult use and medical marijuana businesses, including cultivation facilities, products manufacturers, testing facilities, transporters, researchers and developers, and (in the adult use context) accelerator cultivators, accelerator stores, and hospitality businesses. The Colorado Marijuana Code underwent amendments in 2022, which include, among other things, changes to the requirements for physical or virtual separation of operations for co-located adult use and medical dispensaries, transfers of product between commonly owned medical and adult use marijuana cultivation facilities, responsible vendor training, and limitations on the use of modified or synthetic intoxicating cannabanoids. The MED promulgated comprehensive amendments to its regulations effective December 1, 2022.

Cannabis businesses must also comply with local licensing requirements. Colorado localities are allowed to limit or prohibit the

operation of marijuana businesses.

Columbia Care in Colorado follows the regulatory framework enacted by the State of Colorado.

Colorado License Requirements

An application for a marijuana business in Colorado requires submission of (1) a copy of any local license required for the marijuana business, (2) a certificate of good standing from the jurisdiction in which the business was formed, (3) the identity and address of the registered agent in Colorado, (4) organizational documents such as articles of incorporation, bylaws, articles of organization, and similar documents, (5) corporate governance documents, (6) a deed, lease, or similar document establishing the applicant's ability to use the proposed premises, (7) a facility diagram, (8) findings of suitability with respect to the business' owners, (8) information regarding securities listings (if the business is publicly traded), (9) financial statements, and documents related to payments of taxes. A business is required to obtain permission from its locality as part of the licensing process.

Colorado Licenses

Columbia Care operates marijuana establishments as detailed below.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00300	Aurora, Colorado (Peoria Court)	10/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00302	Aurora, Colorado (E. Montview Boulevard)	10/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00297	Aurora, Colorado (S. Potomac)	10/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00303	Aurora, Colorado (E. Colfax)	10/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00666	Aurora, Colorado (Quincy Avenue)	05/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00474	Denver, Colorado (Federal Boulevard)	06/24/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00374	Black Hawk, Colorado	12/15/2023	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00015	Denver (Grape Street)	01/01/2024	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00016	Denver, Colorado (Alameda Avenue)	01/01/2024	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00700	Denver, Colorado (Wewatta Street)	05/20/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis cultivation license 403R-00018	Denver, Colorado Grape (REC) Grow	01/01/2024	Authorizes cultivation of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis cultivation license (medical) 403-00208	Denver, Colorado Grape Grow	03/05/2023*	Authorizes cultivation of medical cannabis.
The Green Solution LLC	Cannabis retail license 402R-00298	Edgewater, Colorado	10/01/2023	Authorizes retail of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00501	Fort Collins, Colorado	09/23/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license (medical) 402-00839	Fort Collins, Colorado	06/26/2023	Authorizes retail of medical cannabis.
The Green Solution LLC	Cannabis retail license 402R-00654	Glendale, Colorado	03/13/2023*	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00742	Glenwood Springs, Colorado	03/29/2023	Authorizes retail of cannabis.
Columbia Care Co, Inc.	Cannabis retail license 402R-00724	Longmont, Colorado	01/18/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00014	Northglenn, Colorado	01/01/2024	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00737	Sheridan, Colorado (3926 S. Federal Boulevard)	03/26/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00743	Sheridan, Colorado (3318 S. Federal Boulevard)	03/29/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00299	Silver Plume, Colorado	10/01/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00670	Pueblo, Colorado	05/12/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00582	Trinidad, Colorado (Santa Fe Trail)	07/11/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00583	Trinidad, Colorado (N. Commercial Street)	07/11/2023	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis delivery permit 605R-00005	Aurora, Colorado	10/01/2023	Authorizes delivery of retail cannabis within the City of Aurora
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-01151	Trinidad, Colorado (36900 El Moro Road)	05/28/2023	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00892	Trinidad, Colorado (1200 Republic Drive)	02/15/2022*	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00893	Trinidad, Colorado (1201 Republic Drive)	02/15/2022*	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00894	Trinidad, Colorado (1202 Republic Drive)	02/15/2022*	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00895	Trinidad, Colorado (1203 Republic Drive)	02/15/2022*	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00020	Denver, Colorado (Steele Street)	01/01/2022*	Authorizes cultivation of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00836	Denver, Colorado (Barberry Place)	01/25/2022*	Authorizes cultivation of cannabis.
Infuzionz, LLC	Cannabis processing license 404R-00003	Denver, Colorado (Washington Street)	01/01/2022*	Authorizes manufacturing of cannabis products. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Infuzionz, LLC	Cannabis processing license (Medical) 404-00329	Denver, Colorado (Washington Street)	01/28/2022*	Authorizes manufacturing of medical cannabis products. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Futurevision Ltd	Cannabis retail license 402R-00034	Denver, Colorado (Nome Street)	01/01/2024	Authorizes retail of cannabis

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
Futurevision Ltd	Cannabis retail license (medical) 402-00088	Denver, Colorado (Nome Street)	11/21/2023	Authorizes retail of medical cannabis
Futurevision Ltd	Cannabis retail license 402R-00296	Aurora, Colorado (Havana Street)	10/01/2023	Authorizes retail of cannabis
Columbia Care CO, Inc	Cannabis retail license 402R-00640	Thornton, Colorado	02/06/2022*	Authorizes retail of cannabis
Futurevision Ltd	Cannabis cultivation license 403R-00040	Denver, Colorado (Nome Street)	01/01/2022*	Authorizes cultivation of cannabis
Futurevision Ltd	Cannabis cultivation license (medical) 403-00131	Denver, Colorado (Nome Street)	07/05/2022*	Authorizes cultivation of medical cannabis

* Currently in the process of renewal

With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and no substantial violations exist, Columbia Care would expect to receive the applicable renewed licenses in the ordinary course of business.

Regulatory Requirements

The regulations establish requirements applicable to all marijuana businesses, along with specific requirements for each type of business.

All marijuana businesses in Colorado are required to (1) create and enforce limited access areas for the protection of marijuana and marijuana products, (2) maintain security alarm systems installed and maintained by a licensed alarm installation company, as well as approved locks and surveillance equipment, (3) follow all applicable laws regarding waste disposal (including cannabis-containing wastes), (4) implement an inventory tracking system used for inventory tracking and recordkeeping, (5) comply with both state and local requirements as to hours of operation, (6) comply with sanitary requirements applicable to employees and production spaces, including sanitation audits, (7) comply with recordkeeping requirements, and (8) maintain and provide procedures for dealing with product recalls.

Cultivation facilities are additionally required to (1) provide and maintain copies of standard operating procedures for cultivation, harvesting, drying, curing, trimming, packaging, storing, and sampling, (2) comply with requirements related to pesticides, and (3) comply with additional sanitary and product safety requirements. Marijuana products manufacturers are required to (1) comply with labeling and dosing requirements related to standardized doses of marijuana, (2) comply with specific prohibitions regarding the shapes, colors, and similar characteristics of edible products, refrain from use of prohibited additives and ingredients, (3) maintain and provide standard operating procedures related to manufacturing of each category of products. Marijuana dispensaries are subject to additional requirements regarding (1) methods of accepting orders, (2) payments by customers, and (3) identification of customers.

The Marijuana Enforcement Division and local licensing authorities may conduct announced or unannounced inspections of licensees to determine compliance with applicable laws and regulations. Licensees may also be subject to inspection of the licensed premises by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present.

Colorado uses METRC as the Marijuana Enforcement Division's marijuana inventory tracking system for all medical and adult use licensees. Marijuana is required to be tracked and reported with specific data points from seed to sale through METRC for compliance purposes under Colorado marijuana laws and regulations. This tracking is conducted by using electronic tags on plants and shipments between licensees and facilities.

DELAWARE

Delaware Regulatory Landscape

Delaware's medical marijuana program is governed by the Delaware Medical Marijuana Act, 16 Del. C.

§ 4901A *et seq.*, and the Department of Health and Social Services' (the "**Department**") implementing regulations, CDR 16-4000-4470. The program authorizes registered qualified patients with a debilitating medical condition to use marijuana. "Debilitating medical condition" includes: (a) terminal illness, cancer, HIV, AIDS, decompensated cirrhosis, amyotrophic lateral sclerosis, agitation of Alzheimer's disease, PTSD, intractable epilepsy, seizure disorder, glaucoma, chronic debilitating migraines; (b) a chronic or debilitating disease or medical condition or its treatment that produces cachexia or wasting syndrome; severe, debilitating pain that has

not responded to previously prescribed medication or surgical measures for more than 3 months or for which other treatment options produced serious side effects; intractable nausea; seizures; severe and persistent muscle spasms, including those characteristic of multiple sclerosis; and (c) other medical conditions or treatments that may be added by the Department. Citizens may petition the Department to add conditions or treatments to the list of debilitating medical conditions.

The medical marijuana program creates a licensing regime for medical marijuana compassion centers ("**Compassion Centers**"). Compassion Centers must be operated on a non-profit basis. Once registered, a Compassion Center may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or dispense marijuana strictly for the purpose of assisting registered patients or their designated caregivers with the medical use of marijuana. Compassion Centers are required to grow an amount of marijuana sufficient to meet demand but may not possess more than 1,000 pounds of usable marijuana without having a variance approved by the Department. Delaware prohibits Compassion Centers from purchasing marijuana from any person other than another Compassion Center.

On May 24, 2022, Governor John Carney vetoed legislation passed by the Delaware General Assembly that would have legalized the adult use of cannabis, and created a state-run commercial adult-use cannabis program.

Columbia Care (through its subsidiary in the State of Delaware) follows the regulatory framework enacted by the State of Delaware.

Delaware License Requirements

Applicants for a license to operate a Compassion Center must include a US$5,000 application fee along with identifying documentation about the proposed Compassion Center, such as the proposed legal name, bylaws, articles of incorporation, and proposed address. An application must include information about the proposed facility, including: a description of the enclosed, locked facility, meeting all Department requirements for use in the cultivation of marijuana; and a description of proposed security and safety measures which demonstrate compliance with the Department's regulations. The Department also requires applicants to disclose financial and organizational information. Such information must include evidence of the Compassion Center's non-profit status; identifying information for each principal officer and board member; a draft operations manual which demonstrates compliance with the Department's regulations; a list of persons or business entities having direct or indirect authority over the management or policies of the Compassion Center; a list of persons or business entities having 5.0% or more ownership in the Compassion Center, including owners of any business entity which owns all or part of the land or building; and the identities of creditors holding a security interest in the premises, if any. Applications must also include an example of the design and security features of medical marijuana containers which demonstrates compliance with the regulations. In 2022, the Delaware General Assembly amended the Delaware Medical Marijuana Act to require applicants with 20 or more employees to execute a labor peace agreement.

When the Department notifies an applicant that its application to operate a Compassion Center has been approved, it must submit a number of additional items before the registration certificate authorizing operation of a Compassion Center will be issued: a certification fee of US$40,000; the legal name, articles of incorporation, and bylaws of the Compassion Center; the physical address of the Compassion Center and any other address used for cultivation; evidence of compliance with zoning laws, other location restrictions, and the State Fire Code; and updates to previously submitted information.

Delaware Dispensary Requirements

Registered Compassion Centers are required to keep detailed financial reports of proceeds and expenses; maintain inventory, sales, and financial records in accordance with generally accepted accounting principles; and provide Department or Department-contracted audit firms with access to its books and records.

Compassion Centers must comply with a detailed process for disposing of unusable marijuana. A Compassion Center must immediately update its inventory system to reflect a disposal of marijuana, and the marijuana waste must be stored, secured, and managed in a manner that renders the waste unusable. Delaware also prohibits the use of pesticides on marijuana.

The Department has promulgated regulations specific to the dispensing of marijuana. Marijuana must be dispensed in sealed, tamperproof containers clearly identified as having been issued by the Compassion Center and that include certain disclosures. The containers should be accompanied by written instruction that the marijuana shall remain in this container when it is not being prepared for ingestion or being ingested. Compassion Centers must verify the patient's or caregiver's identification card as valid before dispensing marijuana, and marijuana must not be dispensed to a person other than a qualifying patient or primary caregiver. The maximum amount a Compassion Center can dispense to a single patient is 3 ounces during a 14-day period.

Delaware Licenses

Columbia Care operates through a management services arrangement with Columbia Care Delaware LLC, a non- profit affiliate that holds a Compassion Center license and operates a dispensary and a manufacturing center, as noted in the table below.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC01	Milford, DE	09/15/2024	Cultivation and Manufacturing Facility
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC02	Smyrna, DE	09/15/2024	Dispensary
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC06	Wilmington, DE	09/15/2024	Dispensary
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC07	Rohoboth Beach, DE	09/15/2024	Dispensary

Compassion Centers' registrations expire every two years. A renewal application must be submitted between 90 and 30 days prior to the expiration of the current registration certificate. With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care Delaware LLC would expect to receive the applicable renewed licenses in the ordinary course of business.

Delaware Security, Storage, and Transportation Requirements

Compassion Centers must store marijuana in a locked area with adequate security. The adequacy of security is to be determined based on the quantity of usable marijuana on hand, the Compassion Center's inventory system, the number of people with access to the marijuana, the location of the Compassion Center, the scope and sustainability of the alarm system, and the root cause analysis of any prior breaches. Compassion Centers are also subject to detailed security and inventory-management requirements. A Compassion Center must implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana. This includes access and entry limitations; maintaining a fully operational alarm system with immediate automatic notification to alert local authorities of a security breach; maintaining a log of security inspections and tests, alarm activations, and security breaches; and instituting a 24/7 video surveillance system covering areas in which marijuana is handled. The Department has also instituted a number of inventory controls. Compassion Centers must utilize a bar-coding inventory control system to track sales and inventory data; store marijuana in a locked area with adequate security; and conduct and document monthly inventory reviews and bi-annual comprehensive inventory reviews.

A registered Compassion Center agent must have documentation when transporting marijuana on behalf of the registered Compassion Center that specifies the amount of marijuana being transported, the date the marijuana is being transported, the registry ID certificate number of the registered Compassion Center or registered safety compliance facility, and a contact number to verify that the marijuana is being transported on behalf of the registered Compassion Center or registered safety compliance facility.

Department Inspections

Compassion Centers are also subject to inspections by the Department's Office of Medical Marijuana. These inspections may include: a review of the Compassion Center's financial and dispensing records; a review of the physical facility; an inspection for pesticides, fungus, or mold; and random sampling of marijuana plants. Moreover, the Department or an independent auditor with which it contracts shall at all times have access to all books and records kept by any Compassion Center.

FLORIDA

Florida Regulatory Landscape

In 2014, the Florida Legislature passed the Compassionate Use Act. The original Compassionate Use Act only allowed for low-THC cannabis to be dispensed and purchased by patients suffering from cancer and epilepsy. In 2016, the Legislature passed the Right To Try Act which allowed for full potency cannabis to be dispensed to patients suffering from a diagnosed terminal condition. Also in 2016, the Florida Medical Marijuana Legalization Initiative was introduced by citizen referendum and passed with a 71.3% majority on November 8. This language amended the state constitution and mandated an expansion of the state's medical cannabis program.

The Florida Medical Marijuana Legalization Initiative, Amendment 2 ("**Amendment 2**"), and the expanded qualifying medical conditions, became effective on January 3, 2017. The Florida Department of Health, physicians, dispensing organizations, and patients are also subject to Article X Section 29 of the Florida Constitution and § 381.986 of the Florida Statutes. On June 9, 2017, the Florida House of Representatives and Florida Senate passed respective legislation to implement the expanded program by replacing large portions of the existing Compassionate Use Act, which officially became law on June 23, 2017. The law regulating Amendment 2 provides for another four licenses to be issued for every 100,000 patients added to the state's medical marijuana registry and allows growers to open 25 dispensaries, plus an additional five dispensaries for every 100,000 patients. The 2017 legislation's cap on dispensing facilities expired on April 1, 2020 and there is now no limit. There is also no state-imposed limitation on the permitted size of cultivation or processing facilities in Florida, nor is there a limit on the number of plants that may be grown. In Florida, medical marijuana may not be wholesaled, except for limited circumstances in which a medical marijuana treatment center that seeks to make a purchase of marijuana presents proof of harvest failure to the Florida Department of Health, Office of Medical Marijuana Use ("**OMMU**").

In 2022, the OMMU issued of notice of its intent to award one MMTC license to a so-called "Pigford" (Qualified Black Farmer) applicant, which is a recognized class member of Pigford v. Glickman, 185 F.R.D. 82 (D.D.C. 1999) or In re Black Farmers Litigation, 856 F. Supp. 2d 1 (D.D.C. 2011). Certain "Pigford" applicants have appealed OMMU's denial of their license applications. Under emergency rules, the OMMU issued an application under which it will award up to 22 MMTC licenses to new applicants. License applications are due on or before April 28, 2023.

Additionally, in 2017, the Florida legislature passed an act developing an industrial hemp pilot project, which created the framework for legalized industrial hemp in Florida. The pilot project allowed for the research of industrial hemp. In 2019, the State Hemp Program (the "**FL Act**") became effective and expanded the hemp program in Florida. The FL Act permitted the development of a state hemp plan by the Florida Department of Agriculture and Consumer Services ("**FDACS**"). In 2020, FDACS submitted a state plan for regulation of industrial hemp to the U.S. Department of Agriculture for approval pursuant to the 2018 Farm Bill. The U.S. Department of Agriculture has approved Florida's plan.

The Florida Hemp Program includes several regulatory requirements. FDACS requires any individual or entity processing, manufacturing, distributing, retailing, or growing hemp to obtain a permit with FDACS. Other requirements include testing to ensure the hemp has a permissible THC level of under 0.3%; inventory of land used for cultivation of hemp; disposal procedure plans; submission to inspection by and information sharing with FDACS; and state certification. Intentional violations of the Act and FDACS's rules may result in criminal penalties and a loss of license. Repeated negligent violation may result in a suspension of license.

Columbia Care (through its subsidiary in the State of Florida) follows the regulatory framework enacted by the State of Florida.

Florida Licenses

Subsection 381.986(8)(a) of the State of Florida Statutes provides a framework that requires licensed producers, which are statutorily defined as "Medical Marijuana Treatment Centers" ("**MMTC**"), to cultivate, process and dispense medical cannabis in a vertically integrated marketplace. The Florida Legislature amended the statute in 2022, among other things, to authorize OMMU to test samples from MMTCs and to require product recalls in certain instances. Licenses issued by the OMMU may be renewed biennially so long as the license meets the requirements of the law and the license holder pays a renewal fee. License holders can only own one license.

Under the terms of its MMTC license, Columbia Care's 100%-owned subsidiary, Columbia Care Florida, is permitted to sell medical cannabis only to qualified medical patients that are registered with the state. Only certified physicians who have successfully completed a medical cannabis educational program can register patients and their medical cannabis orders on the Florida Office of Compassionate Use Registry. Dispensaries also must comply with a local municipality's zoning, which authorize such a use. The proposed site is zoned for a pharmacy and not within 500 feet of a church or school. In the State of Florida, only cannabis that is grown in the state can be sold in the state. As Florida is a vertically integrated system, Columbia Care Florida is able to cultivate,

harvest, process and sell/dispense/deliver its own medical cannabis products.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Florida LLC	Medical Marijuana Treatment Center – MMTC-2017-0011	Multiple Locations	05/19/2024	Authorizes Columbia Care Florida to cultivate, process, transport and dispense cannabis for medical use

Florida Reporting Requirements

OMMU requires that any licensee establish, maintain, and control a computer software tracking system that traces cannabis from seed to sale and allows real-time, 24-hour access by the OMMU to such data. The tracking system must allow for integration of other seed-to-sale systems and, at a minimum, include notification of when marijuana seeds are planted, when marijuana plants are harvested and destroyed, and when cannabis is transported, sold, stolen, diverted, or lost. Additionally, the OMMU also maintains a patient and physician registry and Columbia Care must comply with requirements and regulations relative to providing required data or proof of key events to said system.

Florida Licensing Requirements

Licenses issued by the OMMU may be renewed biennially so long as the licensee meets requirements of the law and pays a renewal fee, which OMMU raised significantly by emergency rule in 2022. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care Florida would expect to receive the applicable renewed license in the ordinary course of business.

MMTC license holders can only own one license. An MMTC applicant must demonstrate that: (i) they have been registered to do business in the State of Florida for the previous five years, (ii) they possess a valid certificate of registration issued by the Florida Department of Agriculture, (iii) they have the technical and technological ability to cultivate and produce cannabis, including, but not limited to, low-THC cannabis, (iv) they have the ability to secure the premises, resources, and personnel necessary to operate as an MMTC, (v) they have the ability to maintain accountability of raw materials, finished products, and by-products to prevent diversion or unlawful access to or possession of these substances, (vi) they have an infrastructure reasonably required to dispense cannabis to registered qualified patients statewide or regionally as determined by the OMMU, (vii) they have the financial ability to maintain operations for the duration of the two-year approval cycle, including the provision of certified financial statements to the OMMU, (viii) its owners, officers, board members and managers have passed a Level II background screening, inclusive of fingerprinting, and ensure that a medical director is employed to supervise the activities of the MMTC, and (ix) they have a diversity plan and veterans plan accompanied by a contractual process for establishing business relationships with veterans and minority contractors and/or employees. Upon approval of the application by the OMMU, the applicant must post a performance bond of up to US$5 million, which may be reduced by meeting certain criteria such as serving at least 1,000 patients.

Florida Dispensary Requirements

An MMTC may not dispense to a patient more than a 70-day supply of cannabis within a 70-day period, except an MMTC may not dispense more than a 35-day supply of marijuana in a form for smoking within a 35-day period. A physician may not certify a patient for more than six 35-day supplies of smokable cannabis. By law, a 35-day supply is 2.5 ounces of whole flower. In 2022, OMMU passed emergency regulations further stating that marijuana in a form for smoking shall only be dispensed by an MMTC as usable whole flower, ground usable whole flower, or prerolled marijuana cigarettes and prohibiting dispensing usable flower through other routes of administration, including vaporization. OMMU's emergency rules also set daily dose and 70-day dosage limits for other forms of administration, such as edibles, vaporizers, and topicals. The emergency rules further set a total 70-dosage limit of 24,500 mg of THC in any form. The emergency rules authorize OMMU to grant exceptions for patients.

The MMTC employee who dispenses the cannabis must enter into the registry his or her name or unique employee identifier. The MMTC must verify that: (i) the qualified patient and the caregiver, if applicable, each has an active registration in the registry and active and valid medical cannabis use registry identification card, (ii) the amount and type of cannabis dispensed matches the physician certification in the registry for the qualified patient, and (iii) the physician certification has not already been filled. An MMTC may not dispense to a qualified patient younger than 18 years of age, only to such patient's caregiver. An MMTC may not dispense or sell any other type of cannabis, alcohol, or illicit drug-related product, except a cannabis delivery device as specified in the physician certification. An MMTC must, upon dispensing, record in the registry:

(i) the date, time, quantity, and form of cannabis dispensed,

(ii) the type of cannabis delivery device dispensed, and

(iii) the name and registry identification number of the qualified patient or caregiver to whom the cannabis delivery device was dispensed. An MMTC must ensure that patient records are not visible to anyone other than the patient, caregiver, and MMTC employees.

In 2022, OMMU adopted emergency regulations establishing additional dispensing requirements in connection with website orders.

Florida Security, Transportation, and Storage Requirements

Each MMTC must maintain a video surveillance system with specified features. MMTCs must retain video surveillance recordings for at least 45 days, or longer upon the request of law enforcement.

An MMTC's outdoor premises must have sufficient lighting from dusk until dawn. An MMTC's dispensing facilities must include a waiting area with sufficient space and seating to accommodate qualified patients and caregivers and at least one private consultation area and such facilities may not display products or dispense cannabis or cannabis delivery devices in the waiting area and may not dispense cannabis from its premises between the hours of 9:00 p.m. and 7:00 a.m. but may perform all other operations and deliver cannabis to qualified patients 24-hours a day.

Cannabis must be stored in a secured, locked room or a vault. An MMTC must have at least two employees, or two employees of a security agency, on the premises at all times where cultivation, processing, or storing of cannabis occurs. MMTC employees must wear a photographic identification badge and visitors must wear a visitor pass at all times on the premises. An MMTC must report to law enforcement within 24 hours after the MMTC is notified of or becomes aware of the theft, diversion or loss of cannabis.

A cannabis transportation manifest must be maintained in any vehicle transporting cannabis or a cannabis delivery device. The manifest must be generated from the MMTC's seed-to-sale tracking system and must include the: (i) departure date and time, (ii) name, address, and license number of the originating MMTC, (iii) name and address of the recipient, (iv) quantity and form of any cannabis or cannabis delivery device being transported, (v) arrival date and time, (vi) delivery vehicle make and model and license plate number; and (vii) name and signature of the MMTC employees delivering the product. Further, a copy of the transportation manifest must be provided to each individual, MMTC that receives a delivery. MMTCs must retain copies of all cannabis transportation manifests for at least three years. Cannabis and cannabis delivery devices must be locked in a separate compartment or container within the vehicle and employees transporting cannabis or cannabis delivery devices must have their employee identification on them at all times. Lastly, at least two people must be in a vehicle transporting cannabis or cannabis delivery devices, and at least one person must remain in the vehicle while the cannabis or cannabis delivery device is being delivered.

Florida Inspections

OMMU conducts announced and unannounced inspections of MMTCs to determine compliance with the laws and rules. OMMU shall inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. OMMU shall conduct at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

ILLINOIS

Illinois Regulatory Landscape

The Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with a debilitating medical condition access to medical marijuana, became effective January 1, 2014 and has since been made permanent and retitled as the Compassionate Use of Medical Cannabis Program Act. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program, which provides access to medical marijuana for individuals who have or could receive a prescription for opioids.

Illinois enacted the Cannabis Regulation and Tax Act in June 2019 (the "**IL Act**"). The IL Act legalized the adult use of marijuana effective January 1, 2020. Under the IL Act, Illinois residents age 21 and older are allowed to possess any combination of (i) up to 30 grams of raw marijuana, (ii) marijuana infused products containing no more than 500 mg of THC; and (iii) 5 grams of marijuana in concentrated form. Non-residents can possess any combination of (i) up to 15 grams of raw marijuana, (ii) marijuana infused products containing no more than 250 mg of THC; and (iii) 2.5 grams of marijuana in concentrated form. The IL Act also authorizes the Illinois Department of Financial and Professional Regulation ("**IDFPR**") to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021. Existing medical dispensaries were able to apply for an "Early Approval Adult Use Dispensing Organization License" to serve adult users at an existing medical dispensary or at a secondary site. Columbia Care (through its subsidiaries in the state of Illinois) received licenses as Early Approval Adult Use Dispensing Organizations and is operating medical and adult use dispensaries in Illinois. No person can hold a financial interest in more than 10 dispensing organizations.

On July 15, 2021, Governor Pritzker signed House Bill 1443, now Public Act 102-0098, modifying the IL Act and the Compassionate Use of Medical Cannabis Program Act and establishing a more comprehensive criteria to award the adult-use licenses. Muliple lotteries and corrective lotteries for the adult-use licenses were held in 2021 and 2022. As of December 21, 2022, IDFPR has issued 192 Adult Use Dispensing Organization licenses to date. IDFPR announced an additional application period, ending April 21, 2023, to award an additional 55 Adult Use Dispensing Organization licenses by lottery.

The Illinois Department of Agriculture is authorized to make up to 30 cultivation center licenses available between the state's medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an "Early Approval Adult Use Cultivation Center License." The Department has issued approximately 21 Early Approval Adult Use Cultivation Centers to date. Columbia Care (through its subsidiaries in the state of Illinois) received approval as Early Approval Use Cultivation Center and is operating as a medical and adult use cultivation center in Illinois. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 square feet of canopy space. Cultivation center are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. The Department is also permitted to license up to 40 craft growers and 40 infuser organizations by July 1, 2020 and another 60 of each license type by the end of 2021. As of March 2, 2023, the Department has issued approximately 85 craft grower business establishment licenses and 55 business establishment infuser licenses.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans for complying with the requirements. Applicants for dispensary licenses must, for example, include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan, and an operating plan. Applicants for craft growers must similarly submit a facility plan, an employee training plan, a security a record keeping plan, a cultivation plan, a product safety and labeling plan, a business plan, an environmental plan, and more.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy, water, and waste- management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

The Illinois Department of Agriculture is authorized to promulgate regulations for cultivators, craft growers, infuser organizations, and transporting organizations, and the IDFPR is authorized to regulate dispensaries. The Department of Agriculture's final rules took effect on June 3, 2020, while the IDFPR has not yet issued comprehensive operational regulations for the adult- use program.

Additionally, in 2015, the Illinois Industrial Hemp Pilot Program became effective pursuant to the 2014 Farm Bill. This statute enabled researchers and higher education institutions to grow hemp for educational and research purposes. The Illinois Department of Agriculture ("**IDOA**") administered the Industrial Hemp Pilot Program. In 2018, the Illinois Industrial Hemp Act (the "**IL Hemp Act**") became effective. The IL Hemp Act allowed for the growing and processing to expand beyond researchers and higher education institutions and allowed planting and processing by farmers and others. IDOA was given authority to develop and oversee rules for the state hemp program.

IDOA promulgated rules for the state's hemp program in 2019. An individual or entity cultivating, processing, or handling hemp must obtain a license from IDOA. The IL Hemp Act subjects licensees to several regulatory requirements. These include filing a report on the harvest and planting; submission to inspection and sampling at the discretion of IDOA; testing to ensure the hemp has a permissible THC level of under 0.3%; and certain restrictions on the sale and transport of hemp. Intentional violations of the IL Hemp Act and IODA's rules may result in criminal penalties and a loss of license. Repeated negligent violation may result in a suspension of license.

In 2020, the U.S. Department of Agriculture approved the Illinois hemp production plan.

Columbia Care (through its subsidiaries in the State of Illinois) follows applicable licensing requirements and the regulatory framework enacted by the State of Illinois.

Illinois Licenses

The table below lists the licenses issued to Columbia Care with respect to its operations in Illinois. Under applicable laws, the licenses permit Columbia Care to, collectively, cultivate and dispense marijuana pursuant to the terms of the licenses, which are issued by the Department of Agriculture and the Department of Financial and Professional Regulation under the provisions of Illinois Revised Statutes 410 ILCS 130 and 410 ILCS 705. All licenses are, as of the date hereof, active with the State of Illinois.

There are two categories of medical cannabis licenses in Illinois: (1) cultivation/processing and (2) dispensary. The licenses are independently issued for each approved activity. All cultivation/processing establishments must register with Illinois Department of Agriculture. All dispensaries must register with the Illinois Department of Financial and Professional Regulation. If applications contain all required information, and after vetting by officers, establishments are issued a medical marijuana establishment registration certificate. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email from the Department of Agriculture or the Department of Financial and Professional Regulation and include a renewal form. Adult-use dispensary licenses must be renewed with the IDFPR prior to March 31 of every even-numbered year, while adult-use cultivation center licenses must be renewed annually.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Curative Health LLC	IL Dept. of Financial & Professional Regulation Certificate – 280.000044-DISP	Chicago, IL	08/29/2023	Registered Medical Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation – 284.000024-AUDO	Chicago, IL	03/31/2024	Registered Adult-Use Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation – 284.000065-AUDO	Villa Park, IL	03/31/2024	Registered Adult-Use Cannabis Dispensing Organization Certificate
Curative Health Cultivation, LLC	IL Dept. of Agriculture Early Approval Adult Use Cultivation Center License #1512040751-EA	Aurora, IL	03/31/2023	Early Approval Adult-Use Cultivation Center License

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Curative Health Cultivation, LLC	IL Dept. of Agriculture Medical Cannabis Cultivation Permit #1512040751	Aurora, IL	12/04/2023	Medical Cannabis Cultivation Center Operating Permit
Curative Health Cultivation LLC	IL Dept. of Agriculture Registered Industrial Hemp Processor License – #1204-332	Aurora, IL	12/31/2024	Registered Industrial Hemp Processor License
Curative Health Cultivation LLC	IL Dept. of Agriculture Registered Cannabis Transporter License #1512040751-TR	Aurora, IL	07/14/2023	Registered Cannabis Transporter License

During 2022, in conjunction with the proposed transaction with Cresco Labs, the Company reclassified certain licenses as held for sale in its New York, Massachusetts, and Illinois locations. Refer to Note 20 of the financial statements for additional details.

Illinois License and Regulations

The medical marijuana retail dispensary license permits Columbia Care to purchase marijuana and marijuana products from cultivation/processing facilities and allows the sale of marijuana and marijuana products to registered patients. The adult-use dispensing organization license permits Columbia Care to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies to adult use purchasers and to qualified registered medical cannabis patients and caregivers.

The medical cultivation license permits Columbia Care to acquire, possess, cultivate, manufacture/process into edible medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries. The adult-use cultivation center license permits Columbia Care to cultivate, process, and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

Illinois Dispensary Requirements

Curative Health LLC must operate in accordance with the representations made in its application and registration packet. It must include its name on the packaging of any cannabis product it sells. All medical products must be obtained from an Illinois registered medical cultivation center, while all adult-use products must be obtained from a licensed adult-use cultivation center, craft grower, processing organization, or another dispensary. Curative Health LLC must inspect and count product it receives before dispensing it. It may only accept cannabis products which come properly packaged and labeled from such cultivation center suppliers. The dispensary must also stay in compliance with all applicable building, fire, and zoning requirements or regulations. The dispensary may not operate a drive through window, nor may it offer delivery services. Curative Health LLC may only operate between 6 a.m. and 8 p.m. local time for medical sales and 6 a.m. to 10 p.m. for adult-use sales, and two or more employees must be present at all times.

Each dispensary must submit a list of all third-party vendors to the IDFPR– Division of Professional Regulation and the name of all service professionals that will work at the dispensary. The list must include a description of the type of business or service provided, and changes to the service professional list must be promptly provided. No service professional may work in the dispensary until his or her name is provided to the IDFPR – Division of Professional Regulation on the service professional list.

Curative Health LLC may not produce or manufacture cannabis at its dispensary, nor may it allow the consumption of cannabis there. It is prohibited to sell cannabis or cannabis-infused products to a consumer unless the individual presents an active registered identification card issued by the Department of Public Health or presents valid government identification verified using an electronic scanning device and showing that the consumer is at least 21 years of age.

Curative Health LLC may not enter into an exclusive agreement with any supplier, and it must deal with all suppliers on the same terms. It may not contract with, pay, or have a profit-sharing arrangement with third party groups that assist individuals with finding a physician or completing the patient or participant application; nor may it pay a referral fee to a third-party group for sending it patients or participants. No more than 40% of its adult-use inventory may originate from a single supplier.

Illinois Reporting Requirements

The state of Illinois uses BioTrack as the state's computerized track and trace system for seed-to-sale. Individual licensees, whether directly or through third-party integration systems, are required to push data to the state to meet all reporting requirements. Columbia Care integrates its in-house tracking system with the state's BioTrack program to capture the data points required by the Illinois Compassionate Use of Medical Cannabis Pilot Program Act and the Cannabis Regulation and Tax Act.

Illinois Storage and Security Requirements

As to its cultivation facility, the adult-use and medical-use laws and regulations require Columbia Care to store marijuana and marijuana infused products in a safe, vault, or secured room in such a manner to prevent diversion, theft, or loss. Marijuana that is not a finished product must likewise be maintained in a secured area within the facility only accessible to authorized personnel. Locks and security equipment safeguarding the marijuana must be kept in good working order, and the storage areas must be locked and protected from unauthorized access.

The cultivation facility must also have an operational 24-hour, seven-days-a-week, closed circuit television surveillance system on the premises that complies with certain regulatory minimum standards. Access to the surveillance area is restricted to those people who are essential to surveillance operations, law enforcement agencies, security system service personnel, and the regulator. In addition, video surveillance recordings must be retained for 90 days at the facility and an additional 90 days off site.

Columbia Care must also maintain an alarm system at its cultivation facility. The cultivation facility must maintain and use a professionally monitored robbery and burglary alarm system that meets certain regulatory minimum standards. A qualified alarm system vendor must test the system annually.

With respect to its Illinois dispensary, Columbia Care must store inventory on site in a secured and restricted access area consistent with the security regulations and track its inventory in accordance with the inventory tracking regulations. Containers storing medical marijuana that have been tampered with or opened must be stored separately until disposed; such materials can only be stored at the dispensary for one week.

The dispensary must also implement security measures to deter and prevent entry into and theft from restricted access areas that contain marijuana and/or currency. This includes having a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. The facility must also have security measures to protect the premises, customers and dispensing organization agents.

Illinois Transportation Requirements

Cultivation centers may transport cannabis in accordance with certain guidelines; however, cultivation centers will be prohibited from transporting adult-use cannabis without obtaining a separate transporting organization license beginning on July 1, 2020.

For medical marijuana, prior to transportation, a cultivation center must complete a shipping manifest using a form prescribed by the Department of Agriculture. The cultivation center must transmit a copy of the manifest to the dispensary facility that will receive the products and to the Department of Agriculture before the close of business the day prior to transport. Such shipping manifests must be maintained, and they must be provided to the Department of Agriculture at its request. Cannabis may only be transported in a locked storage compartment or container, and it must not be visible from outside the vehicle. Motor vehicles may not make detours while transporting cannabis except to dispensary facilities or laboratories, refueling stops, or emergencies. Emergencies must be immediately reported to 911 and the cultivation center, and the cultivation center must immediately notify the Department of Agriculture. Deliveries must be randomized, and there must be a minimum of two employees on each transport team. At least one team member must remain with the vehicle whenever the vehicle contains cannabis. Every delivery team member must have a secure means of contacting personnel at the cultivation center, as well as the ability to contact emergency personnel. Each team member must also have his or her department-issue identification card at all times when transporting cannabis and must produce it upon request by the Department of Agriculture or law enforcement.

The requirements for adult-use cannabis transported by a licensed transporting organization are similar. Cannabis must be pre-packaged in a sealed cannabis container by the business shipping the cannabis. The transporting organization cannot open the container. The transporting organization must maintain a daily inventory of all cannabis that it transports, containing names of the agents and businesses shipping and receiving the cannabis and a notation of the traceable information located on the cannabis container, such as the type of cannabis and the weight. In addition to other safety and security requirements, all transportation vehicles must be equipped with a GPS tracking system that stores historic data for no less than 12 months. The Department is permitted to search all historic and real-time GPS data upon request.

Dispensaries may not accept deliveries through public areas or areas where patrons may be. Deliveries must be accepted through a secure area unless otherwise approved by the IDFPR – Division of Professional Regulation.

Illinois Inspections

Dispensaries and cultivation centers are subject to random and unannounced inspections and cannabis testing. They must also make all records, logs, and reports immediately available for inspection upon request by the IDFPR– Division of Professional Regulation or the Department of Agriculture, as applicable.

MARYLAND

The Maryland Medical Cannabis Commission (the "**Maryland MCC**") grants medical cannabis grower, processor, dispensary and transportation licenses. A licensee may hold a license in each category to obtain vertical integration. The applicant must first seek pre-approval from the Maryland MCC to be granted a license. As part of the pre-approval application, the applicant must submit information related to its operations; safety and security; medical cannabis professionalism; retail management factors; business and economic factors; and other additional factors that may apply. Columbia Care's 96%-owned subsidiary, Columbia Care MD LLC, received its final license in September 2019 to operate a dispensary.

In November of 2022, Maryland voters adopted a ballot question (Question 4) amending the Maryland Constitution to legalize the adult use and possession of cannabis. Beginning on July 1, 2023, Question 4 allows adults age 21 or older in Maryland to possess and consume up to 1.5 ounces of cannabis flower, 12 grams of concentrated cannabis, or a total amount of cannabis products that does not exceed 750 mg THC. During the 2023 legislative session, the Maryland General Assembly will consider legislation creating a regulatory framework for the adult use cultivation, processing, distribution and sale of cannabis. It is not known how this legislation will impact Columbia Care and its subsidiaries' current medical cannabis operations, nor future authorization to operate in the adult use cannabis commercial marketplace.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care MD LLC	Medical Cannabis Establishment License #D-19- 00012	Chevy Chase, MD	09/26/2025	Dispensary
Green Leaf Medical, LLC	Medical Cannabis Establishment License #G-17-00008	Frederick, MD	08/14/2023	Cultivation Facility
Green Leaf Extracts, LLC	Medical Cannabis Establishment License #P-17-00001	Bishopville, MD	08/14/2023	Processor Facility
Wellness Institute of Maryland, LLC	Medical Cannabis Establishment License #D-17-00001	Frederick, MD	07/05/2023	Dispensary
Sugarloaf Enterprises, LLC	Medical Cannabis Establishment License #D-20-00007[(1)]	Rockville, MD	03/25/2026	Dispensary
Time for Healing LLC	Pre-Approval Stage	Prince George's County	Pre-Approval Stage	Dispensary

Notes:

(1) Columbia Care is operating the license under the terms of a management services agreement

Dispensary licenses in Maryland are renewed every six years. Before expiry, licensees are required to submit a renewal application. While renewals are granted every six years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care MD LLC would expect to have its future anticipated license renewed in the ordinary course of business. While Columbia Care's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that licenses will be renewed in the future in a timely manner.

Columbia Care (through its subsidiary in the State of Maryland) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Maryland.

Maryland Licensing Requirements

To become a licensed medical cannabis dispensary, each applicant must submit an application detailing the location of the proposed dispensary, the personal details of each principal officer or director, and operating procedures the dispensary will use. Owners, members, shareholders, officers, and directors of dispensary holding a 5% or greater interest in the company must undergo a criminal and financial background checks. Employees, volunteers and personnel who will be working in the dispensary with access to the non-public areas are required to undergo background checks and register as a dispensary agent with the Maryland MCC.

Maryland Reporting Requirements

Once licensed, the medical cannabis dispensary is required to submit to the Maryland MCC quarterly reports including the following information: (i) the number of patients served; (ii) the county of residence of each patient served; (iii) the medical condition for which medical cannabis was recommended; (iv) the type and amount of medical cannabis dispensed; and (v) if available, a summary of clinical outcomes, including adverse events and any cases of suspected diversion. The medical cannabis dispensary must not include any patient personal information in the quarterly report.

Maryland Inspections

Licensees must be inspected by the Maryland MCC prior to receiving approval from the Maryland MCC to be authorized to begin cultivation, processing, and dispensing. Licensees are eligible to apply to renew their license every two years during which time a full inspection of the facility is performed. Spot-inspections may be performed at the dispensary at any time and without advance notice.

Maryland Safety and Security Requirements

As part of the medical cannabis dispensary application, the applicant must provide information about the dispensary's operating procedures consistent with the oversight regulations established by the Maryland MCC, including the following: (i) storage of cannabis and products containing cannabis only in enclosed and locked facilities; (ii) security features and procedures; (iii) how the dispensary will prevent diversion; and (iv) safety procedures. As part of the safety and security requirements, the applicant must detail how the premises will be constructed to prevent unauthorized entry, including a designation of a secured room meeting high-security requirements. The applicant must describe how it would train all registered dispensary agents on safety procedures, including responding to: (i) a medical emergency; (ii) a fire; (iii) a chemical spill; and (iv) a threatening event including: (a) an armed robbery, (b) an invasion, (c) a burglary, or (d) any other criminal incident.

The applicant must describe its security and surveillance plan with information including the following: (i) an alarm system that covers perimeter entry points, windows, and portals at the premises that: (a) will be continuously monitored; (b) detects smoke and fire capabilities; (c) detects power loss capabilities; (d) includes panic alarm devices mounted at convenient, readily-accessible locations through the licensed premises; (e) inclusion of a second, independent alarm system to protect where records are stored on- and off-site and where any secure room holds medical cannabis; (f) equipped with auxiliary power to continue operation for at least 48 hours; (ii) a video surveillance system that: (a) records continuously for 24 hours per day for 365 days a year without interruption, (b) has cameras in fixed places that allow for the clear facial identification and of activities in the controlled areas of the premises, including where medical cannabis is packaged, tested, processed, stored, or dispensed, (c) has the capability of recording clear images and displays the time and date of the recording, and (d) demonstrates a plan for retention of recordings for at least 30 days.

Following issuance of a license, no major renovation or modification may be undertaken without notification to the Maryland MCC. Other than while the dispensary is open for business and one hour before and one hour after, the medical cannabis inventory must be stored in the secure room.

Medical cannabis products are subject to testing for contaminants by an independent testing laboratory. In November 2019, the Maryland MCC mandated enhanced testing requirements for vape cartridges and disposable vape pens. Such products must be screened for vitamin E acetate, and any product found to contain vitamin E acetate is prohibited from being sold to patients.

Maryland Operating Requirements

As part of the dispensary application, the applicant must provide information about the dispensary's operations, including the following: (i) communication systems; (ii) facility odor mitigation; and (iii) back-up systems for cultivation and processing systems. The applicant must establish a standard operating procedure of the receipt, storage, packaging, labelling, handling, tracking, and dispensing of products containing medical cannabis and medical cannabis waste.

In addition, the applicant must provide information about the dispensary's medical cannabis professionalism, including the following information: (i) experience, knowledge, and training in training dispensary agents in the science and use of medical cannabis; and (ii) use of a clinical director (optional).

The applicant must also provide information about the dispensary's retail management operations, including the following: (i) a detailed plan to preserve the quality of the medical cannabis; (ii) a plan to minimize any negative impact on the surrounding community and businesses; (iii) a detailed inventory control plan; and (iv) a detailed medical cannabis waste disposal plan. The business and economic factors of the dispensary business must also be detailed, including the following information: (i) a business plan demonstrating a likelihood of success, demonstrating sufficient business ability and experience on the part of the applicant, and providing for appropriate employee working conditions, benefits, and training; (ii) demonstration of adequate capitalization; and (iii) a detailed plan evidencing how the dispensary will enforce the alcohol and drug free workplace policy.

Additional information the applicant must also provide includes the following: (i) demonstration of Maryland residency among the owners and investors; (ii) evidence that the applicant is not in arrears regarding any tax obligation in Maryland or other jurisdictions; and (iii) the medical cannabis extracts and medical cannabis-infused products proposed to be dispensed with proposed cannabinoid profiles, including varieties with high CBD content, and the varieties of routes of administration.

Maryland Record Keeping and Inventory Tracking

Maryland requires use of a seed-to-sale tracking system software operated by Metrc LLC ("**METRC**"). Licensees must create and use a perpetual inventory control system that identifies and tracks the stock of medical cannabis from the time it is delivered or produced to the time it is delivered to a patient or qualified caregiver. The applicant must describe how it will assure the integrity of the electronic manifest and inventory control system and that a cannabis transportation agent will continue the chain of custody to a dispensary agent. In May 2020, Maryland amended the medical marijuana statutes to authorize a parent or legal guardian of a medical cannabis patient under 18 to designate up to two additional adults to be caregiver and authorizing the patient to obtain medical cannabis from certain school personnel.

The applicant must retain attendance records and ensure dispensary agents are trained on the record retention and standard operating procedure. Maryland MCC regulators have the authority to audit the records of licensees to ensure they comport with the reporting in METRC.

Maryland Dispensing

In order to dispense medical cannabis, a licensed dispensary is required to comply with various dispensing requirements: (1) require presentment of a written certification from a qualifying patient or caregiver, (2) query the MMCC's date network to verify that the patient is currently registered and has a certification from a provider, as well as the amount of medical cannabis that has already been dispensed pursuant to the written certification (3) dispense no more than a 30 day supply, (4) refuse to dispense medical cannabis if the patient or caregiver appears to be under the influence of drugs or alcohol. Registered patients and caregivers are required to provide attestations relating to their knowledge of the status of medical cannabis under Maryland and Federal law, as well as limitations on use of medical cannabis, such as keeping away from children and refraining from transfer to any other person.

Maryland Transportation

Only licensed medical cannabis growers, processors, or authorized secure transportation companies may transport business-to-business packages containing medical cannabis. Dispensaries are not authorized to pick up medical cannabis products from licensed growers or processors. Owners and employees of secure transportation companies must register as transportation agents with the Maryland MCC by undergoing criminal and financial background checks, and they must carry identification cards evidencing they hold current registration at all times while in possession of medical cannabis. Transportation agents must possess a current, valid driver's license and may not wear any clothing or symbols that indicate ownership or possession of medical cannabis while on duty. Medical cannabis transport vehicles must be approved by the Maryland MCC and shall display current registration from the state, be insured, and may not display any sign or illustration related to medical cannabis or a licensee.

Electronic manifests must accompany shipments to record the chain of custody and includes (i) the name and address of the shipping licensee; (ii) the shipping licensees shipment identification number; (iii) the weight and description of each individual package that is part of the shipment, and the total number of individual packages; (iv) the name of the licensee agent that prepared the shipment; (v) the name and address of the receiving licensee; (vi) any special handling or storage instructions; (vii) the date and time the shipment was prepared; (viii) the date and time the package was placed in the secure transport vehicle; and (ix) a listing of any other people who had custody or control over the shipment, and the person's identity, circumstances, duration and disposition.

Dispensary licensees in Maryland are authorized to perform home delivery directly to patients. To do so, the dispensary must (i) independently verify the patient's identification and registration status, (ii) enter the transaction in METRC prior to delivery; (iii) perform the delivery through a registered dispensary agent; and (iv) confirm the transaction otherwise complies with other requirements regarding sale of medical cannabis under applicable regulations. All home deliveries must be performed using a properly registered and insured secure medical cannabis transport vehicle. The vehicle may not bear any markings related to medical cannabis.

MASSACHUSETTS (MEDICAL)

The Commonwealth of Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (the "**MUMP**") registers qualifying patients, personal caregivers, Medical Marijuana Treatment Centers ("**MMTCs**"), and MMTC agents. The MUMP was established by Chapter 369 of the Acts of 2012, "An Act for the Humanitarian Medical Use of Marijuana", following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. (the "**Massachusetts Medical Act**"). MMTC Certificates of Registration are vertically integrated licenses in that each MMTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary location. There is a limit of three (3) MMTC licenses per person/entity.

The Commonwealth of Massachusetts Cannabis Control Commission ("**CCC**") regulations, 935 CMR 501.000 et seq. ("**Massachusetts Medical Regulations**"), provide a regulatory framework that requires MMTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency virus (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis (MS) when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient's healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health on December 23, 2018.

Effective January 8, 2021, the CCC repealed certain regulations applicable to co-located medical and adult use facilities and incorporated them into the adult use regulations at 935 CMR 500.00 and the medical regulations at 935 CMR 501.000, as part of an overall update of both sets of regulations. The updated regulations also included the following significant changes:

- permitting Marijuana "Courier" Licensees to deliver directly to consumers from the premises of licensed marijuana retailer establishments and Marijuana Delivery Operators to purchase wholesale marijuana products directly from marijuana cultivation and product manufacturer establishments and deliver the products directly to consumers from the Delivery Operator's warehouse location. Both Marijuana Courier and Marijuana Delivery Operator Licensees are reserved for at least 36 months for companies majority-owned and controlled by certain classes of certified Economic Empowerment or Social Equity applicants, for which Columbia Care does not quality;
- permitting Personal Caregivers to be registered to care for more than one – and up to five – Registered Qualifying Patients at one time; and
- permitting non-Massachusetts residents receiving end-of-life or palliative care or cancer treatment in Massachusetts to become Registered Qualifying Patients.

Columbia Care (through its subsidiary in the Commonwealth of Massachusetts) follows the requirements and the regulatory framework enacted by the Commonwealth of Massachusetts.

Massachusetts Licensing Requirements (Medical)

The Massachusetts Medical Regulations delineate the licensing requirements for MMTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of the Commonwealth of Massachusetts, the Department of Revenue, and the Department of Unemployment Assistance; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MMTC licenses and no person or entity can maintain more than 100,000 square feet of canopy; (iii) no person with an interest in an independent testing laboratory may have an interest in an MMTC; (iv) an MMTC may not cultivate, prepare or dispense medical cannabis from more than two locations statewide under a single license;

(v) dispensary agents must be registered with the CCC; (vi) an MMTC must have a program to provide reduced cost or free marijuana to patients with documented verifiable financial hardships; (vii) one executive of an MMTC must register with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information (iCORI) system; (viii) the MMTC applicant has at least US$500,000 in its control as evidenced by bank statements, lines

of credit or equivalent; (ix) payment of the required application fee; and (x) activities authorized by the MMTC license must only be conducted at the address(es) specified for that license.

An application for an MMTC license must include an Application of Intent, a Background Check, and a Management and Operations Profile. The Application of Intent consists of several requirements, including: (i) documentation that the MTC is registered to do business in Massachusetts and disclosures regarding all persons with direct or indirect control of the business; (ii) documentation regarding the amount and sources of capital available to the MMTC; (iii) the proposed address of the MMTC and documentation regarding the MMTC's property interest in the proposed address; (iv) an executed host community agreement with a locality; (v) documentation that the MMTC has held a community outreach meeting; (vi) plans to ensure compliance with local codes, ordinances, and bylaws; (vii) a plan to positively impact Area of Disproportionate Impact; and (vii) the application fee. The Background Check section must include: (i) a list of all individuals and entities having direct or indirect control; (ii) identifying information for each listed individual, as well as a CORI Acknowledgment form; and (iii) background information on certain criminal, civil, or administrative actions as to each listed person. The Management and Operational Profile must include, among other requirements: (i) certain business registration information and a certificates from the Secretary of the Commonwealth, the Department of Revenue, and the Department of Unemployment Assistance; (ii) a timeline for achieving operation of the MMTC and evidence of the MMTC's ability to timely operationalize; (iii) a plan to obtain liability insurance (or to utilize an escrow account in lieu of insurance); (iv) a detailed summary of the MMTC's business plan; (v) a detailed summary of the MMTCs operating policies, including security, diversion prevention, cannabis storage, transportation, inventory, quality control, personnel, dispensing procedures, record-keeping, financial records, and diversity plans; (vi) qualifications and trainings for MMTC agents; (vii) proposed hours of operation and disclosure of emergency contacts; (viii) a home delivery plan (if applicable); (ix) a cultivation plan; (x) a list of products the MMTC intends to produce; and (xi) a summary of the MMTC's plan to provide reduced-cost or free cannabis to patients with financial hardship.

Upon the determination by the CCC that an MMTC applicant has met the above requirements in a satisfactory fashion, the MMTC applicant is required to pay the applicable registration fee and shall be issued a provisional license. Thereafter, the CCC shall review architectural plans for the building of the MMTC's cultivation facility and/or dispensing facilities, and shall either approve, modify or deny the same. Once approved, the MMTC provisional license holder shall construct its facilities in conformance with the requirements of the Massachusetts Regulations. Once the CCC completes its inspections and issues approval for an MMTC of its facilities, the CCC shall issue a final license to the MMTC applicant. MMTC final licenses are valid for one year and shall be renewed by filing the required renewal application no later than sixty days prior to the expiration of the certificate of registration.

Massachusetts Licenses (Medical)

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD165	Lowell, MA	06/27/2023	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD727	Greenfield, MA	11/07/2023	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD265	Boston, MA	11/07/2023	Medical Dispensary, Cultivation and Product Manufacturing

The licenses in Massachusetts are renewed annually. Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Patriot Care Corp. would expect to receive the applicable renewed license in the ordinary course of business.

Massachusetts MMTC Requirements (Medical)

An MMTC shall follow its written and approved operation procedures in the operation of its MMTC facilities. Operating procedures shall include (i) security measures in compliance with the Massachusetts Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste

disposal protocols in compliance with state law; (v) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vi) procedures to ensure accurate recordkeeping including inventory protocols; (vii) plans for quality control; (viii) a staffing plan and staffing records; (ix) emergency procedures; (x) alcohol, smoke, and drug-free workplace policies; (xi) a plan describing how confidential information will be maintained; (xii) a policy for the immediately dismissal of MMTC agents engaged in diversion or unsafe practices, or who has been the subject of certain criminal proceedings; (xiii) disclosure of a list of all directors, members, and executives upon request; (xiv) policies and procedures for the handling of cash on MMTC premises including storage, collection frequency and transport to financial institutions; (xv) standards and procedures related to pricing, price changes, and financial hardship; (xvi) policies for energy efficiency and conservation; policies and procedures for workplace safety; and (xvi) a description of the MMTC"s patient education activities. For MMTC cultivation operations, there are 11 tiers of cultivator licenses ranging from a maximum of 5,000 square feet (Tier 1) to between 90,001 to 100,000 square feet of canopy (Tier 11). MMTCs can apply to change their tier classification to expand or reduce production.

The siting of MMTC locations is expressly subject to local/municipal approvals pursuant to state law, and municipalities control the permitting application process that an MMTC must comply with. More specifically, an MMTC shall comply with all local requirements regarding siting and unless a locality adopts a less restrictive requirement, an MMTC shall not be sited within a radius of five hundred feet of a school, daycare center, or any facility in which children commonly congregate. The 500-foot distance under this section is measured in a straight line from the nearest point of the facility in question to the nearest point of the proposed MMTC. The Massachusetts Regulations require that MMTCs limit their inventory of seeds, plants, and useable marijuana to reflect the projected needs of registered qualifying patients. An MMTC shall only dispense to a registered qualifying patient or caregiver who has a current valid certification.

Massachusetts Security and Storage Requirements (Medical)

An MMTC shall implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the MMTC. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MMTC facility; (ii) preventing individuals from remaining on the premises of an MMTC if they are not engaging in activities that are permitted; (iii) disposing of marijuana or byproducts in compliance with law; (iv) establishing limited access areas accessible only to authorized personnel; (v) storing finished marijuana in a secure locked safe or vault; (vi) keeping equipment, safes, vaults or secured areas securely locked; (vii) ensuring that the outside perimeter of the MMTC is sufficiently lit to facilitate surveillance; and (viii) ensuring that landscaping or foliage outside of the MMTC does not allow a person to conceal themselves. An MMTC shall also utilize a security/alarm system that: (i) monitors entry and exit points and windows and doors, (ii) includes a panic/duress alarm, (iii) includes system failure notifications, (iv) includes 24-hour video surveillance of safes, vaults, sales areas, areas where marijuana is cultivated, processed or dispensed, and (v) includes date and time stamping of all records and the ability to produce a clear, color still photo. The video surveillance system shall have the capacity to remain operational during a power outage. The MMTC shall also maintain a backup alarm system with the capabilities of the primary system, and both systems shall be maintained in good working order and shall be inspected and tested on regular intervals.

Massachusetts Transportation Requirements (Medical)

An MMTC, as an element of its License, is licensed to transport its marijuana to other licensed establishments. Marijuana may only be transported between licensed MMTCs by registered MMTC Agents. Licensed Marijuana Transporters may also transfer marijuana to or from an MMTC. The originating and receiving licensed MMTCs shall ensure that all transported Marijuana Products are linked to the Seed-to-sale tracking program. Any Marijuana Product that is undeliverable or is refused by the destination MMTC shall be transported back to the originating establishment. All vehicles transporting marijuana must be staffed with a minimum of two MMTC Agents. Prior to leaving an MMTC for the purpose of transporting marijuana, the originating MMTC must weigh, inventory, and account for, on video, all marijuana to be transported. Within eight hours after arrival at the destination MMTC, the destination MMTC must re-weigh, re-inventory, and account for, on video, the marijuana. The marijuana must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. Transportation times and routes are randomized and all transport routes remain within the Commonwealth. If the transported product required temperature control, all vehicles and transportation equipment must provide adequate temperature control. Vehicles must also be equipped with a video system.

A vehicle used for transporting Marijuana Products must be: (i) owned or leased by the MMTC or otherwise licensed by the Commission as a third-party transporter; (ii) properly registered, inspected, and insured in the; (iii) equipped with an alarm system approved by the Commission; and (iv) equipped with functioning heating and air conditioning systems appropriate for maintaining correct temperatures for storage of marijuana. Marijuana must not be visible from outside the vehicle and a transport vehicle cannot bear any markings indicating that the vehicle is being used to transport marijuana. Once on board the vehicle, marijuana must be transported in a secure, locked storage compartment that is a part of the vehicle and cannot be easily removed. Vehicles must be equipped with a GPS meeting certain regulatory requirements, and agents must always have access to secure communication devices.

The transporting MMTC Agents must contact the originating location when stopping at and leaving any scheduled location, and regularly throughout the trip, at least every 30 minutes. The originating location must have an MMTC Agent assigned to monitoring the GPS unit and secure form of communication, who must log all official communications with MMTC Agents transporting marijuana. Unexpected stops or incidents, along with discrepancies in inventory, must be reported to the Commission and to law enforcement. A manifest must accompany all deliveries. The manifest must include certain information specified by regulation to identify the shipping, transporting, and receiving persons; the products being transported; and more. Prior to transport, the manifest shall be securely transmitted to the destination MMTC by facsimile or email. On arrival at the destination MMTC, an MMTC Agent must compare the manifest produced by the agents who transported the marijuana to the copy transmitted by facsimile or email. Manifests must be retained for at least a year and made available to the CCC upon request.

Massachusetts Department Inspections (Medical)

The CCC or its agents may inspect an MMTC and affiliated vehicles at any time without prior notice. An MMTC shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MMTC to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MMTC, and the MMTC shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC has the authority to suspend or revoke an MMTC license and to take other disciplinary actions against MMTC license holders.

MASSACHUSETTS (ADULT-USE)

Adult-use (recreational) marijuana has been legal in Massachusetts since December 15, 2016, following a ballot initiative in November of that year. The Cannabis Control Commission (the **"CCC"**), a regulatory body created in 2018, licenses adult use cultivation, processing and dispensary facilities (collectively, "**Marijuana Establishments**") pursuant to 935 CMR 500.000 et seq. The first adult-use marijuana facilities in Massachusetts began operating in November 2018. In 2022, the Massachusetts Legislature amended the enabling legislation for the adult use program and MUMP to, among other things, render it unlawful for cannabis businesses to pay percentage-based fees to municipalities under the statutorily required Host Community Agreements with those municipalities.

Columbia Care (through its subsidiary in the Commonwealth of Massachusetts) follows the requirements and the regulatory framework enacted by the Commonwealth of Massachusetts.

Massachusetts Licensing Requirements (Adult-Use)

Existing MMTCs are given priority status over other applicants (except Economic Empowerment Priority Applicants) in applying for licensure as a Marijuana Establishment. However, the CCC has limited the scope of the priority applicant status to the functions and locations that the MTC currently operates. The same material application requirements exist for a Marijuana Establishment license as an MTC application; namely an application for an MTC license must include an Application of Intent, a Background Check, and a Management and Operations Profile including the content specified in the Massachusetts (Medical) section above.

The adult-use license application process commenced on April 1, 2018 for existing MMTC license holders, and on July 1, 2018 for all non-MMTC license holders. Existing MMTC license holders that timely applied for an adult-use license on or before April 1, 2018 are eligible to receive three adult-use licenses per medical MMTC license. Namely, one integrated MMTC medical license is eligible, if awarded by the CCC, to receive three adult-use licenses as follows: one for cultivation, one for processing, and one for dispensary. Additionally, there are 11 tiers of cultivator licenses ranging from a maximum of 5,000 square feet (Tier 1) to between 90,001 to 100,000 square feet of canopy (Tier 11).

Patriot Care Corp. applied for adult-use licenses for facilities in Lowell, Massachusetts and Greenfield, Massachusetts in May and June 2018. On September 6, 2018, the CCC approved provisional licenses for retail, manufacturing, and cultivation in Lowell, Massachusetts, and retail in Greenfield, Massachusetts. On January 25, 2019, the CCC approved and thereafter issued final marijuana establishment licenses for retail, manufacturing and cultivation of adult-use marijuana in Lowell and retail of adult-use marijuana in Greenfield.

The final licenses allow Patriot Care Corp. to operate the Marijuana Establishments. The licenses are listed in the table below.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Patriot Care Corp.	Final Marijuana Establishment License #MR281283	Lowell, MA	09/16/2023	Dispensary
Patriot Care Corp.	Final Marijuana Establishment License #MP281308	Lowell, MA	09/16/2023	Manufacturing
Patriot Care Corp.	Final Marijuana Establishment License #MC281265	Lowell, MA	09/16/2023	Cultivation
Patriot Care Corp.	Final Marijuana Establishment License #MR281282	Greenfield, MA	09/16/2023	Dispensary
Patriot Care Corp.	Provisional Marijuana Retail License #MR281284	Boston, MA	01/20/2024	Dispensary

During 2022, in conjunction with the proposed transaction with Cresco Labs, the Company reclassified certain licenses as held for sale in its New York, Massachusetts, and Illinois locations. Refer to Note 20 of the financial statements for additional details.

After receiving the Final Licenses in Lowell and Greenfield, in order to commence operations, Patriot Care Corp. was required to ensure that the following occurred:

1. Agent registration applications have been approved for all executives, board members, managers, and a sufficient number of employees to operate the Marijuana Establishment;
2. The establishment's Metrc administrator has successfully completed all Metrc training and has been allowed assess into the Metrc system;
3. All necessary agents have successfully logged into Metrc;
4. Beginning inventory has been entered into Metrc;
5. All plants are tagged properly;
6. All labeling and packaging requirements for finished marijuana and marijuana products are compliant with 935 CMR 500 and are ready for inspection;
7. All marijuana products that are packaged for sale to consumers have traceable lab results and such results were completed by an Independent Testing Laboratory approved by the CCC for licensure (if applicable);
8. The licensee shall demonstrate that it is in compliance with or has obtained applicable waivers or approvals from the Department of Public Health, as necessary, and provide documents as the Commission may request prior to commencing operations. The licensee may certify compliance on the Post-Final License Request Form;
9. Documentation from the Department of Revenue stating that the licensee is registered with DOR for sales tax purposes (for retail applications);
10. All registered agents have personnel files containing background check reports and all applicable information within those background reports were provided within the agent registration applications;
11. The background check report in each personnel file must have been obtained within 30 days prior to the submission of the agent application, unless the agent application was approved with a submitted background check waiver; and
12. Ensure that all conditions of the final license have been fully satisfied and are ready for inspection.

Massachusetts Dispensary Requirements (Adult-Use)

Marijuana retailers are subject to certain operational requirements in addition to those imposed on marijuana establishments generally. Dispensaries must immediately inspect patrons' identification to ensure that everyone who enters is at least twenty-one years of age. Dispensaries may not dispense more than one ounce of marijuana or five grams of marijuana concentrate per retail customer per day. Point-of-sale systems must be approved by the CCC, and retailers must record sales data. Records must be retained and available for auditing by the CCC and Department of Revenue.

Dispensaries must also make patient education materials available to patrons. Such materials must include:

- A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;

- A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
- Materials offered to consumers to enable them to track the strains used and their associated effects;
- Information describing proper dosage and titration for different routes of administration, with an emphasis on using the smallest amount possible to achieve the desired effect;
- A discussion of tolerance, dependence, and withdrawal;
- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
- A statement that consumers may not sell marijuana to any other individual;
- Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
- Any other information required by the CCC.

Transportation requirements for Marijuana Establishments are materially the same as is described above for MMTCs.

Massachusetts Security and Storage Requirements (Adult-Use)

Each marijuana establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public shall include, but not be limited to, the following:

- Positively identifying individuals seeking access to the premises of the Marijuana Establishment or to whom marijuana products are being transported pursuant to 935 CMR 500.105(14) to limit access solely to individuals 21 years of age or older;
- Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by these regulations and its enabling statute are allowed to remain on the premises;
- Disposing of marijuana in accordance with 935 CMR 500.105(12) in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;
- Securing all entrances to the Marijuana Establishment to prevent unauthorized access;
- Establishing limited access areas pursuant to 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
- Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss;
- Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage of marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana;
- Keeping all locks and security equipment in good working order;
- Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
- Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
- Ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable;
- Ensuring that all marijuana products are kept out of plain sight and are not visible from a public place without the use of binoculars, optical aids or aircraft;
- Developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary;

- Developing sufficient additional safeguards as required by the CCC for marijuana establishments that present special security concerns;
- At Marijuana Establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
- Sharing the Marijuana Establishment's floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the Marijuana Establishment; and
- Sharing the Marijuana Establishment's security plan and procedures with law enforcement authorities and fire services and periodically updating law enforcement authorities and fire services if the plans or procedures are modified in a material way.

Marijuana must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including the ability to record footage to be retained for at least 90 days.

CCC Inspections

The CCC or its agents may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of a Marijuana Establishment, all Marijuana Establishment agents and activities, and all records are subject to such inspection. Marijuana Establishments must immediately upon request make available to the Commission all information that may be relevant to a CCC inspection, or an investigation of any incident or complaint. A Marijuana Establishment must make all reasonable efforts to facilitate the CCC's inspection, or investigation of any incident or complaint, including the taking of samples, photographs, video or other recordings by the CCC or its agents, and to facilitate the CCC's interviews of Marijuana Establishment agents. During an inspection, the CCC may direct a Marijuana Establishment to test marijuana for contaminants as specified by the CCC, including but not limited to mold, mildew, heavy metals, plant- growth regulators, and the presence of pesticides not approved for use on marijuana by the Massachusetts Department of Agricultural Resources.

Moreover, the CCC is authorized to conduct a secret shopper program to ensure compliance with all applicable laws and regulations.

MISSOURI

Missouri Regulatory Landscape

Article XIV of the Missouri Constitution ("**Article XIV**") provides that state-licensed physicians may recommend marijuana to patients for medical purposes and allows for the limited, regulated production, distribution, sale and purchase of marijuana for medical use. At a high level, Article XIV authorizes the Missouri Department of Health and Senior Services ("**DHSS**") to promulgate rules for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana for medical uses, including the licensure of entities authorized to undertake those activities, operational standards for those activities, taxation of retail sales of marijuana for medical use, and the registration of qualified patients. In Missouri, a qualified patient is one that suffers from cancer, epilepsy, glaucoma, intractable migraines, a condition that causes severe and persistent pain, a debilitating psychiatric disorder, HIV/AIDs, a terminal illness, a chronic condition that normally requires a prescription medication that could be physically or psychologically addictive, or another chronic or debilitating condition as certified by a physician.

Pursuant to Article XIV, DHSS promulgated final rules governing the medical marijuana program in May 2019. Following promulgation of the rules, DHSS also undertook a process competitively to license entities in the areas of laboratory testing, cultivation, manufacturing, dispensing, and transportation in summer 2019. DHSS reported that it received approximately 2,270 applications for the various facility licenses, including 582 cultivation facility applications, 430 manufacturing facility applications, and 1,219 dispensary facility applications. Among these, DHSS issued 60 cultivation licenses, 86 manufacturing licenses, 192 dispensary licenses, and 10 laboratory testing licenses. These are the maximum number of licenses currently available under DHSS's regulations, though the regulations state that DHSS may in the future determine that additional licenses should be issued to meet the demand for medical marijuana of qualifying patients.

In November of 2022, Missouri voters approved a ballot referendum (Missouri Amendment 3), which amended the Missouri Constitution to legalize the purchase, possession, consumption, use, delivery, manufacture, and sale of marijuana for personal use for adults over the age of twenty-one and levy a six-percent tax rate on the sale of adult use marijuana. Beginning December 8, 2022, Missouri Amendment 3 authorizes Missouri residents to legally possess up to 3 ounces of marijuana.

DHSS adopted emergency regulations authorizing existing medical licensees to submit applications to convert to "Comprehensive Facilities," which are defined as entities authorized to engage in adult use and medical operations. On December 8, 2022, DHSS began accepting applications for existing medical licensees to convert their medical licenses to Comprehensive Facility licenses. Columbia Care (thought its subsidiary) has applied for and received a Comprehensive Marijuana-Infused Products Manufacturing Facility License and a Comprehensive Marijuana Dispensary Facility License. The first adult use cannabis sales to consumers in Missouri were authorized by DHSS and occurred on February 3, 2023.

Under the emergency regulations, applications for conversion to Comprehensive Facilities must (i) be submitted in a department approved online format; (ii) include a plan that explains how the applicant will serve both the medical and adult-use markets, while maintaining adequate supply at a reasonable cost to qualifying patients; (iii) include a plan to promote and encourage participation in the regulated marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition; and (iv) include a nonrefundable $2,000 fee. DHSS has 60 days to act on these conversion applications.

DHSS will not issue additional medical, adult use or comprehensive facility licenses until such time as DHSS determines additional licenses are needed to meet the demand for marijuana product and ensure a competitive market while also preventing an over-concentration of marijuana facilities within the boundaries of any particular local government.

Missouri Licenses

Columbia Care MO LLC holds the following licenses in Missouri:

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care MO LLC	Marijuana License #MAN000036	Columbia, MO	01/10/2026	Comprehensive Marijuana Manufacturer
Columbia Care MO LLC	Marijuana License #DIS000184	Hermann, MO	01/23/2026	Comprehensive Marijuana Dispensary

Missouri Regulations

DHSS's regulations, including the emergency regulations adopted by DHSS following passage of Missouri Amendment 3, establish both general requirements applicable to all licensed facilities, as well as specific requirements for various types of licenses, including manufacturing and dispensary licenses.

All marijuana facilities are required to implement inventory control systems that utilize a DHSS-approved seed-to-sale tracking system for the tracking of marijuana products through the seed or immature plant stage through to sale to a qualified patient (or compliant disposal). Marijuana facilities are required to install and maintain security equipment designed to prevent unauthorized entrance, and include components of intrusion detection, electronic video monitoring, access limitation and control, and training of security personnel. Marijuana facilities are also required to maintain policies and procedures for addressing recalls, and proper labelling and packaging of products. In general, medical marijuana facilities are not permitted to be operated within 1,000 feet of schools or religious facilities. Wastes from marijuana facilities, such as solid wastes and wastewater, must be disposed of in accordance with otherwise-applicable Missouri law regarding waste disposal. Marijuana wastes are also required to be rendered unusable by mixture with non-marijuana wastes.

Manufacturing facilities, in addition to complying with all otherwise-applicable requirements, are required to develop and maintain an odor mitigation plan, develop a protocol to ensure independent testing of products, plans for minimizing the risk of explosions and fires, and plans to transport medical marijuana to dispensaries in a manner that complies with applicable regulations. Manufacturing facilities that produce ingestible products are required to comply with all otherwise-applicable food safety standards under Missouri law.

Medical dispensary facilities, in addition to complying with all otherwise-applicable requirements, are required to maintain information accessible to qualified patients regarding such topics as addiction, different strains of medical marijuana and their effects, the risks of medical marijuana use, and prohibitions on consumption of medical marijuana in public places. Medical dispensary facilities are required to utilize point-of-sale systems that verify a qualified patient's purchases through the statewide track and trace system, and that require verification of the qualified patient's government-issued identification. A medical dispensary may not dispense medical marijuana in excess of what the qualified patient is permitted to purchase under the patient's physician authorization. Medical dispensary facilities are required to limit access to qualifying patients and primary caregivers, and to enforce limited access

areas throughout the dispensary facility.

With regard to adult use consumers, dispensary facilities must have only one entrance at which patients and/or consumers are screened to verify patient status and/or age. There are similar rules with regard to point of sale and statewide track and trace procedures for adult use transactions as there are for medical marijuana transactions.

NEW JERSEY

New Jersey Regulatory Landscape

New Jersey's medical marijuana program is governed by the Jake Honig Compassionate Use Medical Cannabis Act, N.J. Stat. § 24:6l-1 *et seq.* (the "Medical Cannabis Law"), and the implementing regulations of the Cannabis Regulatory Commission (the "**Commission**"), N.J.A.C. 17:30A *et seq.* Pursuant to the Medical Cannabis Law, qualifying patients with debilitating medical conditions may become registered to use medical marijuana. Debilitating medical conditions include: amyotrophic lateral sclerosis, anxiety, cancer, chronic pain, dysmenorrhea, glaucoma, inflammatory bowel disease including Crohn's disease, intractable skeletal spasticity, migraine, multiple sclerosis, muscular dystrophy, opioid use disorder, positive status for human immunodeficiency virus (HIV) and acquired deficiency syndrome (AIDS), post-traumatic stress disorder, seizure disorder including epilepsy, terminal illness with prognosis of less than 12 months to live, and Tourette's syndrome. The Medical Cannabis Law creates a permitting regime for "alternative treatment centers" ("**ATCs**"), which are vertically-integrated medical marijuana businesses. In addition, the Commission's regulations allow applicants for ATC permits to seek cultivation-, manufacturing-, or dispensing-specific licensure. Holders of an ATC license with a cultivation endorsement can possess, cultivate, plant, grow, harvest, and package usable marijuana; and can display, transfer, transport, distribute, supply, or sell marijuana to other ATCs, but not directly to registered qualifying patients. Holders of an ATC license with a manufacturing endorsement can possess and process usable marijuana; purchase usable marijuana from other ATCs possessing a cultivating endorsement; manufacture products containing marijuana approved by the Commission; conduct research and develop products containing marijuana for approval by the Commission; and can display, transfer, transport, distribute, supply, or sell marijuana and products containing marijuana to other ATCs, but not directly to registered qualifying patients. Finally, holders of an ATC license with a dispensary endorsement can purchase usable marijuana and products containing marijuana from other ATCs authorized to cultivate or manufacture usable marijuana or products containing marijuana; and can possess, display, supply, sell, and dispense, usable marijuana and/or products containing marijuana, to registered qualifying patients.

On July 2, 2019, New Jersey enacted the Jake Honig Compassionate Use Medical Cannabis Act that made several changes to the state's medical marijuana program. Amongst other changes, the NJ Act: (i) created the Commission, whereas the medical marijuana program was previously regulated by the New Jersey Department of Health, Division of Medicinal Marijuana ("**DOH**"); (ii) increases the monthly purchasing limit from two to three ounces of dry flower, and after 18 months allows the maximum to be adjusted by regulation; (iii) removes the purchasing limit for terminally ill and hospice patients; (iv) permits the sale of edible products; (v) phases out sales taxes on medical marijuana; (vi) provides reciprocity for patients registered with other state medical marijuana programs; (vii) authorizes home delivery to patients; and (viii) permitted ATCs to apply for up two additional satellite dispensing facilities, a right which expired as of January 2, 2021.

Columbia Care (through its subsidiary in the State of New Jersey) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of New Jersey for the medical marijuana program.

On February 22, 2021, the Governor of New Jersey signed into law an adult-use legalization bill entitled the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," which legalized personal use cannabis for certain adults, subject to State regulations (the "CREAMM Act"). The CREAMM Act provides ATCs specific expanded cultivation rights as well as the right to open up sales to the adult-use marketplace, subject to limited and specified conditions. As it relates to sales into the adult-use marketplace, the CREAMM Act permits ATCs to apply to the Commission for permission to operate as an Expanded ATC, i.e., servicing both the medical and adult-use marketplace, upon the demonstration of meeting the following two conditions:: (1) written approval to operate as an adult-use cannabis establishment from the municipality in which the ATC is located and compliance with said municipality's local zoning restrictions; and (2) the ATC's certification that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products, available to meet the reasonably anticipated needs of registered qualifying conditions. The CREAMM Act also permits ATCs to cultivate from up to two physical locations, provided that the ATC's combined mature cannabis plant grow canopy between both locations does not exceed 150,000 square feet of bloom space.

On August 19, 2021, the Commission approved the first set of rules governing the state's adult-use cannabis program. The rules will allow the CRC to begin licensing cannabis businesses. On November 23, 2021, the Executive Director of the Commission issued guidance to ATCs on the process for submitting Expanded ATC applications, Columbia Care's Expanded ATC application was approved by the Commission for its cultivation and manufacturing permits and two (2) retail dispensary locations in Vineland and Deptford on April 12, 2022, Columbia Care was approved to operate a second cultivation facility in Vineland on May 25, 2022, which

was also approved for Expanded ATC operations on August 3, 2022. Nine (9) other fully licensed and vertically integrated ATCs have been approved to become Expanded ATCs.

The Commission has also begun licensing other Expanded ATCs as well as adult-use only cultivators, manufacturers, and retailers. Adult-use only licenses are subject to an open and rolling application period that first commenced through a notice of application acceptance for personal-use cannabis business licenses in November of 2021. The Commission opened applications for Class 1 Cultivators and Class 2 Manufacturers on December 15, 2021, followed by applications for Class 5 Retailers on March 15, 2021. The Commission anticipates soliciting applications for Class 3 Wholesalers, Class 4 Distributors, and Class 6 Delivery licenses sometime in 2023. To date, the Commission has issued notice of application approval for forty-three (43) Class 5 Retailers, fifteen (15) Class 2 Manufacturers, and twenty-five (25) Class 1 Cultivators, though none of these stand-alone adult-use licenses have become fully licensed and operational. New adult-use award winners have three hundred sixty-five (365) days from the date to the notice of approval to request a final onsite assessment and review from the Commission to become operational.

New Jersey Regulations

ATC permits are awarded by a selection committee that evaluates applicants on the following general criteria: (1) submittal of mandatory organizational information; (2) ability to meet the overall health needs of qualified patients and safety of the public; (3) history of compliance with regulations and policies governing government-regulated marijuana programs; (4) ability and experience of applicant in ensuring an adequate supply of marijuana; (5) community support and participation; (6) ability to provide appropriate research data; (7) experience in cultivating, manufacturing, or dispensing marijuana in compliance with government-regulated marijuana programs; and (8) workforce and job creation plan. Information required to be submitted is wide-ranging, and includes identification information and background checks of principals, employees, directors, and other stakeholders, and evidence of compliance with certain state and local laws and ordinances. Columbia Care was awarded a vertically integrated ATC permit as a result of the result of a 2018 Request for Applications ("**2018 RFA**"), along with five (5) other applicants selected for final approval for vertically integrated ATC permits by the DOH. The Commission has since approved an additional fourteen (14) ATC permits as part of the 2019 Request for Applications ("**2019 RFA**"), inclusive of four (4) additional vertically integrated permits, ten (10) stand-alone cultivation permits and thirty (30) stand-alone dispensary permits.

In order for an ATC to become an Expanded ATC – selling into both the medical and adult-use market – it is required to certify to, among other things: (1) that the ATC has sufficient quantities of medicinal cannabis and medicinal cannabis products available to meet reasonably anticipated needs of registered qualifying patients, including through inventory data, projections, and supporting materials; (2) that the ATC will not make operational changes that reduce access to medicinal cannabis for currently and newly registered qualifying patients in order to operate a cannabis establishment, including through the submission of a detailed plan for prioritizing and meeting the needs of registered qualifying patients.

New Jersey Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care New Jersey LLC	MC000093	Vineland, NJ	12/31/2023	Medical Cultivation
Columbia Care New Jersey LLC	MC000005	Vineland, NJ	12/31/2023	Medical Cultivation
Columbia Care New Jersey LLC	MM000004	Vineland, NJ	12/31/2023	Medical Manufacturing
Columbia Care New Jersey LLC	MRE000010	Vineland, NJ	12/31/2023	Medical Dispensary
Columbia Care New Jersey LLC	MRE000011	Deptford, NJ	12/31/2023	Medical Dispensary
Columbia Care New Jersey LLC	C000005	Vineland, NJ	04/17/2023	Adult Use Cultivation
Columbia Care New Jersey LLC	C000093	Vineland, NJ	08/02/2023	Adult Use Cultivation
Columbia Care New Jersey LLC	M000004	Vineland, NJ	04/17/2023	Adult Use Manufacturing

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care New Jersey LLC	RE000010	Vineland, NJ	04/20/2023	Adult Use Dispensary
Columbia Care New Jersey LLC	RE000011	Deptford, NJ	04/20/2023	Adult Use Dispensary

Permits expire annually on December 31 and require the submittal of a renewal application 60-days prior to the expiration of an ATC permit. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the permit, Columbia Care New Jersey would expect to receive a renewed permit in the ordinary course of business.

Adult-use licenses expire a year after issuance and require the submittal of a renewal application 90-days prior to the expiration of such licenses. For Expanded ATCs in particular, the first renewal application must be accompanied by a certification as to the continued material accuracy of the Expanded ATC's previously approved license application, submission of new written approval from the municipality in which the ATC is located, and the approval of all required renewal fees. Columbia Care New Jersey would expect to receive all requisite renewed adult-use licenses in the ordinary course.

New Jersey Dispensary Requirements

ATCs are subject to a number of regulations regarding their policies, procedures, records, and reporting, both under the medical and adult-use regulations. For example, ATCs must develop oversight procedures; procedures to ensure safe growing and dispensing operations; security policies; inventory protocols; disaster plans; pricing standards; and crime prevention plans and must maintain careful records, including organizational charts; facility documents; supply-and-demand projections; general business records; detailed sales records; and detailed personnel and training records. ATCs must provide substantial training for their employees and must maintain an alcohol and drug-free workplace.

Holders of an ATC permit are subject to a detailed regulatory scheme encompassing: security, staffing, point-of-sale systems, manufacturing standards, hours of operation, delivery, advertising and marketing, product labeling, records and reporting, age verification, and more. As with all jurisdictions, the full regulations (N.J.A.C. 17:30 *et seq.* and N.J.A.C. 17:30A) should be consulted for further information about any particular operational area.

New Jersey Storage, Security, and Transportation Requirements

Each ATC is required to provide effective controls and procedures to guard against theft and diversion of cannabis including, when appropriate, systems to protect against electronic records tampering. With respect to security and inventory protocols, ATCs are required to maintain robust security and alarm systems in good working order; test and inspect such security systems; employ policies to limit unauthorized access to areas containing marijuana; adopt security protocols to protect personnel; minimize exterior access and ensure the exterior of the facility has adequate lighting; and notify the proper authorities of reportable losses, security breaches, alarm activations, and electrical failures. ATCs are required to conduct detailed monthly inventories and an annual comprehensive inventory.

Each ATC must install, maintain in good working order and operate a safety and security alarm system at its authorized physical address(es) that will provide suitable protection 24 hours a day, seven days a week against theft and diversion and that provides, at a minimum: (i) immediate automatic or electronic notification to alert state or local police agencies to an unauthorized breach of security at the alternative treatment center; and (ii) a backup system that activates immediately and automatically upon a loss of electrical support and that immediately issues either automatically or electronic notification to state or local police agencies of the loss of electrical support. ATCs must also implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and security measures that protect the premises, registered qualifying patients, registered primary caregivers and principal officers, directors, board members and employees of the alternative treatment center. Each ATC must stablish a protocol for testing and maintenance of the security alarm system and conduct maintenance inspections and tests of the security alarm system at the ATC's authorized location at intervals not to exceed 30 days from the previous inspection and test, and it must promptly implement all necessary repairs to ensure the proper operation of the alarm system. In the event of a failure of the security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than eight hours, an ATC must notify the Department and either provide alternative security measures or close the affected facilities until service is restored. Finally, each ATC must equip its interior and exterior premises with electronic monitoring, video cameras, and panic buttons.

Department Inspections

ATCs are subject to inspection by the Department at any time, with or without notice. ATCs must provide immediate access to all facilities, materials, and information requested by the Department. Failure to cooperate with an onsite assessment and or to provide the Department access to the premises or information may be grounds to revoke the permit of the ATC and to refer the matter to state law enforcement agencies. If a problem is discovered, the ATC must notify the Department in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the ATC has taken to correct the violations and the date of implementation of the corrective actions.

NEW YORK

New York Regulatory Landscape

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act (A06357E, S07923) (the "**CCA**") to provide a comprehensive, safe and effective medical marijuana program to meet the needs of New Yorkers. The program allows ten (10) registered organizations ("**Registered Organizations**") to hold vertically integrated licenses and service qualified patients and caregivers. Limited product types are allowed in the state and smoking of cannabis flower is prohibited. The New York State Department of Health ("**NYSDOH**") was the regulatory agency overseeing the medical marijuana program at that time. Columbia Care (through its subsidiary in the State of New York) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of New York.

On March 31, 2021, New York became the 16th state to legalize the adult-use of marijuana with the enactment of Senate Bill S854A, also known as The Marihuana Regulation and Taxation Act (the "**MRTA**"). Under MRTA, the current medical marijuana program is set to undergo several changes. A new Cannabis Control Board, and within it the Office of Cannabis Management (collectively as the "CCB")—an independent agency operating as part of the New York State Liquor Authority—will be responsible for regulating the adult-use marijuana market as well as the existing medical marijuana and hemp cannabinoid programs Board. The list of medical conditions covered under the CCA will be widened to include additional qualifying conditions, medical patients will no longer be restricted from smoking medical marijuana, and the current limit on marijuana supply for medical patients will be doubled. Medical marijuana license holders may also be allowed to double their existing number of dispensaries for up to a total of eight dispensaries, but no more than three of the dispensary locations will be permitted to serve as adult-use marijuana retail stores. The legislation takes effect immediately, though full implementation will not occur until the Cannabis Control Board develops regulations for the adult-use marijuana program. It is currently expected that full implementation could take between 18 months to two years.

The CCB published proposed adult-use regulations in the New York State Register on December 14, 2022, with a comment period that closed as of February 13, 2023 (the "Proposed Regulations"). Though the Proposed Regulations are subject to change, Registered Organizations are afforded the option of converting into one (1) of two (2) adult-use license types should they wish to convert to adult-use: (1) Registered Organizations Non-Dispensing ("ROND"), which is a hybrid-medical adult-use Registered Organization that is authorized to operate as an adult-use cultivator, processor, and distributor, but not converting any of its dispensing sites; or (2) Registered Organization with Dispensing ("ROD"), which is authorized to engage in adult-use cultivation, processing, distribution, and retail, but is only permitted to co-locate for medical and adult-use in three (3) of its four (4) dispensaries. The application to operate as either a ROND or ROD license must be accompanied by: (1) a community impact plan; (2) an energy and environmental plan; (3) a medical patient prioritization plan; and (4) a co-location retail dispensary operating plan if applying as a ROD. It is anticipated that the CCB will not begin accepting any applications for ROND or ROD until such time as the proposed regulations are made final.

The CCB has been issuing three (3) types of conditional licenses until such time as full adult-use regulations are finalized, including: (1) adult-use conditional cultivators ("AUCC:"); (2) adult-use conditional processors ("AUCP"); and (3) conditional adult use retail dispensaries ("CAURD"). The eligibility for participation in the AUCC and AUCP programs is limited to those that previously held licenses in the hemp and/or hemp cannabinoid programs. Participation in the CAURD program is limited to those entities 51% owned by individuals with prior marijuana convictions, charges, and/or arrests. To date, the CCB has issued: (1) two hundred thirty-three (233) AUCCs; (2) thirty-one (31) AUCPs; and (3) sixty-six CAURD licenses.

New York Licenses

Columbia Care NY LLC, a wholly-owned subsidiary of Columbia Care, holds certificates of registration for manufacturing in Rochester, New York, and for dispensing in Riverhead, Brooklyn, New York (City), and Rochester, New York (collectively, the "**New York Licenses**"). Pursuant to the CCA and Medical Use of Marihuana Regulations (Title 10, Chapter XIII, Part 1004) by the NYSDOH, the New York Licenses collectively permit Columbia Care NY LLC to acquire, possess, manufacture, sell, transport, distribute, and dispense medical cannabis in the State of New York. The table lists the licenses issued to Columbia Care NY LLC in respect of its operations in New York.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care NY LLC	MM0301M	Rochester, NY	07/31/2023	Cultivation and Manufacturing
Columbia Care NY LLC	MM0307M	Riverhead, NY	07/31/2023	Cultivation and Manufacturing
Columbia Care NY LLC	MM0302D	New York, NY	07/31/2023	Dispensary
Columbia Care NY LLC	MM0303D	Riverhead, NY	07/31/2023	Dispensary
Columbia Care NY LLC	MM0306D	Brooklyn, NY	07/31/2023	Dispensary
Columbia Care NY LLC	MM0305D	Rochester, NY	07/31/2023	Dispensary
Columbia Care NY, LLC	New York Department of Health—Controlled Substances License No. 1000105	Rochester, NY	05/16/2023	Class 10 Exporter
Columbia Care Industrial Hemp LLC	OCM-HMPR-22-00914, -001	Brooklyn, NY	04/20/2023	Cannabinoid Hemp Retail
Columbia Care Industrial Hemp LLC	OCM-HMPR-22-00914, -002	Rochester, NY	04/20/2023	Cannabinoid Hemp Retail
Columbia Care Industrial Hemp LLC	OCM-HMPR-22-00914, -003	New York, NY	04/20/2023	Cannabinoid Hemp Retail
Columbia Care Industrial Hemp LLC	OCM-HMPR-22-00914, -004	Riverhead	04/20/2023	Cannabinoid Hemp Retail

During 2022, in conjunction with the proposed transaction with Cresco Labs, the Company reclassified certain licenses as held for sale in its New York, Massachusetts, and Illinois locations. Refer to Note 20 of the financial statements for additional details.

The New York Licenses are renewed every two years. Before the two-year period ends, licensees are required to submit a renewal application per guidelines published by the NYSDOH. While renewals are granted every two years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care NY LLC would expect to receive the applicable renewed license in the ordinary course of business.

New York Regulations

The New York Licenses permit the sale of medical cannabis products to any qualified patient who possess a physician's recommendation. Under the terms of the New York Licenses, Columbia Care NY LLC is permitted to sell NYSDOH approved medical marijuana manufactured products to any qualified patient, provided that the patient presents a valid government-issued photo identification and NYSDOH-issued registry identification card proving the patient or designated caregiver meets the statutory conditions to be a qualified patient or designated caregiver. Registry identification cards are valid for one year after the date the certification is signed. The card contains the recommendation from the physician and the limitation on form or dosage of medical marijuana.

For a physician to recommend medical marijuana, the physician must pay for and pass a four-hour NYSDOH approved physician certification training program. The content of the course includes: "pharmacology of marijuana; contraindications; side effects; adverse reactions; overdose prevention; drug interactions; dosing; routes of administration; risks and benefits; warnings and precautions; abuse and dependence; and such other components as determined by the commissioner." The CCB recently expanded this pool of recommending physicians by identifying that any practitioner who has a license to prescribe controlled substances may certify medical marijuana patients.

In order for a patient or registered caregiver to receive dispensed marijuana, they must be logged into the Prescription Monitoring Program ("**PMP**") registry. The PMP registry is monitored by the NYSDOH and contains controlled substance prescription

dispensing history and medical marijuana dispensing history to ensure that patients only receive a maximum of 30-days-worth of dispensed product from one Registered Organization. Only registered pharmacists can dispense medical marijuana to approved patients and caregivers.

Allowable forms of medical marijuana in New York State are the following: flower, metered liquid or oil preparations, solid and semisolid preparations (e.g. capsules, chewable and effervescent tablets, lozenges), metered ground plant preparations and topical forms and transdermal patches.

Medical marijuana may not be incorporated into food products by the Registered Organization, unless approved by the CCB.

Qualifying conditions in the state of New York are the following: cancer, HIV infection or AIDS, amyotrophic lateral sclerosis (ALS), Parkinson's disease, multiple sclerosis, spinal cord injury with spasticity, epilepsy, inflammatory bowel disease, neuropathy, Huntington's disease, certain types of severe debilitating pain, pain that degrades health and functional capability where medical marijuana is used as an opioid alternative, substance use disorder, or post- traumatic stress disorder. The severe debilitating or life-threatening condition must also be accompanied by one or more of the following associated or complicating conditions: cachexia or wasting syndrome, severe or chronic pain resulting in substantial limitation of function, severe nausea, seizures, severe or persistent muscle spasms, post- traumatic stress disorder, or opioid use disorder.

In the state of New York, only cannabis that is grown and manufactured in the state can be sold in the state. New York is a vertically integrated system; however, it does allow Registered Organizations to wholesale manufactured product to one another. As such, Columbia Care NY LLC is vertically integrated and has the capabilities to cultivate, harvest, process, transport, sell, and dispense cannabis products. Delivery is allowed from dispensaries to patients, however the delivery plan must be pre-approved by the NYSDOH. Columbia Care NY LLC obtained approval for its delivery plan in February 2017 and utilizes its 70% owned subsidiary, CC Logistics Services LLC, to provide home delivery services throughout the state.

New York Dispensary Requirements

A qualified pharmacist must be present at a dispensary whenever medical marijuana products are being dispensed or handled. Dispensing facilities can only sell approved medical marijuana products, related products necessary for the approved forms of administration of medical marijuana, and items that promote health and well-being subject to disapproval of the department and only in such a manner as does not increase risks of diversion, theft or loss of approved medical marijuana products or risk physical, chemical or microbial contamination or deterioration of approved medical marijuana products.

No medical marijuana products may be consumed at a dispensary. Dispensaries must maintain patient confidentiality, including by keeping security footage secure. Dispensaries must affix a label to each medical marijuana product which (1) identifies the patient and caregiver (if any); (2) contains the name of the certifying practitioner, (3) identifies the dispensary name, address, and phone number; (4) provides the dosing and administration instructions; (5) gives the quantity and date dispensed; (6) lists any recommendation or limitation by the practitioner as to the use of medical marijuana; and (7) includes the expiration date of the product once opened. Each package must also include a safety insert approved by NYSDOH and/or CCB.

New York Reporting Requirements

The state of New York has selected BioTrackTHC's solution as the state's T&T system used to track commercial cannabis activity and seed-to-sale. The BioTrackTHC system is required to serve as all Registered Organizations' patient verification system but is optional as the Registered Organization facing tracking system. Columbia Care NY LLC currently uses ADILAS Cannabis software as its inventory control system, and also uses BioTrackTHC on a limited basis. ADILAS is a robust system that enables users to track and generate inventory reports on demand with almost unlimited parameters and filters. While certain features of the system are available on the open market, Columbia Care's proprietary modifications have optimized its functionality to respond to the unique requirements of a highly regulated medical marijuana program, such as New York's.

Every month the CCB requests a dispensing report in Excel format, via email, showing the products dispensed for the month. This is the only report Columbia Care NY LLC is required to submit to the CCB. All other data is pulled by the CCB directly from Columbia Care NY LLC's seed-to-sale tracking system.

New York Storage, Transportation and Security Requirements

Registered Organizations must comply with a range of storage and security measures designed to ensure the safety and security of the cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products. Among other obligations, Registered Organizations are required to maintain a security operations plan that includes: an alarm system;

motion detectors; video cameras in areas that may contain marijuana; exportable video recordings that Columbia Care must retain for 60 days and make available to the CCB; measures to ensure adequate lighting; and other security measures. Registered Organizations must work to ensure that manufacturing and dispensing facilities maintain all security system equipment and recordings in a secure location with access limited to surveillance personnel, law enforcement, security system service employees, the CCB or its authorized representative, and others when approved by the CCB. Security equipment must be kept in working order and periodically tested.

Marijuana must be stored in a secure area accessible to a minimum number of employees to prevent diversion, theft, loss, and contamination or deterioration of the product. Approved safes, vaults or any other approved equipment or areas used for the manufacturing or storage of marijuana and approved medical marijuana products must be securely locked or protected from entry, except for the actual time required to remove or replace marijuana or approved medical marijuana products.

Prior to transporting medical marijuana, Registered Organizations must complete a shipping manifest using a form determined by the CCB. A copy of the shipping manifest must be transmitted to the destination that will receive the products and to the CCB at least two Business Days prior to transport unless otherwise expressly approved by the CCB. In this regard, the Registered Organization must maintain shipping manifests and make them available to the CCB for inspection upon request, for a period of 5 years. Approved medical marijuana products must be transported in a locked storage compartment that is part of the vehicle transporting the marijuana and in a storage compartment that is not visible from outside the vehicle. Employees, when transporting approved medical marijuana products, travel directly to their destination(s) and may not make unnecessary stops in between. Delivery times must be randomized, transportation vehicles must be staffed by at least two employees, and a copy of the shipping manifest must be on hand while transporting or delivering approved medical marijuana products.

NYSDOH Inspections

All registered organizations must make their books, records, and facilities available to CCB for monitoring, on- site inspection, and audit purposes, including but not limited to periodic inspections and evaluations. If a problem is found by CCB, the registered organization must submit a plan of correction within 15 days.

New York Hemp

The CCB also has regulatory authority over New York's industrial hemp program. That program creates a licensing regime for growers, processors, retailers, and of industrial hemp and hemp cannabinoid products, and subjects such licensees to recordkeeping, product-quality testing, transportation, disposal, and security requirements. The CCB has authority to inspect a registered premises as often and to the extent necessary to ensure compliance with hemp laws and regulations.

OHIO

Ohio Regulatory Landscape

House Bill 523, effective on September 8, 2016, legalized medical marijuana in Ohio. The Ohio Medical Marijuana Control Program ("**MMCP**") allows people with certain medical conditions, upon the recommendation of an Ohio- licensed physician certified by the State Medical Board, to purchase and use medical marijuana. House Bill 523 required that the framework for the MMCP would be in place no later than September 2018. This timeframe allowed for a deliberate process to ensure the safety of the public and to promote access to a safe product. Sales of medical marijuana in Ohio began in January 2019.

The following three state government agencies are responsible for the operation of the MMCP: (i) the Ohio Department of Commerce is responsible for overseeing medical marijuana cultivators, processors and testing laboratories; (ii) the State of Ohio Board of Pharmacy is responsible for overseeing medical marijuana retail dispensaries, the registration of medical marijuana patients and caregivers, the approval of new forms of medical marijuana and coordinating the Medical Marijuana Advisory Committee; and (iii) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical marijuana and may add to the list of qualifying conditions for which medical marijuana can be recommended. Qualifying medical conditions for medical marijuana include: HIV/AIDS, Lou Gehrig's disease, Alzheimer's disease, Cancer, Chronic traumatic encephalopathy, Crohn's disease, epilepsy or other seizure disorder, fibromyalgia, glaucoma, hepatitis C, inflammatory bowel disease, multiple sclerosis (MS), pain (either chronic, severe, or intractable), Parkinson's disease, PTSD, sickle cell anemia, spinal cord disease or injury, Tourette's syndrome, traumatic brain injury, ulcerative colitis. In order for a patient to be eligible to obtain medical marijuana, a physician must make the diagnosis of one of these conditions. The Board of Pharmacy is in the process of revising its regulations for dispensaries, for the forms and methods for administering medical marijuana, and for patients and caregivers.

Several forms of medical marijuana are legal in Ohio, these include: inhalation of marijuana through a vaporizer (not direct smoking), oils, Tinctures, plant material, edibles, patches and any other forms approved by the State Board of Pharmacy. On November 18,

2021, the Ohio Board of Pharmacy closed its Request for Applications process to solicit applications for up to 73 new dispensary licenses. The Board of Pharmacy awarded these provisional dispensary licenses in early 2022. Also in 2022, the Board of Pharmacy amended its regulations to, among other things, add new requirements for renewals of dispensary key employee registrations and dispensary financial audits submitted to the Board. The Department of Commerce also amended its regulations in 2022 to, among other things, add new testing requirements and require patient caregivers to be Ohio residents.

Columbia Care (through its subsidiary in the State of Ohio) follows the applicable licensing requirements and the regulatory framework enacted by the State of Ohio.

Licenses in the State of Ohio

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care OH LLC	Certificate of Operation #MMCPC00024	Mount Orab, OH	07/01/2023	Certificate of Operation to Cultivate Medical Marijuana
Columbia Care OH LLC	Certificate of Operation #MMCPP00134	Mount Orab, OH	02/19/2024	Certificate of Operation to Plant-Only Processing of Medical Marijuana
Cannascend Alternative LLC, dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700073	Dayton, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative Logan, LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700071	Logan, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700072	Monroe, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700070	Marietta, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Corsa Verde LLC	Certificate of Operation #MMCPP00039	Columbus, OH	12/12/2023	Certificate of Operation to Process Medical Marijuana
Green Leaf Medical of Ohio II, LLC dba gLeaf	Medical Marijuana Dispensary Certificate of Operation #MMD.0700074	Warren, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation

Ohio Operating Requirements

Cultivators must establish, maintain, and comply with the policies and procedures contained in the operations plans submitted as part of their applications. Operations plans must include policies and procedures for the production, storage, inventory, and transportation of medical marijuana. At a minimum, such plans must: (1) designate areas in the facility that are compartmentalized based on function, such as the marijuana cultivation area, with restricted access between the different areas of the facility; (2) implement policies and procedures that provide best practices for secure and proper cultivation of medical marijuana, which includes restricted movement between the different production areas by personnel based on access credentials assigned by the facility; (3) document the chain for all medical marijuana in the inventory tracking system; (4) establish a standard for the facility to be maintained in a clean and orderly condition, which includes free from infestation by rodents, insects, birds, and other animals of any kind; and (5) maintain a facility with adequate lighting, ventilation, temperature, sanitation, equipment and security for the safe and consistent cultivation of medical marijuana. Cultivators must also submit and maintain a quality control plan, and they are limited to the use of pesticides,

fertilizers, and other chemical approved by the Department of Commerce. Moreover, cultivators are subject to recordkeeping and reporting requirements regarding their use of such chemicals.

Cultivators must maintain their facilities according to certain standards. All floors and benches must be free of debris, dust, and any other potential contaminants. Cultivators must remove dead and unusable plant parts from the marijuana cultivation area, and control rodents and other non-plant related pests. In maintaining their facilities, cultivators may only use chemicals, cleaning solutions, and other sanitizing agents approved for use around vegetables, fruit, or medicinal plants and must store them in a manner that protects against contamination. Cultivators must keep their equipment in a clean, professional environment and maintain cleaning and equipment maintenance logs at their facilities. Scales, balances, or other weight and/or mass measuring devices must be routinely calibrated using "National Institute of Standards and Technology" (NIST)-traceable reference weights, at least once each calendar year, by an independent third party approved by the Department of Commerce. The water supply for each cultivation center must be derived from a source that is a regulated water system or a private water supply and must meet the needs of the cultivator. Each cultivator must implement policies and procedures related to receiving, inspecting, transporting, segregating, preparing, packaging, and storing medical marijuana in accordance with adequate sanitation principles. The disposal of undesired, excess, unauthorized, obsolete, adulterated, misbranded or deteriorated medical marijuana waste is subject to a specific set of procedures set forth in OAC 3796:2-2-03.

Cultivators may not sell marijuana to patients or caregivers, nor may they permit the consumption of marijuana on their premises. A cultivator may not grow a prohibited form of marijuana that is not registered and approved by the state of Ohio Board of Pharmacy pursuant to section 3796.061 of the Revised Code. A cultivator must not produce or maintain medical marijuana in excess of the quantity required for normal, efficient operation based on patient population and consumption reported in the inventory tracking system. A cultivator may not amend or otherwise change its approved operations plan, quality assurance plan, or cultivation or production techniques, unless written approval is obtained from the Department of Commerce, and a cultivator may not change the use or occupancy of the facility unless the Department of Commerce is notified of and provides prior written approval of such changes. A cultivator shall not sell plant material that exceeds thirty-five per cent THC content as defined in OAC 3796:1-1-01. Finally, a licensed cultivator may not directly or indirectly discriminate in price between different processor or dispensary facilities that are purchasing a like grade, strain, brand, quality, and quantity of medical marijuana.

Dispensaries in Ohio may only dispense to qualified patients over the age of 18 or their caregiver. Each dispensary must use a scanner approved by the state board of pharmacy to retrieve patient registry data by scanning patient or caregiver registry identification cards and government issued photographic identification. Dispensaries may only be open between the hours of 7 am and 9 pm and must be open for a minimum of 35 hours per week. Dispensaries must have at least two employees in the dispensary during all hours of operation.

Dispensaries must maintain the following records: (a) confidential storage and retrieval of patient information or other medical cannabis records, (b) records of all medical cannabis received, dispensed, sold, destroyed, or used, (c) dispensary operating procedures, (d) a third-party vendor list, (e) monetary transactions, and (f) journals and ledgers. All records relating to the purchase or return, dispensing, distribution, destruction, and sale of medical cannabis must be maintained under appropriate supervision and control to restrict unauthorized access on the licensed premises for a five-year period.

Ohio Reporting Requirements

Ohio uses the METRC system as its seed-to-sale tracking system. Licensees are required to use METRC to push data to the state to meet all of the reporting requirements. Dispensaries must use METRC to provide data to the Ohio Board of Pharmacy on a real-time basis. The following data must be transmitted: (a) each transaction and each day's beginning inventory, acquisitions, sales, disposal and ending inventory, (b) acquisitions of medical cannabis from a licensed processor or cultivator holding a plant-only processor designation, (c) name and license number of the licensed dispensary employee receiving the medical cannabis and, (d) other information deemed appropriate by the Ohio State Board of Pharmacy. A dispensary's designated representative shall conduct the inventory at least once a week. Records of each day's beginning inventory, acquisitions, sales, disposal and ending inventory shall be kept for a period of three years.

Ohio Storage, Transportation, and Security Requirements

The regulations permit Columbia Care OH LLC to store medical marijuana inventory at its cultivation facility in a designated, enclosed, locked facility identified in its plans and specifications that it submitted to the Ohio Department of Commerce. This storage area can only be accessible by authorized individuals. On an annual basis and as a condition to renewal of its cultivator license, Columbia Care OH LLC must perform a physical, manual inventory, of the medical marijuana on hand and compare it to the annual report generated by the inventory tracking system. The cultivation facility must install a commercial grade security alarm system to prevent and detect diversion, theft, or loss. The facility also must maintain surveillance equipment to capture the entire facility and

provide direct access to the regulator on a real-time basis. This equipment must be kept in good working order and inspected and tested on an annual basis by a third party.

Prior to transporting any medical marijuana, regardless of form, a medical marijuana entity must maintain a transportation log, in writing, that contains the following information: (1) the names and addresses of the medical marijuana entities sending and receiving the shipment; (2) the names and registration numbers of the registered employees transporting the medical marijuana or the products containing medical marijuana; (3) the license plate number and vehicle type that will transport the shipment; (4) the time of departure and estimated time of arrival; (5) the specific delivery route, which includes street names and distances; and (6) the total weight of the shipment and a description of each individual package that is part of the shipment, and the total number of individual packages. A copy of this log must be sent to the receiving entity before the close of business on the business day prior to transport. A copy of the log must also be in the vehicle at all times while it is transporting medical marijuana products. All such logs must be maintained and provided to law enforcement upon request.

Vehicles used to transport marijuana must be insured as required by law and staffed with a minimum of two registered employees, with at least one employee remaining with the vehicle at all times that the vehicle contains medical marijuana. The marijuana must be kept in a locked container or compartment, and it must not be visible from outside the vehicle. The vehicle must be unmarked. Any vehicle transporting medical marijuana or any product containing medical marijuana must travel directly from the sending medical marijuana entity to the receiving medical marijuana entity and shall not make any stops in between except to other medical marijuana entities listed on the transportation log, to refuel the vehicle, or to notify the medical marijuana entities, the department and law enforcement in the event of an emergency. In the event of an emergency, the employees must report the emergency immediately to law enforcement through the 911 emergency system and to the medical marijuana entities, which will immediately notify the appropriate regulatory authorities, unless the notification is impractical under the circumstances. The employees must notify the sending medical marijuana entity when the delivery has been completed.

Dispensaries must restrict access areas and keep stock of medical cannabis in secured area enclosed by a physical barrier with suitable locks and an alarm system capable of detecting entry at a time when licensed dispensary employees are not present. Medical cannabis must be stored at appropriate temperatures and under appropriate conditions to help ensure that its identity, strength, quality and purity are not adversely affected.

Additionally, dispensaries must have a security system that remains operational at all times and that uses commercial grade equipment to prevent and detect diversion, theft or loss of medical cannabis, including (a) a perimeter alarm, (b) motion detectors, and (c) duress and panic alarms. A dispensary must also employ a holdup alarm, which means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress.

Video cameras at a dispensary must be positioned at each point of egress and each point of sale. The cameras must capture the sale, the individuals and the computer monitors used for the sale. Video surveillance recording must operate 24 hours a day, seven days a week. Recording from all video cameras during hours of operation must be made available for immediate viewing by the Board of Pharmacy and must be maintained for at least six months.

Department of Commerce Inspections

The Ohio Department of Commerce may, at any time it determines an inspection is needed, with or without notice, conduct an inspection of a cultivator to ensure compliance with the facility's application and state laws and regulations. An inspection of a cultivator may include, without limitation, investigation of standards for safety from fire on behalf of the department by the local fire protection agency. If a local fire protection agency is not available, the division of state fire marshal may conduct the inspection after the cultivator pays the appropriate fee to the division of state fire marshal for such inspection. If a problem is detected during an inspection, the cultivator must produce a plan of correction within ten business days.

Board of Pharmacy Inspections

The Board of Pharmacy may conduct unannounced dispensary inspections and testing of medical marijuana samples. The Board enter dispensaries and conduct inspections of all areas and of all pertinent equipment, containers and materials and data.

PENNSYLVANIA

Pennsylvania Regulatory Landscape

The Pennsylvania medical marijuana program was signed into law on April 17, 2016 under Act 16 and provided access to state residents with one of 17 qualifying conditions, including epilepsy, chronic pain, and PTSD. The state, which consists of over 12

million U.S. citizens and qualifies as the fifth largest population in the US, operates as a high- barrier market with very limited market participation. The state originally awarded only 12 licenses to cultivate/process and 27 licenses to operate retail dispensaries (which entitled holders to up to three medical dispensary locations).

On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would be initiated, which would include the issuance of 13 additional cultivation/processing licenses and 23 additional dispensary licenses. This application period ran from April 2018 through May 17, 2018. The Pennsylvania Department of Health announced the results of the application period, granting 23 new dispensary permits and 13 grower/processor permits across six regions of the state, on December 18, 2018.

In the introductory months of the program, Pennsylvania's medical marijuana dispensaries experienced supply shortages that rendered the market unable to keep up with demand. It was announced on April 17, 2018 that dry flower would be included in the regulations as an approved product form for sale and consumption (in addition to the already approved forms of concentrates, pills, and tinctures). Simultaneously, it was announced that the list of qualifying conditions would expand from 17 to 21, including additions of cancer remission therapy and opioid-addiction therapy. In July of 2019, the Pennsylvania Department of Health expanded the list of qualifying medical conditions to include anxiety disorders and Tourette syndrome, increasing the number of qualifying conditions to 23.

On June 30, 2021, Pennsylvania Governor Tom Wolf signed into law H.B. 1024 (also known as Act 44), which made revisions to Pennsylvania's medical marijuana program, including codification of certain practices permitted under emergency orders issued in response to the COVID-19 pandemic. The changes permit a wider range of individuals to serve as caregivers, including employees of long-term care and nursing facilities. The changes also permit dispensaries some additional operational flexibilities, including providing limited, on-site outdoor order pickups, providing remote patient consultations, and providing medical dosages up to a 90 days' supply as opposed to a 30 days' supply.

On March 5, 2021, the Department of Health proposed permanent regulations relating to medical marijuana, replacing the temporary regulations governing the program through its history. These proposed regulations are in substantially the same form as the temporary regulations, with only a few distinctions. One proposed revision identifies that a medical marijuana organization's change in ownership without the Department's knowledge and written approval of all individuals affiliated with the medical marijuana organization would be a violation of the act and proposed rules. The proposed regulations also require dispensaries and grower/processors to supplement ongoing reports to the Department with information related to the average price per unit of medical marijuana products sold, as opposed to the per-dose price. The proposed rules also augment the list of reasons for which the Department may suspend or revoke a medical marijuana organization's permit by adding falsification of information on any applications submitted to the Department. The proposed regulations also address training, identifying that principals, as well as employees, who have direct contact with patients or caregivers or who physically handle medical marijuana plants, seeds and products must also complete a training. Other changes include corresponding changes to caregiver and patient supply rules consistent with Act 44.Also consistent with Act 44 licensed Grower Processors in Pennsylvania may obtain hemp and hemp-derived CBD from hemp licensed in the state of Pennsylvania.The Department of Health promulgated final regulations that became effective March 4, 2023.

Additionally, the Pennsylvania Department of Agriculture administers an Industrial Hemp Research Pilot Program, as permitted by the federal Industrial Hemp Research Act of 2016 (P.L. 822, No. 92). As it is allowed to do under the 2018 Farm Bill, the Commonwealth of Pennsylvania will submit a regulatory plan to the U.S. Department of Agriculture program to administer a larger Industrial Hemp Program, including licensing the cultivation of hemp, as defined by federal law, for interstate commercial purposes. In January of 2019, the Pennsylvania Department of Agriculture lifted its 100-acre acreage cap on permitted hemp cultivators to grow unlimited acreage on locations approved under pre-existing permits.

Columbia Care (through its subsidiary in the State of Pennsylvania) follows applicable licensing requirements and the regulatory framework enacted by the State of Pennsylvania.

Pennsylvania Licenses

Under applicable laws, the license permits Columbia Care to purchase marijuana and marijuana products from cultivation/processing facilities, and to sell marijuana and marijuana products to registered patients pursuant to the terms of the license. The license is issued by the Pennsylvania Department of Health (the **"Department"**) under the provisions of the Medical Marijuana Act (35 P.S. §§ 10231.101—10231.2110) and Chapters 1141, 1151 and 1161 of the Pennsylvania regulations. The license is, as of the date hereof, active with the Commonwealth of Pennsylvania.

All dispensaries must register with the Department. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely

manner, and there are no material violations noted against the applicable license, Columbia Care would expect to receive the applicable renewed license in the ordinary course of business.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Pennsylvania LLC	Permit D-2009- 17	Allentown, PA Scranton, PA Wilkes-Barre, PA	06/29/2023	Dispensary
Green Leaf Medicals, LLC	Permit GP-18-3005	Saxton, PA	07/31/2023	Grower Processor

Pennsylvania Dispensary Requirements

In order to maintain its permit, a dispensary must continue to meet all of the qualifications for obtaining such permit. Dispensaries must purchase marijuana only from authorized growers and processors. They may sell devices related to the use of medical marijuana, but only with the Department's prior written approval. Dispensaries must require a valid identification card from each patient or caregiver and verify it via electronic tracking system before dispensing any product. A dispensary may not dispense (1) a quantity of marijuana greater than the amount indicated on a patient's certification, (2) a form or dosage of product that is listed as a restriction or limitation on the patient certification, (3) or a form of medical marijuana product which is not permitted by law or regulation. Dispensaries cannot dispense more than a 90-day supply at one time, and subject to additional requirements in the Department of Health's final regulations. Moreover, dispensaries are subject to certain advertising and promotional restrictions.

Dispensaries must maintain their facilities in sanitary condition. Generally, employees working in direct contact with medical marijuana products must comply with the food-handling regulations of Pennsylvania. Employees and visitors must have access to adequate hand-washing facilities and sanitary lavatories.

Dispensaries may not employ individuals under the age of eighteen. A dispensary may not permit a patient to self- administer medical marijuana products at the facility unless the patient is also an employee of the dispensary, and the dispensary permits self-administration of medical marijuana products at the facility by the employees.

Pennsylvania Reporting Requirements

The Commonwealth of Pennsylvania uses MJ Freeway as the state's computerized T&T system for seed-to-sale. Individual licensees are required to use MJ Freeway to push data to the state to meet all reporting requirements. Columbia Care Pennsylvania LLC integrates its in-house software with the state's MJ Freeway program to capture the data points required by the Pennsylvania medical marijuana laws and regulations.

Pennsylvania Storage, Transportation, and Security Requirements

The regulations require a dispensary to have a locked limited access area for the storage of medical marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packages have been opened or breached until such product is returned to the grower/processor.

Columbia Care Pennsylvania LLC must have a security system with professional monitoring, 24-hours a day and seven days a week, and fixed cameras on the interior and exterior of the facilities. The surveillance system must store data for a period of four years in a readily available format for investigative purposes.

Unless otherwise approved by the Department, a dispensary may deliver medical marijuana products to a medical marijuana organization only between 7 a.m. and 9 p.m. for the purposes of transporting medical marijuana products among the permittee's dispensary locations and returning medical marijuana products to a grower/processor. Dispensaries may not transport medical marijuana products outside of Pennsylvania, and they must use a global positioning system to ensure safe, efficient delivery of the medical marijuana products to a medical marijuana organization. Dispensaries may not offer delivery of medical marijuana. Dispensaries must have an enclosed, secure area out of public sight for the loading and unloading of medical marijuana products into and from a transport vehicle.

All vehicles used in the transport of marijuana must be unmarked and equipped with a secure lockbox or locking cargo area. Products must be appropriately packaged and labeled. If transporting perishable medical marijuana products, they must be temperature controlled. They must display current inspection stickers and be insured for a commercially reasonable amount. Each vehicle must be staffed with at least two people while transporting marijuana, with at least one team member remaining in the vehicle at all times. Each team member must have access to a secure form of communication with the dispensary and have a valid driver's license. Team

members must not wear clothing or symbols related to marijuana, and they must carry an identification badge or card at all times and produce it to law enforcement upon request. The team must also carry a transportation manifest and provide a copy to the recipient of the medical marijuana products.

Department Inspections

The Department may conduct announced or unannounced inspections or investigations to determine the medical marijuana organization's compliance with its permit and all relevant laws and regulations. Such inspection or investigation may include (1) inspection of a medical marijuana organization's site, facility, vehicles, books, records, papers, documents, data, and other physical or electronic information; (2) questioning of employees, principals, operators, financial backers, authorized agents of, and any other person or entity providing services to the medical marijuana organization; and (3) inspection of a grower/processor facility's equipment, instruments, tools and machinery that are used to grow, process and package medical marijuana, including containers and labels. Failure to provide immediate access to any of the materials, information, or individuals listed above may result in the imposition of a civil monetary penalty, suspension or revocation of the medical marijuana organization's permit, or an immediate cessation of its operations pursuant to a cease-and-desist order issued by the Department.

UTAH

Utah Regulatory Landscape

On December 3, 2018, Utah lawmakers passed House Bill 3001: Utah Medical Cannabis Act (the "**UT Act**"). The Utah Act directs the Utah Department of Health (the "**Utah Department**") to issue medical cannabis cards to patients, register medical providers who wish to recommend medical cannabis treatment for their patients, and license medical cannabis pharmacies. Covered medical conditions include HIV/AIDS, ALS, cancer, cachexia, persistent nausea, Chron's disease, epilepsy, multiple sclerosis, PTSD that is being treated and monitored by a licensed therapist, autism, certain terminal illnesses, and certain other rare conditions and diseases. The Act and subsequent amendments thereto authorized the Department to license and regulate up to 14 private entities to dispense medical cannabis products through medical cannabis pharmacies. The Utah Department has issued regulations governing medical cannabis pharmacies' operations. The UT Act also grants the Department of Agriculture and Food regulatory authority over medical marijuana cultivators and processors. Effective July 1, 2021, all Utah medical cannabis cardholders are required to purchase their products from a Utah medical cannabis pharmacy. Out of state purchases and possession of medical cannabis are no longer permitted.

On January 3, 2020, the Department announced its intent to award 14 medical cannabis pharmacy licenses to companies selected from over 130 applicants. Columbia Care was selected to open a medical cannabis pharmacy in Springville, Utah, which is located just south of Provo. Columbia Care (through its subsidiary in the State of Utah) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Utah. Additionally, Utah law required the 15th pharmacy license to be given to a business located in specific rural counties. On November 18, 2021, the Department awarded the state's 15th medical cannabis pharmacy license to an existing Utah medical cannabis pharmacy operator that will open its facility in Price, Utah.

On February 28, 2020, the Governor signed legislation comprehensively amending the UT Act. Among the changes were the allowance of dosages in liquid suspension, allowance of medical cannabis pharmacies to sell certain CBD products, creation of partial-year limited licenses for cannabis processing licensing facilities and operation of an independent testing laboratory by the Utah Department of Agriculture and Food ("**UDAF**"), expansion of the authority of the state's Cannabinoid Product Board to review scientific research on the efficacy of products, and the state's Compassionate Use Board to hear petitions for use, relaxation of certain patient limits on use and validity of medical cannabis cards and restrictions on medical providers, direction to the Department of Health to authorize out-of-state residents to purchase medical cannabis, and permission to the UDAF to conduct random sampling of medical cannabis in medical cannabis pharmacies.

On March 24, 2022, Utah Governor Spencer Cox signed into law Senate Bill 195, which makes several changes to the medical marijuana program. These changes include the addition of acute pain for which a medical professional may generally provide opioids as a qualifying condition eligible for a limited supply of medical cannabis and amends requirements for medical cannabis advertising and renewing patient medical cannabis cards.

Additionally, in 2014, the Utah legislature passed the Hemp and Cannabinoid Act (the "**UT Hemp Act**") pursuant to the 2014 Farm Bill, which created the framework for legalized industrial hemp in Utah. The UT Hemp Act created a pilot program for hemp. Utah's 2019 amendments to the UT Hemp Act expanded the scope of the state's hemp program. In 2020, Utah amended the UT Hemp Act once again and directed the UDAF to develop a state industrial hemp production plan. In 2020, the U.S. Department of Agriculture approved the Utah Industrial Hemp Production Plan.

Under the UT Hemp Act, an individual or entity cultivating or processing industrial hemp must obtain an industrial hemp producer license. The industrial hemp production plan subjects licensees to several regulatory requirements. These include grower area requirements and reporting requirements; submission to inspection, sampling, and testing by UDAF to ensure the hemp has a

permissible THC level of under 0.3%; storage requirements; and destruction processes. Intentional violations of the UT Hemp Act or UDAF's rules, as well as repeated negligent violations, may result in loss of license.

Utah License Requirements

The Department announced its plans to award the 14 medical cannabis pharmacy licenses across four regions of the state. Columbia Care applied for a license in Region 3, which encompasses Utah County, where Springville is situated. The application process required Columbia Care to pay an application fee and to submit information regarding its ownership and directors, its finances, and a description of any past disciplinary actions for cannabis-related operations in any jurisdiction. Columbia Care was also required to submit highly detailed information regarding its experience, operating plan, strategic plan, local connections, and ability to keep the cost of medical cannabis low for patients. Such information included, for example: a list of all states in which Columbia Care operates; details of Columbia Care's proposed facility; a floor plan depicting the facility's security features; information about principles and key employees' credentials, including a Utah licensed pharmacist; training and customer service information; storage protocols; a description of all medical cannabis products Columbia Care intends to offer; a financial plan; and Columbia Care's local connections to Utah.

License applications were then evaluated and scored by a committee based on several criteria, including: experience in the medical cannabis or other highly regulated industries, disciplinary action or investigation in other jurisdictions, an operating plan that will best ensure the safety and security of cardholders and the community, the extent to which an applicant can reduce the cost of medical cannabis, connections to the local community, and a strategic plan that has a high likelihood of success. Of the 14 licenses awarded by the Department, an initial group of eight pharmacies were given the option to open as soon as March 1, 2020, while the remaining six are allowed to open as early as July 1, 2020. Successful applicants were required to obtain a land-use permit for their medical cannabis pharmacy within 120 days of the license award if required by their county or locality. Final licensure is also subject to applicants' owners passing criminal background checks and the Department approval of the applicants' operating plans. Columbia Care satisfied these requirements and was issued a medical cannabis pharmacy license on April 22, 2021 authorizing Columbia Care to operate the pharmacy.

UDAF licenses medical cannabis processors and regulates the manufacturing and processing of medical cannabis into various medical cannabis products. Processors in Utah are responsible for dry, cure, extraction, refinement, formulation, packaging, and labeling of medical cannabis products. Utah has two tiers of processing licenses. A Tier 1 Processing License allows a facility to process, formulate, package, and label products. A Tier 2 License allows a facility to packaging and labeling or products. Currently UDAF is not restricting the number of either tier of processing licenses.

Columbia Care applied for a Tier 1 processing license. The processing license application process required Columbia Care to pay an application fee and to submit information regarding its ownership and directors, its finances, a description of any past disciplinary actions for cannabis-related operations in any jurisdiction and detailed property information, including, but not limited to facility square footage, type and location of equipment, and the location of all cameras and external lights. Columbia Care was also required to submit highly detailed information regarding its experience, and operating plan, Such information included, for example: a list of all products that will be produced; all extraction methods to be used, including solvents, chemicals and equipment; short and long-term storage protocols to ensure sanitary preservation of medical cannabis products; a recall plan; a disposal plan; and transportation and transfer plan, including the make and model of all vehicles Columbia Care will use to transport medical cannabis products. All Medical Cannabis Processing Facilities must comply with quality assurance testing, and obtain a Good Manufacturing Permit from UDAF's Regulatory Services. Final licensure is also subject to the payment of a $100,000.00 processing fee, securing a $50,000.00 performance bond, and successful completion of a pre-inspection to verify the processing facility meets all safety and security requirements. Columbia Care expects to satisfy these requirements in the ordinary course of business.

Utah Operating Requirements

Medical cannabis pharmacies in Utah are subject to several highly detailed operational requirements. The requirements impose restrictions on who may enter a pharmacy, who may be employed by a pharmacy, and on consuming cannabis on site. They require pharmacies to maintain sophisticated security infrastructure and policies designed to minimize the risk of diversion and to minimize access to cannabis products. These include, for example, maintenance of a physical surveillance system with video cameras located throughout the facility, a fail-safe backup system to support the system in the event of a power-outage; installation of an alarm system; and maintenance of safes and vaults for storing medical cannabis.

The operational requirements also govern the dispensing procedure. All cannabis sold must meet certain labeling requirements and transactions are subject to a number of verification, inventory, and record-keeping requirements. Unusable cannabis products must be properly disposed. The UT Act imposes limitations on the amount of cannabis a pharmacy can dispense to a single patient in a 28-day period. That amount is capped at the lesser of (a) a 30-day supply for treatment; (b) 113 grams of unprocessed cannabis; or (c) 20 grams of total composite THC. Utah law also allows pharmacies to dispense medical cannabis via home delivery.

Medical cannabis pharmacies are required to employ a pharmacist-in-charge ("**PIC**"). The duties of the PIC generally include ensuring: the safe, informed, and appropriate distribution of medical cannabis and cannabis devices; protection, recording, and maintenance of patient records; education and training of pharmacy personnel; procurement of cannabis products and educational materials; appropriate disposal and storage of cannabis; controls against theft or diversion; compliance with applicable laws and regulations; quality assurance; maintenance of the point-of-sale system and integration with the state's inventory systems; and safe operation of the facility. Pharmacies must also be supervised by at least one licensed medical cannabis pharmacy medical provider ("**PMP**") who must be present during all hours of operation.

Utah Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
CCUT Pharmacy LLC	Medical Cannabis Pharmacy License 0010-270	Springville, UT	04/22/2023	Dispensary
CCUT Pharmacy LLC	Industrial Hemp Retail License 8003-214074	Springville, UT	12/31/2023	Industrial Hemp

On January 3, 2020, the Department announced its intent to award 14 medical cannabis pharmacy licenses to companies selected from over 130 applicants. Columbia Care was selected to open a medical cannabis pharmacy in Springville, Utah and on April 22, 2021 was issued a Cannabis Pharmacy License authorizing Columbia Care to operate the cannabis pharmacy. Licenses must be renewed annually. While Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from Department requirements, there is no assurance that the license will be annually renewed.

Utah Inspections

Columbia Care's Utah facility and records are subject to inspection from the Department at any time during business hours.

VIRGINIA

Virginia Regulatory Landscape

In 2017, Virginia commenced a program to allow registered patients to use CBD oil or THC-A oil. The program is governed by Va. Code Ann. § 54.1-3442.5 *et seq.*, and by emergency regulations enacted by the Virginia Board of Pharmacy (the "**Virginia Board**") at 18 VAC 110-60-10 *et seq.* "Registered patients" means any Virginia resident who has received a written certification for the use of CBD oil or THC-A oil from a practitioner (which includes nurse practitioners and physician assistants) to alleviate the symptoms of any diagnosed condition or disease, and who has been issued a registration by the Virginia Board. Virginia's program allows the Virginia Board to license "pharmaceutical processors," which are vertically integrated operations that can cultivate, process, and dispense CBD oil and THC-A oil in concentrations to be established by the Virginia Board that cannot exceed 10 mg of THC per dose. The oils can be processed into other formulations, such as capsules or lozenges. The state has limited licensure to one pharmaceutical process per "health service area," as defined by the State Board of Health. There are currently five health service areas. Following an initial cultivation period, pharmaceutical processors cannot maintain more than 12 cannabis plants per patient and cannot maintain CBD oil or THC-A oil in excess of what is required for normal operations.

In 2020, Virginia passed an act amending and reenacting Va. Code Ann. § 54.1-408.3 and 54.1-3442.5 *et. seq* (the "**Amendment**"). The Amendment allows for cannabis dispensing facilities, allows patients who are temporary residents to register, permits access to cultivation areas of the processor without a pharmacist on site, permits the Board to establish standards for testing laboratories to obtain controlled substance registration, permits the sale of devices and inert sample products, allows wholesale distribution between processors and dispensing facilities, changes every reference of "cannabidiol oil or THC-A oil" to "cannabis oil," deletes the requirement for an in-person examination by the prescriber certifying a patient to receive cannabis oil and allow the use of telemedicine in compliance with federal law, allows the pharmacist-in-charge to authorize certain employees to access secured areas when a pharmacist is not on site, and allows a ratio of six pharmacy technicians per one pharmacist working in the processor.

In 2020, the Virginia Board amended Title 18 of the Virginia Administrative Code 110-60, *et. seq*. and in February 2021, the Virginia Board adopted emergency rules amending Title 18 of the Virginia Administrative Code 110-60, *et. seq.* effective February 8, 2021 through August 7, 2022. These rules and emergency rules implement the changes as laid out in the Amendment. "Cannabis dispensing facility" means a facility that (i) has obtained a permit from the Board pursuant to § 54.1-3442.6; (ii) is owned, at least in part, by a pharmaceutical processor; and (iii) dispenses cannabis oil produced by a pharmaceutical processor to a registered patient, his registered agent, or, if such patient is a minor or an incapacitated adult as defined in § 18.2-369, such patient's parent or legal

guardian. “Temporarily resides” means a person that does not maintain a principal place of residence within Virginia but resides in Virginia on a temporary basis as evidenced by documentation substantiating such temporary residence.

On April 7, 2021, a majority of both houses of the Virginia legislature voted to legalize adult-use marijuana. Virginia Senate Bill 1406/House Bill 2312 legalizes the retail sale of marijuana products to adults over the age of 21 and establishes the Virginia Cannabis Control Authority to oversee the cultivation, manufacture, wholesale, and retail sale of marijuana and marijuana products. Under the new law, home cultivation and personal possession of marijuana became legal July 1, 2021, but retail sales will not begin until January 1, 2024.

In 2022 and 2023, the Virginia General Assembly passed and Governor Glenn Youngkin signed into law a series of statutory amendments to the adult use cannabis legislation and affecting the medical cannabis program. Among other things, the amendments transfer oversight and administration of the medical cannabis program from the Board of Pharmacy to the Virginia Cannabis Control Authority, establish new restrictions on advertising, with criminal penalties for violations,, allows pharmacists employed by pharmaceutical processors to issue written certifications subject to oversight by the processor’s medical director and under other conditions, adds labeling requirements, and recriminalizes possession of more than four (4) ounces of cannabis in public.

Columbia Care (through its subsidiaries in the Commonwealth of Virginia) follows the regulatory framework enacted by the Commonwealth of Virginia.

Virginia License Requirements

The pharmaceutical processor permit application process includes three stages: initial application, awarding of conditional approval, and granting of a permit. In the first stage, the applicant must submit an application fee and an application that includes: identifying information regarding the applicant and its owners; the location within the health service area that is to be operated under such permit; financial information to demonstrate its capacity to build and operate a facility; a detailed security plan; documents establishing the applicant’s ability to conduct business in Virginia and its compliance with applicable ordinances and codes; information necessary for the Virginia Board to conduct criminal background checks; information about any previous or current involvement in the medical CBD oil or THC-A oil industry; information about any prior applications for medical CBD oil or THC-A oil licensure in any state; business or marketing plans; text and graphic materials showing the exterior appearance of the proposed facility; building documents including a detailed blueprint; documents related to any compassionate need program the pharmaceutical processor intends to offer; information about the applicant’s expertise in agriculture and other production techniques required to produce CBD oil or THC-A oil and to safely dispense such products; and other documents required by the Virginia Board. As part of the initial application process, the Virginia Board conducts criminal background checks on applicants.

Following the deadline for receipt of applications, the Virginia Board evaluates each complete and timely submitted application and may grant conditional approval based on the following criteria: the results of the criminal background checks or any history of disciplinary action imposed by a state or federal regulatory agency; the location for the proposed pharmaceutical processor, which shall not be within 1,000 feet of a school or daycare; the applicant’s ability to maintain adequate control against the diversion, theft, and loss of cannabis; the applicant’s ability to maintain the knowledge, understanding, judgment, procedures, security controls, and ethics to ensure optimal safety and accuracy in the dispensing and sale of CBD oil or THC-A oil; the extent to which the applicant or any of its the applicant’s pharmaceutical processor owners have a financial interest in another license, permit, registrant, or applicant; and any other reason provided by state or federal statute or regulation that is not inconsistent with the law and regulations regarding pharmaceutical processors. The Virginia Board may disqualify any applicant who submits an incomplete, false, inaccurate, or misleading application; fails to submit an application by the published deadline; fails to pay all applicable fees; or fails to comply with all requirements for a pharmaceutical processor.

Following review, the Virginia Board notifies applicants of denial or conditional approval. If granted conditional approval, an applicant has one year to complete all requirements for issuance of a permit to include employment of a Pharmacist-in-Charge (“**PIC**”) and other personnel necessary for operation of a pharmaceutical processor, the construction or remodeling of a facility, installation of equipment, and securing local zoning approval.

When the Virginia Board’s requirements have been met – including designation of a PIC, completion of background checks, employment of an electronic tracking system, and an inspection of the facility – the Virginia Board may grant a pharmaceutical processor permit. If an inspection reveals any deficiencies, they must be corrected, and a reinspection may be performed before the permit is issued. The applicant must also attest to compliance with state and local laws and ordinances.

If an applicant has been awarded a pharmaceutical processor permit and has not commenced operation of such facility within 180 days of being notified of the issuance of a pharmaceutical processor permit, the Virginia Board may rescind the permit, unless such delay was caused by circumstances beyond the control of the permit holder. If a permit is so rescinded, the Virginia Board may award a

pharmaceutical processor permit to another qualified applicant. Once the permit is issued, cannabis may not be grown or held in the pharmaceutical processor earlier than two weeks prior to the opening date designated on the application. Once cannabis has been placed in the pharmaceutical processor, a pharmacist shall be present during hours of operation to ensure the safety, security, and integrity of the cannabis. If there is a change in the designated opening date, the pharmaceutical processor shall notify the Virginia Board, and a pharmacist shall continue to be on site on a daily basis.

The Virginia Board may issue up to five cannabis dispensing facility permits in each health service area. A permit may be issued to a facility that is owned, at least in part, by the pharmaceutical processor located in that health service area for dispensing cannabis oil that has been cultivated and produced on the premises of the processor. Each dispensing facility shall be located within the same health service area as the pharmaceutical processor.

Applicants must submit an application and fee for each cannabis dispensing facility. The submission must also include (i) the name and address of the facility, (ii) the name and address of the facility's owners with 5% or greater ownership, (iii) the name and signature of pharmacist-in-charge, (iv) details regarding the security plan and plan to prevent diversion, (v) information for the Virginia Board to conduct a background check, and (vi) the requisite fee.

The Virginia Board will conduct an inspection of the facility prior to issuing a permit. The permit shall not be awarded until any deficiency with the facility has been corrected and the facility has been satisfactorily inspected. The cannabis dispensing facility must be operational within 90 days of the date the permit is issued or the Virginia Board will either rescind or extend the permit.

Virginia Operating Requirements

Pharmaceutical processors and cannabis dispensing facilities are required to designate a PIC to manage its operation, and to have a supervising pharmacist on duty during its hours of operation. The PIC of a pharmaceutical processor may authorize certain employees' access to secured areas designated for cultivation even when the pharmacist is not on the premises. Numerous tasks involving the handling of CBD oil or THC-A oil must be performed by a pharmacist or a pharmacy technician acting under a pharmacist's supervision. Those tasks include, for example, labeling oils, removing oils from inventory, measuring oils for dispensing, and selling oils. Pharmacists and pharmacy technicians must have current licenses, and the ratio of pharmacists to pharmacy technicians cannot exceed 4-to-1. The Virginia Board has also imposed certain educational requirements for the cultivation of cannabis plants and the extraction of oils. And, the Virginia Board requires significant employee training, both upon initial employment and continuously thereafter.

A pharmaceutical processor or cannabis dispensing facility must operate for a minimum of 35 hours per week. Access to a pharmaceutical processor or cannabis dispensing facility is limited to employees performing their job duties (who must display ID badges) and patients (and their parents or guardians). It must sell oils in a child-resistant container (with some exceptions). Pharmacists must counsel registered patients, parents, and legal guardians regarding the use of CBD oil or THC-A oil, including information related proper use and storage.

Pharmaceutical processors and cannabis dispensing facilities are subject to advertising restrictions; cannot sell products aside from CBD oil or THC-A oil; cannot cultivate, produce, or dispense oils anywhere except its designated facility; and cannot provide samples. Pharmaceutical processors and cannabis dispensing facilities may wholesale products to other pharmaceutical processors and may transport wholesale products to other pharmaceutical processors and cannabis dispensing facilities. A pharmaceutical processor wholesale distributing products must create a record of the transaction and provide the receiver of the products with a copy of the lab results for the product. They may also deliver CBD or THC-A oil to a registered patient in accordance with certain regulatory requirements.

The cultivation and dispensing processes are subject to numerous Virginia Board requirements. For cultivation: pesticides are prohibited (with some exception); oil extraction methods must meet industry standards; products must be branded, tested, and registered with the Virginia Board before they are dispensed; products must be labeled to disclose certain product identifying information; and samples from batches must be made available to independent laboratories for testing prior to sale. For dispensing: the pharmacist or pharmacy technician must view the patient's ID before filling any portion of the patient's prescription; the pharmaceutical processor or cannabis dispensing facility must maintain detailed dispensing records for three years; and the processor or dispensing must implement and comply with a quality assurance program, meeting several requirements, to prevent dispensing errors. Finally, unused cannabis and its oils must be disposed of in a manner that makes the cannabis and its oils unrecoverable.

As of March 2023, the Board allows pharmaceutical processors to sell whole flower to patients.

Virginia Licenses

On September 25, 2018, the Virginia Board announced the conditional approval of pharmaceutical processor permits for each of Virginia's five health service areas. Columbia Care Eastern Virginia LLC was awarded conditional approval for Health Services Area V and was granted a final permit to operate a facility in that area on April 6, 2020.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Eastern Virginia LLC	Pharmaceutical Processor Permit #0240000002	Portsmouth, VA	04/30/2023	Cultivation, Processing and Dispensary
Columbia Care Eastern Virginia, LLC	Cannabis Dispensing Facility #247000004	Virginia Beach, VA	12/31/2022	Dispensary
Columbia Care Eastern Virginia, LLC	Cannabis Dispensing Facility Permit #0247000010	Williamsburg, VA	11/30/2023	Dispensary
Columbia Care Eastern Virginia, LLC	Cannabis Dispensing Facility Permit #0247000012	Hampton, VA	01/31/2024	Dispensary
Green Leaf Medical of Virginia, LLC	Pharmaceutical Processor Permit #0240000003	Richmond, VA	05/31/2023	Cultivation, Processing and Dispensary
Green Leaf Medical of Virginia, LLC	Cannabis Dispensing Facility #0247000003	Glen Allen, VA	11/30/2023	Dispensary
Green Leaf Medical of Virginia, LLC	Cannabis Dispensing Facility Permit #0247000013	Colonial Heights, VA	02/29/2024	Dispensary
Green Leaf Medical of Virginia, LLC	Cannabis Dispensing Facility Permit #0247000009	Richmond, VA	10/31/2023	Dispensary

Virginia Security, Transportation, and Storage Requirements

Pharmaceutical processors and cannabis dispensing facilities are subject to a number of inventory and security requirements. They must conduct an initial comprehensive inventory; establish ongoing inventory controls and procedures; conduct the requisite inventory reviewed (weekly inventory reviews for pharmaceutical processors and perpetual inventory for cannabis dispensing facilities); and prepare an annual inventory report. Inventory records must be made available to the Virginia Board and its agents. All parts of the cannabis plant and its oils must be stored in a locked and secured vault or safe with appropriate access limitations, and the pharmaceutical processor or cannabis dispensing facility must maintain a sophisticated security system meeting certain Virginia Board criteria. Storage of cannabis and its oils must generally be clean, sanitary, safe, and subject to a number of conditions. The pharmaceutical processor's or cannabis dispensing facility's video system must cover areas where cannabis or its oils are handled. Recordings must be stored for 30 days and made available for the Virginia Board's immediate review upon request. Security events must be reported to the Virginia Board. Pharmaceutical processors and cannabis dispensing facilities may not transport cannabis or its oils to any other facility, except for the wholesale purposes specified above.

Virginia Board Inspections

At all times, pharmacists and pharmacy technicians at the pharmaceutical processor or cannabis dispensing facility must have their current license or registration available for inspection by the Virginia Board or its agents.

WASHINGTON, D.C.

Washington, D.C. Regulatory Landscape

Washington, D.C.'s medical cannabis program is governed by D.C. Code § 7-1671.01 *et seq.* and the implementing regulations, CDCR 22-C100 *et seq.* The program authorizes all registered, qualified patients and caregivers to purchase medical cannabis from any licensed dispensary in the District. Registrations cards for District residents are valid for two years from the date of issuance. The program also authorizes medical cannabis cardholders from other states to purchase medical cannabis from any licensed dispensary in the District. The program accepts medical cannabis cards from any state or U.S. territory that has an active medical cannabis program and issues either a card or state-issued document evidencing the patient's participation in the program as long as that state or territory extends reciprocity to the District. The program also allows non-District residents to apply for a 30-day temporary registration.
The medical cannabis program creates licensing regimes for dispensaries and cultivation centers. A dispensary registered to operate in the District of Columbia may (a) possess and sell medical cannabis to registered qualified patients and caregivers; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered qualified patients and

caregivers. All medical cannabis sold by a licensed dispensary must be provided by a District-licensed and located medical cannabis cultivator. A cultivation center registered to operate in the District of Columbia may: (a) possess, manufacture, grow, cultivate, and distribute medical cannabis for sale to registered dispensaries; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered dispensaries. The number of dispensaries in the District of Columbia is capped at 8, while the number of cultivation centers is capped at 14. Currently, there are seven operating dispensaries and six operating cultivation centers. An application processes for an additional dispensary license, two additional cultivation centers, and two testing laboratories was completed on September 28, 2022.

On January 30, 2023, the Mayor of Washington, D.C. signed the Medical Cannabis Amendment Act of 2022 that includes substantial changes to the medical cannabis program, including removing the caps on licenses, establishing a process for unlicensed establishment to obtain a medical cannabis business license, creating new license categories and endorsement, allowing qualifying patients to self-certify and creating a civil enforcement mechanism for businesses distributing or selling cannabis without a license. The Act is currently being reviewed by Congress. According to the D.C. City Council, the "Projected Law Date is Mar 28, 2023" unless Congress passes a Resolution of Disapproval.

Columbia Care (through its subsidiaries in Washington, D.C.) follows the regulatory framework enacted by Washington, D.C.

Washington, D.C. License Requirements

Before issuing or renewing a registration or permit for either a business applicant or an individual applicant, the Director of the Alcoholic Beverage Regulation Administration ("**ABRA**") shall determine that the applicant meets all of the following criteria: the applicant is of good character and generally fit for the responsibilities of registration; the applicant is at least twenty-one (21) years of age; the applicant has not been convicted of any felony before filing the application; the applicant has not been convicted of a misdemeanor for a drug-related offense before filing the application; the applicant has paid the annual fee; the applicant is not a licensed physician making patient recommendations; the applicant is not a person whose authority to be a caregiver or qualified patient has been revoked by the ABRA; and the applicant has complied with the relevant laws and regulations. The application process is extensive and requires dispensaries to submit information about the proposed facility; a security plan; an inventory plan; a product safety and labeling plan; a business and marketing plan; comments from a neighborhood commission; and an educational materials plan. Cultivation centers must similarly submit information about the proposed facility; a security plan; a cultivation plan; a product safety and labeling plan; a business plan; comments from a neighborhood commission; and an environmental plan.

Applicants' leadership team and personnel are also subject to scrutiny during the application process. Applicants must identify all of its directors, officers, members, or incorporators on its application. Those individuals and other agents of the applicant must submit to a registration process which includes (a) written statements or evidence establishing to the satisfaction of the ABRA that the applicant meets all of the registration qualifications; (b) a copy of the applicant's medical marijuana training and education certificate, and (c) a criminal background check. An applicant's managers and employees are subject to a similar registration process that involves a criminal background check.

Washington, D.C. Security, Storage, and Transportation Requirements

Dispensaries and cultivation centers must comply with a number of security measures. Medical marijuana located on the premises must be stored in a separate storage area which is securely closed and locked when the establishment is prohibited from operating or is closed. The storage area shall have a volumetric intrusion detection device(s) installed and connected to the facility intrusion detection system. A cultivation center or dispensary must also install and use a highly secured safe for overnight storage of any processed marijuana, transaction records, and cash on the registered premises.

A dispensary or cultivation center must operate and maintain in good working order a 24/7 closed-circuit television surveillance system on the premises that complies with several minimum standards, including: (1) the system must visually record and monitor the entire facility including entrances and exits, parking lots, limited access areas, and areas where medical marijuana is cultivated, stored, dispensed, or destroyed; (2) cameras must be adequate for the lighting, produce digital, time stamped video, and capable of producing a DVD; (3) the system must be in good working order, and malfunctions must be reported; (4) footage must be stored for 30 days. Upon request, recordings must be turned over to police or the ABRA. A dispensary or cultivation center must also install, maintain, and use a professionally monitored robbery and burglary alarm system meeting certain requirements.

Unused surplus marijuana must be weighed, documented, and submitted to the police for destruction. Stolen or lost marijuana must be reported to the police within 24 hours of becoming aware of the theft or loss.

In order to transport marijuana within the District, a cultivation center must obtain a transport permit from the ABRA. Each vehicle used for the transportation of marijuana must have its own original permit. Only cultivation center employees, directors, officers, members, incorporators, agents, or contracted agents may transport marijuana.

Washington D.C. Operational Requirements

Applicants for a cultivation center or dispensary must submit a proposed staffing plan; a proposed security plan meeting a number of criteria specified in CDCR 22-C5406.2 or C5405.2, respectively; a cultivation plan that covers where medical marijuana will be cultivated and stored (for cultivators); a product safety and labeling plan that satisfies several criteria specified in CDCR 22-C 5607; a written statement regarding the suitability of the proposed facility for the medical marijuana operation; and a notarized written statement from the applicant that they have read the District of Columbia's medical marijuana law and have knowledge of the District of Columbia and federal laws relating to marijuana. Two or more cultivation centers may operate in the same building, provided that they maintain separate books and records and their own secure premises. And, a cultivation center and a dispensary may operate in the same building so long as they have the same ownership, maintain separate books and records, maintain separate secure space, and provided that patients and caregivers are prohibited from entering the cultivation area.

Department Inspections

The ABRA may conduct announced and unannounced investigations and inspections of cultivation centers and dispensaries. During such inspections and investigations, the ABRA may review the cultivation center's confidential records, and failure by a dispensary or cultivation center to provide the ABRA with immediate access to requested information may result in a civil fine and further sanctions.

Washington D.C. Licenses

Columbia Care operates in Washington D.C., through a wholly-owned subsidiary, Columbia Care DC, and through a management services arrangement with VentureForth LLC. The table below describes the Cultivation Center Registration held by Columbia Care DC and the Dispensary Registration and Cultivation Center Registration held by VentureForth LLC.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care DC	Cultivation Center Registration #MMP00231	WashingtonD.C.	12/31/2023	Cultivation
VentureForth LLC	Dispensary Registration #MMP00067	WashingtonD.C.	12/31/2023	Dispensary
VentureForth LLC	Cultivation Center Registration #MMP00049	WashingtonD.C.	12/31/2023	Cultivation

Registration renewals in Washington D.C. are granted annually. Prior to the third renewal, an advisory neighborhood commission is entitled to a comment period during which they can submit an objection to the renewal. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable registrations, Columbia Care DC and VentureForth LLC entities would expect to receive the applicable renewed registrations in the ordinary course of business.

WEST VIRGINIA (HEMP)

In 2002, the West Virginia Legislature passed the Industrial Hemp Development Act (the "**WV Hemp Act**"), which created the framework for legalized industrial hemp in West Virginia. Following passage of the 2014 Farm Bill, which authorized states to establish pilot programs for industrial hemp research, the West Virginia Department of Agriculture implemented a pilot program based on the authority already granted by the WV Hemp Act. From 2017 to 2019, the number of license-holders under the pilot program increased from 46 to 165. West Virginia's 2019 amendments to the WV Hemp Act authorized the Commissioner of Agriculture to submit a state plan for regulation of industrial hemp to the U.S. Department of Agriculture for approval pursuant to the 2018 Farm Bill. The West Virginia Department of Agriculture submitted such a plan on January 23, 2020, with a proposed effective date of October 31, 2020. The plan proposed to the U.S. Department of Agriculture is consistent with the West Virginia Department of Agriculture's existing industrial hemp program.

The industry hemp program subjects licensees to several regulatory requirements. These include crop-testing requirements to determine whether the hemp has a permissible THC level of under 0.3%; recordkeeping and reporting requirements; and submission to any inspection and sampling that the West Virginia Department of Agriculture deems necessary. Intentional violations of the WV Hemp Act and the West Virginia Department of Agriculture's rules, as well as repeated negligent violations, may result in a loss of license.

Columbia Care's subsidiary, Columbia Care WV Industrial Hemp LLC, applied for and was granted a license to develop an industrial hemp farm in West Virginia. The license authorizes Columbia Care to grow, process, cultivate, store, and handle raw industrial hemp.

WEST VIRGINIA

Regulatory Landscape

Senate Bill 386, signed into law on April 19, 2017, by Governor Jim Justice, created the Medical Cannabis Act that allows for cannabis to be used for certified medical use by a West Virginia resident with a serious medical condition and is limited to the following forms: pill; oil; topical forms including gels, creams or ointments; a form medically appropriate for administration by vaporization or nebulization, dry leaf or plant form; tincture; liquid; or dermal patch. The medical cannabis program is administered by the West Virginia Bureau for Public Health, Office of Medical Cannabis (the "**WV Bureau**"). The Office has authority to (1) issue and oversee permits that authorize businesses to grow, process, or dispense medical cannabis in compliance with state law and regulations, (2) register medical practitioners who certify patients as having qualifying serious medical conditions, and (3) register and oversee patients with qualifying conditions. Medical cannabis may only be dispensed to a patient who receives a certification from a practitioner and is in possession of a valid identification card issued by the WV Bureau ; and a caregiver who is in possession of a valid identification card issued by the Bureau. Products packaged by a grower/processor or sold by a dispensary shall only be identified by the name of the grower/processor, the name of the dispensary, the form and species of medical cannabis, the percentage of tetrahydrocannabinol and cannabinol contained in the product.

A dispensary that has been issued a permit may lawfully dispense medical cannabis to a patient or caregiver upon presentation to the dispensary of a valid identification card for that patient or caregiver. The dispensary shall provide to the patient or caregiver a receipt, as appropriate. The receipt shall include all of the following: the name, address, and any identification number assigned to the dispensary by the WV Bureau; the name and address of the patient and caregiver; the date the medical cannabis was dispensed; any requirement or limitation by the practitioner as to the form of medical cannabis for the patient; and the form and the quantity of medical cannabis dispensed. Dispensaries are prohibited from dispensing cannabis products to anyone other than a registered patient or caregiver who presents a valid identification card from the Office. Dispensing amounts are limited to those indicated in a registered patient's certification by his/her medical practitioner, and in any event a dispensary may not dispense more than a 30-day supply at a given time.

The WV Bureau and the Department of Revenue must monitor the price of medical cannabis sold by growers, processors and by dispensaries, including a per-dose price. If the WV Bureau and the Department of Revenue determine that the prices are unreasonable or excessive, the WV Bureau may implement a cap on the price of medical cannabis being sold for a period of six months.

The WV Bureau's Office of Medical Cannabis (the "**WV Office**") received applications for medical cannabis growers, processors, dispensaries, and laboratories in Spring 2020. The Office of Medical Cannabis issued 10 grower permits on October 3, 2020. It issued 10 processor permits on November 13, 2020. It issued 100 dispensary permits on January 29, 2021, and announced that, beginning February 3, 2021, West Virginia residents with serious medical conditions would be able to begin to submit applications to become registered patients.

Permits issued by the Office of Medical Cannabis are effective for one year from the date of issuance and may be renewed by applicants in good standing with the terms of a currently-effective permit. Permits may be suspended or revoked on the basis of failure to prevent diversion of medical cannabis, or violation of laws and rules applicable to medical cannabis businesses.

Successful Applications in West Virginia

On October 2, 2020, the Office announced the successful applicants for medical cannabis grower permits and Columbia Care WV, LLC was selected for a site in Falling Water, Berkley County, WV. On November 13, 2020, the WV Office announced the successful applicants for medical cannabis processor permits Columbia Care WV, LLC was selected for a site in Falling Water, Berkley County, WV.

On January 29, 2021, Columbia Care WV, LLC was awarded dispensary permits with respect to dispensary locations in Fayetteville, St. Albans, Morgantown, Beckley, and Williamstown.

Permit Requirements

In awarding a cannabis permit, the WV Bureau must make a determination: that the applicant will maintain effective control of and prevent diversion of medical cannabis; the applicant will comply with all applicable laws of West Virginia; if the applicant is a business entity, majority ownership in the business entity must be held by a state resident or residents; whether the applicant possesses the ability to obtain in an expeditious manner sufficient land, buildings, and equipment to properly grow, process, or dispense medical

cannabis; and whether the applicant is able to implement and maintain security, tracking, recordkeeping, and surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery, transportation, distribution, or the dispensing of medical cannabis as required by the WV Bureau. A permit is nontransferable. The fee for a permit as a grower/processor is $50,000.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care WV LLC	G020003	Falling Waters, WV	10/01/2023	Cultivation
Columbia Care WV LLC	P020004	Falling Waters, WV	11/12/2023	Processor
Columbia Care WV LLC	D540058	Williamstown, WV	01/28/2024	Dispensary
Columbia Care WV LLC	D100059	Huntington, WV	01/28/2024	Dispensary
Columbia Care WV LLC	D310060	Morgantown, WV	01/28/2024	Dispensary
Columbia Care WV LLC	D410061	Beckley, WV	01/28/2024	Dispensary
Columbia Care WV LLC	D200062	St. Albans, WV	01/28/2024	Dispensary

Reporting Requirements

A medical cannabis organization must implement an electronic inventory tracking system which shall be directly accessible to the WV Bureau through its electronic database that electronically tracks all medical cannabis on a daily basis. The system shall include tracking of all of the following: for a grower or processor, a seed-to-sale tracking system that tracks the medical cannabis from seed to plant until the medical cannabis is sold to a dispensary; for a dispensary, medical cannabis from purchase from the grower/processor to sale to a patient or caregiver and that includes information that verifies the validity of an identification card presented by the patient or caregiver; for a medical cannabis organization, a daily log of each day's beginning inventory, acquisitions, amounts purchased and sold, disbursements, disposals and ending inventory.

Inspections

The Office is permitted to conduct announced or unannounced inspections of permittees to determine their compliance with West Virginia law and regulations, and may inspect a permittee's site, records, and other data, and may interview employees, principals, operators, and financial backers of the permittee. The Office will have free access to review and, if necessary, make copies of books, records, papers, documents, data, or other physical or electronic information that relates to the business of the medical cannabis organization, including financial data, sales data, shipping data, pricing data, and employee data. The Office will have free access to any area within a site or facility that is being used to store medical cannabis for testing purposes and are permitted to collect test samples for testing at an approved laboratory.

Security, Transportation, and Storage Requirements

Permittees must have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security systems must incorporate a professionally monitored security alarm system that is operational 24 hours a day, seven days a week, and records all activity in images capable of clearly revealing facial detail; have the ability to clearly and accurately display the date and time; record all images captured by each surveillance camera for a minimum of 180 days in a format that may be easily accessed for investigative purposes; and utilize a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings are stored. Permittees must install commercial-grade, nonresidential doors and door locks on each external door of the facility, with keys or key codes for all doors remaining in the possession of designated authorized individuals. During all nonworking hours, all entrances to and exits from the site and facility must be securely locked. Permittees must install lighting to ensure proper surveillance both inside and outside of the facility. Access to rooms containing security and surveillance monitoring equipment must be limited to persons who are essential to maintaining security and surveillance operations; federal, state and local law enforcement; security and surveillance system service employees; the bureau or its authorized agents; and other persons with the prior written approval of the Office.

A permittee is permitted to transport and deliver medical cannabis to a medical cannabis organization or an approved laboratory. A grower/processor may deliver medical cannabis to a medical cannabis organization or an approved laboratory only between 7:00 a.m. and 9:00 p.m. A grower/processor may contract with a third-party contractor for delivery so long as the contractor complies with the Office's rules and regulations. A grower/processor must use a global positioning system to ensure safe, efficient delivery of the medical cannabis to a medical cannabis organization or an approved laboratory. Vehicles permitted to transport medical cannabis must be equipped with a secure lockbox or locking cargo area, have no markings that would either identify or indicate that the vehicle is being used to transport medical cannabis, be capable of being temperature-controlled for perishable medical cannabis, as appropriate, display current state inspection stickers and maintain a current state vehicle registration, and be insured in an amount that is commercially reasonable and appropriate. Medical cannabis stored inside the transport vehicle may not be visible from the outside of

the transport vehicle. A transport vehicle is subject to inspection by the bureau or its authorized agents, law enforcement, or other federal or state officials if necessary, to perform the government officials' functions and duties.

Available Information

Our website address is http://columbia.care. Through this website, our filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed with or furnished to the SEC. The information provided on our website is not part of this document.

ITEM 1A. RISK FACTORS

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should carefully consider the following risks, together with all of the other information contained in this Annual Report on Form 10-K, including the sections titled "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K. Any of the following risks could have an adverse effect on our business, financial condition, operating results, or prospects and could cause the trading price of shares of our common shares to decline, which would cause you to lose all or part of your investment. Our business, financial condition, operating results, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Risks Related to the Arrangement

There can be no assurance that all of the conditions precedent to closing of the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of Columbia Care's control, including receipt of any necessary regulatory approvals (the "**Key Regulatory Approvals**").

In addition, the completion of the Arrangement by Columbia Care and Cresco is conditional on, among other things, no material adverse effect having occurred or having been disclosed to the public (if previously undisclosed to the public) in respect of the other Party.

There can be no certainty, nor can Columbia Care and Cresco provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived and, accordingly, the Arrangement may not be completed. If the Arrangement is not completed, the market price of the Common Shares may be adversely affected.

The Key Regulatory Approvals may not be obtained or, if obtained, may not be obtained on a favorable basis.

To complete the Arrangement, each of Columbia Care and Cresco must make certain filings with and obtain certain consents and approvals from various governmental and regulatory authorities, including certain state cannabis regulators. The Key Regulatory Approvals have not yet been obtained and in some cases will be dependent on the successful divestiture of certain of Columbia Care's and Cresco's assets (the "**Divestitures**"). The regulatory approval processes and the Divestitures may take a lengthy period of time to complete, which could delay completion of the Arrangement. If obtained, the Key Regulatory Approvals may be conditioned, with the conditions imposed by the applicable governmental entity not being acceptable to either Columbia Care or Cresco, or, if acceptable, not being on terms that are favorable to the resulting combined company (the "**Combined Company**"). There can be no assurance as to the outcome of the regulatory approval processes, including the undertakings and conditions that may be required for approval or whether the Key Regulatory Approvals will be obtained. If not obtained, or if obtained on terms that are not satisfactory to either Columbia Care or Cresco, the Arrangement may not be completed.

Columbia Care and Cresco may not be able to complete the Divestitures, or if completed, may not be completed on a favorable basis.

Obtaining the Key Regulatory Approvals will, in some cases, be dependent on the completion of the Divestitures. There can be no assurance that Columbia Care and Cresco will be able to complete the Divestitures on terms acceptable to Columbia Care and/or Cresco or at all. If all of the Divestitures are not completed and the conditions to the completion of the Arrangement are not waived or satisfied, the Arrangement may not be consummated and any Divestiture that may have otherwise been completed in connection with the Arrangement could have an adverse effect on the businesses of Columbia Care and Cresco.

If the Arrangement is not completed, the market price of the Common Shares may be adversely affected.

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Common Shares may be materially adversely affected. Depending on the reasons for terminating the Arrangement Agreement, Columbia Care's business, financial condition or results of operations could also be subject to various material adverse consequences, including as a result of paying a termination fee of $65 million (the "**Columbia Care Termination Fee**").

There can be no assurance that the Arrangement Agreement will not be terminated by Columbia Care or Cresco in certain circumstances.

Each of Columbia Care and Cresco has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can Columbia Care provide any assurance that the Arrangement will not be terminated by either of Columbia Care or Cresco prior to the completion of the Arrangement. The Arrangement Agreement also contemplates the payment of the Columbia Care Termination Fee if the if the Arrangement Agreement is terminated in certain circumstances. Additionally, any termination will result in the failure to realize the expected benefits of the Arrangement in respect of the operations and business of Columbia Care and Cresco.

The Columbia Care Termination Fee may discourage other parties from attempting to acquire Columbia Care or Cresco.

Under the Arrangement Agreement, in the event the Arrangement Agreement is terminated in connection with entry into a superior proposal, Columbia Care may be required to pay the Termination Fee. The Columbia Care Termination Fee may discourage other parties from attempting to acquire Common Shares or otherwise make any acquisition proposal to Columbia Care, even if those parties would otherwise be willing to offer greater value to Columbia Care shareholders than that offered by Cresco under the Arrangement.

The uncertainty surrounding the Arrangement could negatively impact Columbia Care's or Cresco's current and future operations, financial condition and prospects.

As the Arrangement is dependent upon receipt of, among other things, the Key Regulatory Approvals and satisfaction of certain other conditions, its completion is uncertain. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of Columbia Care's resources to the completion thereof could have a negative impact on its relationships with its stakeholders and could negatively impact current and future operations, financial condition and prospects of Columbia Care. Similarly, there are risks that the announcement of the Arrangement and the dedication of Cresco's resources to the completion thereof could have a negative impact on its relationships with its stakeholders and could negatively impact current and future operations, financial condition and prospects of Cresco, both prior to or following the completion of the Arrangement.

In addition, Columbia Care has, and will continue to, incur significant transaction expenses in connection with the Arrangement, regardless of whether the Arrangement is completed.

Restrictions during the pending Arrangement that prevent Columbia Care from pursuing business opportunities could have an adverse effect on Columbia Care.

Each of Columbia Care and Cresco is subject to customary non-solicitation provisions under the Arrangement Agreement, pursuant to which, the Parties are restricted from soliciting, initiating or knowingly encouraging any acquisition proposal, among other things. The Arrangement Agreement also restricts them from taking specified actions until the Arrangement is completed without the consent of the other Party. These restrictions may prevent Columbia Care or Cresco from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of Columbia Care.

There can be no assurance that the value of the Cresco Labs Subordinate Voting Shares received by Columbia Care shareholders will equal or exceed the value of the Common Shares prior to the Effective Date.

The Exchange Ratio will not increase or decrease due to fluctuations in the market price of the Common Shares or Cresco Labs Subordinate Voting Shares; provided, the Exchange Ratio may potentially be adjusted in the event that Columbia Care is required to issue shares in satisfaction of an earn-out payment for the Green Leaf Medical acquisition, with the potential adjustment in proportion to the additional dilution from such potential issuance relative to Columbia Care's current fully diluted in-the money outstanding shares. The market price of the Common Shares or Cresco Labs Subordinate Voting Shares could each fluctuate significantly prior to the effective date of the Arrangement (the "**Effective Date**") in response to various factors and events, including, without limitation, as a result of the differences between Columbia Care's and Cresco's actual financial or operating results and those expected by

investors and analysts, changes in analysts' projections or recommendations, changes in general economic or market conditions, and broad market fluctuations. As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Cresco Labs Subordinate Voting Shares that holders of Common Shares will receive on the Effective Date. There can be no assurance that the market value of the Cresco Labs Subordinate Voting Shares that the holders of Common Shares will receive on the Effective Date will equal or exceed the market value of the Common Shares held by such Columbia Care shareholders prior to the Effective Date. Similarly, there can be no assurance that the trading price of Cresco Labs Subordinate Voting Shares will not decline following the completion of the Arrangement.

The foregoing risks or other risks arising in connection with the failure of the Arrangement, including the diversion of management's attention from conducting the business of Columbia Care, may negatively impact Columbia Care's business operations, financial results and share price.

Potential payments to Columbia Care shareholders who exercise dissent rights could have an adverse effect on the Combined Company's financial condition or prevent the completion of the Arrangement.

Registered Columbia Care shareholders as at May 10, 2022 have the right to exercise dissent rights and demand payment equal to the fair value of their Common Shares. If dissent rights are exercised in respect of a significant number of Common Shares, a substantial payment may be required to be made to such Columbia Care shareholders, which could have an adverse effect on the Combined Company's financial condition and cash resources. Further, Cresco's obligation to complete the Arrangement is conditional upon Columbia Care shareholders holding no more than 5% of the outstanding Common Shares having exercised dissent rights. Accordingly, the Arrangement may not be completed if Columbia Care shareholders exercise dissent rights in respect of more than 5% of the outstanding Columbia Care Shares.

Another attractive take-over, merger or business combination may not be available if the Arrangement is not completed.

If the Arrangement is not completed and is terminated, there can be no assurance that Columbia Care will be able to find a party willing to pay equivalent or more attractive consideration than the consideration to be provided by Cresco under the Arrangement or be willing to proceed at all with a similar transaction or any alternative transaction.

Columbia Care will incur costs even if the Arrangement is not completed and may have to pay the Columbia Care Termination Fee.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Columbia Care even if the Arrangement is not completed. There is no assurance that Columbia Care will have the funds to pay these costs which would adversely affect the share price of the Common Shares. If the Arrangement Agreement is terminated, Columbia Care may be required in certain circumstances to pay Cresco the Columbia Care Termination Fee.

Following completion of the Arrangement, former Columbia Care shareholders will not have the ability to significantly influence certain corporate actions of Cresco.

Immediately following the completion of the Arrangement, former Columbia Care shareholders are expected to own approximately 35% of the pro forma Cresco Labs Subordinate Voting Shares (on a fully diluted in-the-money, treasury method basis), based on the number of Columbia Care Shares outstanding upon completion of the Arrangement and assuming that (i) there are no dissenting Columbia Care shareholders, (ii) there are no Columbia Care Options exercised prior to the Effective Time, (iii) there are no Columbia Care Convertible Notes converted prior to the Effective Time, and (iv) there are no Columbia Care Warrants exercised prior to the Effective Time. Former Columbia Care shareholders (other than any dissenting Columbia Care shareholders) will not be in a position to exercise significant influence over all matters requiring shareholder approval, including the election of directors, determination of significant corporate actions, amendments to Cresco's articles of incorporation and the approval of any business combinations, mergers or takeover attempts.

We may experience difficulties integrating Columbia Care and Cresco's operations and realizing the expected benefits of the Arrangement.

The success of the Arrangement will depend in part on our ability to realize the expected operational efficiencies and associated cost synergies and anticipated business opportunities and growth prospects from combining Columbia Care and Cresco in an efficient and effective manner. We may not be able to fully realize the operational efficiencies and associated cost synergies or leverage the potential business opportunities and growth prospects to the extent anticipated or at all.

Challenges associated with the integration may include those related to retaining and motivating executives and other key employees, blending corporate cultures, eliminating duplicative operations, and making necessary modifications to internal control over financial reporting and other policies and procedures in accordance with applicable laws. Some of these factors are outside our control, and any of them could delay or increase the cost of our integration efforts.

The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of ongoing business, increased tax costs, inefficiencies, and inconsistencies in standards, controls, information technology systems, policies and procedures, any of which could adversely affect our ability to maintain relationships with employees, customers or other third parties, or our ability to achieve the anticipated benefits of the transaction, and could harm our financial performance. If we are unable to successfully integrate certain aspects of the operations of Columbia Care and Cresco or experience delays, we may incur unanticipated liabilities and expenses, and be unable to fully realize the potential benefit of the revenue growth, synergies and other anticipated benefits resulting from the Arrangement, and our business, results of operations and financial condition could be adversely affected.

We incurred, and may continue to incur, significant Arrangement-related costs and integration costs in connection with the Arrangement with Cresco.

We incurred, and may continue to incur, significant Arrangement-related costs and integration costs in connection with the Arrangement with Cresco. We may incur additional costs to maintain employee morale and to retain key employees. Unanticipated costs may be incurred in the course of integration, and management cannot ensure that the elimination of duplicative costs or the realization of other efficiencies will offset the transaction and integration costs in the near term or at all.

The pending Arrangement may divert the attention of Columbia Care's management.

The pending Arrangement could cause the attention of Columbia Care's management to be diverted from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of Columbia Care regardless of whether the Arrangement is ultimately completed.

Cresco may issue additional equity securities.

Following, or prior to, the completion of the Arrangement, Cresco may issue equity securities to finance its activities, including in order to finance acquisitions. If Cresco were to issue additional equity securities, the ownership interest of existing Cresco shareholders may be diluted and some or all of Cresco financial measures on a per share basis could be reduced. Moreover, as Cresco's intention to issue additional equity securities becomes publicly known, its share price may be materially adversely affected.

Tax consequences of the Arrangement may differ from anticipated treatment, including if the Arrangement does not qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code ("Section 368(a)"), U.S. Holders may be required to pay substantial U.S. federal income taxes.

There can be no assurance that the Canada Revenue Agency, the IRS or other applicable taxing authorities will agree with the Canadian and U.S. federal income tax consequences of the Arrangement, as applicable. Furthermore, there can be no assurance that applicable Canadian and U.S. income tax laws, regulations or tax treaties or conventions will not change (legislatively, judicially or otherwise and potentially with retroactive effect) or be interpreted in a manner, or that applicable taxing authorities will not take an administrative position, that is adverse to Columbia Care, Cresco and their respective shareholders (in each case, including any successor thereto) following completion of the Arrangement. Taxation authorities may also disagree with how Columbia Care and Cresco following the Arrangement calculate or have in the past calculated their income or other amounts for tax purposes. Any such events could adversely affect Cresco following the Arrangement, its share price or the dividends that may be paid to Cresco's shareholders following completion of the Arrangement.

The Arrangement is intended to qualify as a "reorganization" within the meaning of Section 368(a), and Columbia Care and Cresco intend to report the Arrangement consistent with such qualification. If the IRS or a court determines that the Arrangement should not be treated as a "reorganization" within the meaning of Section 368(a), a U.S. holder of Columbia Care Shares would generally recognize taxable gain or loss upon the exchange of Columbia Care Shares for Cresco Labs Subordinate Voting Shares pursuant to the Arrangement.

Columbia Care's convertible notes, first-lien notes and warrants may cease to be qualified investments for Registered Plans.

As a result of the Arrangement, Columbia Care's convertible notes, first-lien notes and warrants may cease to be qualified investments under the Income Tax Act (Canada) and the regulations promulgated thereunder (the "**Tax Act**") for trusts governed by a RRSP, RRIF, RESP, RDSP, TFSA or deferred profit sharing plan (each, a "**Registered Plan**") and adverse tax consequences may arise as a

result. The tax considerations applicable to holders of Columbia Care Notes or Columbia Care Warrants are not described herein. Any holder of Columbia Care Notes or Columbia Care Warrants to which this may apply should consult with and rely upon their own tax advisors to discuss the tax consequences to them of the Arrangement.

Risks Related to Our Business

Marijuana remains illegal under federal law, and enforcement of cannabis laws could change.

Columbia Care both directly and indirectly engages in the cannabis industry in the United States where local and state laws permit such activities. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To Columbia Care's knowledge, as of December 31, 2022, 37 states, the District of Columbia, Guam, Puerto Rico, the Northern Mariana Islands and the U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, the Northern Mariana Islands, Guam and 21 of these states, marijuana has been legalized for adult use, although not all of those jurisdictions have fully implemented their legalization programs. These include the states and territories in which Columbia Care operates. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a Schedule 1 controlled substance under the CSA and as such, cultivation, distribution, sale and possession of cannabis violates federal law in the United States. The inconsistency between federal and state laws and regulations is a major risk factor.

Federal prosecutors are free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors under the previous U.S. presidential administration as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities It is not yet known whether the Department of Justice under President Biden and Attorney General Garland will re- adopt the Cole Memo or announce a substantive marijuana enforcement policy. Attorney General Garland stated at a confirmation hearing before the United States Senate that "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use."[1] Garland reiterated this view at a Senate Appropriations subcommittee hearing on April 26, 2022. When asked by Senator Brian Schatz whether he intended to reissue guidance encouraging federal prosecutors to use discretion in marijuana cases in states that have legalized. "I laid this out in my confirmation hearing, and my view hasn't really changed since then," Garland replied. "The Justice Department has almost never prosecuted use of marijuana, and it's not going to be."[2] Marijuana prosecutions are "not an efficient use of the resources given the opioid and methamphetamine epidemic that we have," he said. However, Garland declined to comment on whether the Department of Justice intended to formally re-adopt the Cole Memo. Recently, in testimony in February of 2023 before the Senate Judiciary Committee, Attorney General Garland said the DOJ is "still working on a marijuana policy" and that policy – when issued – "will be very close to what was done in the Cole Memorandum." Nevertheless, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Federal law is separate from state law in these circumstances; therefore, the federal government can assert criminal violations of federal law despite state law. If the current administration was to aggressively pursue financiers or equity owners of cannabis-related businesses, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then Columbia Care could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis.

The Department of Justice under the current administration or an aggressive federal prosecutor could allege that Columbia Care and the Board and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to its operating subsidiaries. Under these circumstances, it is possible that the federal prosecutor would seek to seize the assets of Columbia Care, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing financing or services. In these circumstances, Columbia Care's operations would cease, Columbia Care securityholders may lose their entire investment and directors, officers and/or Columbia Care Shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison. Violations of any federal laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on Columbia Care, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on the Exchanges or other applicable exchanges, its financial position, operating results, profitability or liquidity or the market price of its listed securities.

Overall, an investor's contribution to and involvement in Columbia Care's activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

There is no guarantee that the Rohrabacher-Farr Amendment will be renewed.

The Rohrabacher-Farr Amendment has been adopted by U.S. Congress in successive budgets since 2015. The Rohrabacher-Farr Amendment prohibits the Department of Justice from spending funds appropriated by Congress to enforce the tenets of the CSA against the medical cannabis industry in states which have legalized such activity. This amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. The Rohrabacher-Farr Amendment was renewed most recently through September 23, 2023. Notably, Rohrabacher-Farr has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities. There is no guarantee that the Rohrabacher-Farr Amendment will be included in future legislation.

There is a risk of civil asset forfeiture of the Company's assets.

Since the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

The Company is subject to anti-money laundering laws and regulations.

Columbia Care is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Sections 1956 and 1957 of U.S.C. Title 18 (the Money Laundering Control Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. Banks often refuse to provide banking services to businesses involved in the U.S. cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses in the medical cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services.

In February 2014, FinCEN, a division of the U.S. Department of Treasury, issued the FinCEN Guidance, providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Guidance states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. While the FinCEN Guidance has not been rescinded by the Department of Justice at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the Department of Justice continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act that occur in any state, including in states that have legalized the applicable conduct, and the Department of Justice's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the United States Attorney General. A change in the Department of Justice's enforcement priorities could result in the Department of Justice prosecuting banks and financial institutions for crimes that previously were not prosecuted.

In the event that any of Columbia Care's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Columbia Care to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while there are no current intentions to declare or pay dividends on the Common Shares in the foreseeable future, in the event that a determination was made that Columbia Care's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, Columbia Care may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with cannabis operations in the United States.

Since cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has warned travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. In addition, business or financial involvement in the legal cannabis industry in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances has not changed and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal cannabis industry in U.S. states where it is deemed legal may affect admissibility to the U.S. As a result, U.S. Customs and Border Protection has affirmed that, a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada, coming to the U.S. for reasons unrelated to the cannabis industry, will generally be admissible to the U.S.; however, if a traveler is found to be coming to the U.S. for reasons related to the cannabis industry, they may be deemed inadmissible.

The Company may lack access to U.S. bankruptcy protections.

Since the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If Columbia Care were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to Columbia Care's United States subsidiaries and operations, which could have a material adverse effect on the financial condition and prospects of Columbia Care and on the rights of lenders to and securityholders of Columbia Care.

The Company may face heightened scrutiny by regulatory authorities.

For the reasons set forth above, Columbia Care's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the U.S. As a result, Columbia Care may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on Columbia Care's ability to operate or invest in the United States or any other jurisdiction, in addition to those restrictions described herein. It had been reported in Canada that the Canadian Depository for Securities Limited was considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have activities in the United States. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with the NEO Exchange, the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers.

As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Common Shares or other securities of Columbia Care are listed on a stock exchange, it would have a material adverse effect on the ability of holders of Common Shares or such other securities to make and settle trades. In particular, the Common Shares or such other securities would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares or such other securities through the facilities of the applicable stock exchange.

Residents of the United States may be unable to settle trades of Columbia Care securities.

Given the heightened risk profile associated with cannabis in the United States, capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the United States cannabis industry which may prohibit or significantly impair the ability of securityholders in the United States to trade the securities of Columbia Care.

In the event residents of the United States are unable to settle trades of Columbia Care securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

The cannabis industry may experience legal, regulatory or political change.

The success of the business strategy of Columbia Care depends on the legality of the cannabis industry. The political environment surrounding the cannabis industry in general can be volatile and the regulatory framework remains in flux. To Columbia Care's knowledge, there are to date a total of 46 states, and the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands and Guam that have legalized cannabis in some form; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting Columbia Care's business, results of operations, financial condition or prospects. Delays in enactment of new state or federal regulations could restrict the ability of Columbia Care to reach strategic growth targets and lower return on investor capital. The strategic growth strategy of Columbia Care is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical cannabis. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of Columbia Care, and thus, the effect on the return of investor capital, could be detrimental. Columbia Care is unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect its business and growth.

Further, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, Columbia Care's business, results of operations, financial condition and prospects would be materially adversely affected. It is also important to note that local and city ordinances may strictly limit and/or restrict the sale of cannabis in a manner that will make it extremely difficult or impossible to transact business that is necessary for the continued operation of the cannabis industry. Federal actions against individuals or entities engaged in the cannabis industry or a repeal of applicable cannabis related legislation could adversely affect Columbia Care and its business, results of operations, financial condition and prospects.

States where medical and/or adult use cannabis is legal, currently have or are considering special taxes or fees on businesses in the cannabis industry The implementation of additional taxes and/or fees could have a material adverse effect upon Columbia Care's business, results of operations, financial condition or prospects.

Overall, the cannabis industry is subject to significant regulatory change at the local, state and federal levels. The inability of Columbia Care to respond to the changing regulatory landscape may cause it to be unsuccessful in capturing significant market share and could otherwise harm its business, results of operations, financial condition or prospects.

Columbia Care may have difficulty accessing the services of banks, which may make it difficult to operate its business.

Financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under the federal money laundering statutes, unlicensed money transmitter statute and the Bank Secrecy Act. Previous guidance issued by the FinCEN clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the Bank Secrecy Act. Prior to the DOJ's announcement in January 2018 of the rescission of the Cole Memo and related memoranda, supplemental guidance from the DOJ directed federal prosecutors to consider the federal enforcement priorities enumerated in the Cole Memo when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. It is unclear if the rescission of the Cole Memo will have an impact, but federal prosecutors may increase enforcement activities against institutions or individuals that are conducting financial transactions related to cannabis activities. The increased uncertainty surrounding financial transactions related to cannabis activities may also result in financial institutions discontinuing services to the cannabis industry.

Consequently, those businesses involved in the regulated cannabis industry continue to encounter difficulty establishing banking relationships, which may increase over time. Columbia Care's inability to maintain its current bank accounts would make it difficult for Columbia Care to operate its business, increase its operating costs, and pose additional operational, logistical and security challenges and could result in its inability to implement its business plan.

Columbia Care may have difficulty accessing public and private capital.

Columbia Care has historically and will continue to have access to equity financing from the public capital markets by virtue of its status as a reporting issuer in each of the provinces and territories of Canada (other than Quebec).

Columbia Care has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the U.S. Columbia Care also has relationships with sources of private capital (such as funds and high net worth individuals) that could provide financing at a higher cost of capital.

While Columbia Care is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. Since the use of cannabis is illegal under U.S. federal law, and in light of concerns in the banking industry regarding money laundering and other federal financial crime related to cannabis, U.S. banks have been reluctant to accept deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Likewise, cannabis businesses have limited access, if any, to credit card processing services. As a result, cannabis businesses in the U.S. are to a significant degree cash based. This complicates the implementation of financial controls and increases security issues.

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high-net-worth individuals and family offices that have made meaningful investments in companies and businesses similar to Columbia Care. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to Columbia Care when needed or on terms which are acceptable to Columbia Care. Columbia Care's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

The Company may face unfavorable publicity or consumer perception.

Columbia Care believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of Columbia Care's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity. Columbia Care's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Columbia Care, the demand for products, and the business, results of operations, financial condition and cash flows of Columbia Care. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or Columbia Care's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

The results of future clinical research may have a material adverse effect on the Company.

Research regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Future research studies and clinical trials may reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for Columbia Care's products with the potential to lead to a material adverse effect on Columbia Care's business, financial condition and results of operations.

Expansion into the adult-use cannabis market may subject the Company to additional regulation.

Columbia Care has obtained and may continue in the future to pursue licenses to permit the sale of adult-use cannabis where local state law permits such activities. Any change in Columbia Care's strategy would involve the adoption of new local state regulations which are evolving rapidly. Sometimes new risks emerge and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Failure to comply with the requirements of local state law or any failure to maintain its licenses would have a material adverse impact on Columbia Care's business, financial condition and operating results. In addition, with each new market that Columbia Care enters, it will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions imposed on its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Columbia Care's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on its business, results of operations and financial condition. Additionally, adult use cannabis businesses are not protected by the Rohrabacher-Farr Amendment, meaning the risk of federal prosecution are higher for adult use businesses.

The Company's business is subject to a variety of laws, regulations and guidelines.

Columbia Care's business is subject to a variety of laws, regulations and guidelines relating to the cultivation, manufacture, management, transportation, processing, storage and disposal of cannabis, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of Columbia Care's business objectives are contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals. Changes to such laws, regulations and guidelines due to matters beyond the control of Columbia Care may cause material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

Columbia Care is required to obtain or renew government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time- consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on Columbia Care's part. The duration and success of Columbia Care's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. Columbia Care may not be able to obtain, amend or renew permits or licenses that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of Columbia Care. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, Columbia Care may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

While Columbia Care's compliance controls have been developed to mitigate the risk of any material violations of any license or certificate it holds arising, there is no assurance that Columbia Care's licenses or certificates will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses or certificates held by Columbia Care could impede the ongoing or planned operations of Columbia Care and have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company may face penalties for regulatory violations

Columbia Care's business and activities are heavily regulated in all jurisdictions where it conducts business. Our operations are subject to various laws, regulations and guidance by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis and cannabis, as well as other federal, state, and local laws, regulations and guidance. While Columbia Care follows the law in all jurisdictions where it conducts business and pays full attention to continuing compliance, any failure to comply with the statutory, regulatory, or other requirements of Columbia Care's operations may lead to possible sanctions including the revocation of licenses, suspension of licenses, or imposition of additional conditions on licenses or the imposition of fines or other penalties. Maintaining compliance with complex and often-changing regulations increases the risk that even a materially compliant business can be found in violation of one or more laws, rules or regulations while remaining materially or substantially compliant with applicable state cannabis laws. For these reasons, Columbia Care could face penalties for regulatory violations that could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company may face risks related to FDA and FTC enforcement.

The manufacture, labeling and distribution of Columbia Care's CBD products is regulated by various federal, state and local agencies including, without limitation, the FDA, the FTC and analogous state agencies. The FDA has taken the position that CBD cannot be added to food or marketed in, or as, a dietary supplement because it is an active ingredient in an FDA–approved drug and was the subject of substantial clinical investigations before it was marketed as a food or dietary supplement, a restriction generally referred to as the "IND Preclusion". If the FDA were to begin strict enforcement actions against manufacturers of products containing hemp-derived CBD, whether based on the IND Preclusion or other provisions of the FD&C Act, this would adversely impact Columbia Care's business and financial condition. Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions.

Our advertising activities are also subject to regulation by the FTC under the Federal Trade Commission Act. In recent years, the FTC has initiated numerous investigations of CBD products and companies based on allegedly deceptive or misleading claims. Notably, on December 17, 2020, the FTC announced its first law enforcement crackdown on deceptive claims in the growing market for CBD products. The FTC took action against six sellers of CBD products for allegedly making a wide range of scientifically unsupported claims about their ability to treat serious health conditions. Among other things, each of these CBD-selling companies, and the individuals behind them, were required to stop making such unsupported health claims immediately, and several will pay monetary judgments to the agency. While this enforcement action and the warning letters issued by the FDA and FTC have been aimed at companies making unapproved health claims about CBD products, the enforcement strategies of the FDA and FTC can change at any

time. Additionally, some states also permit advertising and labeling laws to be enforced by state attorney generals, who may seek relief for consumers, seek class-action certifications, seek class-wide damages and product recalls of Columbia Care's CBD products. Any actions against us by any governmental authorities or private litigants could have an adverse effect on our business, financial condition and results of operations.

Columbia Care may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm Columbia Care's reputation, require Columbia Care to take, or refrain from taking, actions that could harm its operations or require Columbia Care to pay substantial amounts of funds, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on Columbia Care's business, financial condition, results of operations or prospects.

Cannabis businesses are subject to unfavorable tax treatment as a result of Section 280E.

Section 280E of the Internal Revenue Code generally prohibits businesses from deducting or claiming tax credits with respect to expenses paid or incurred in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by U.S. federal law or the law of any state in which such trade or business is conducted. Section 280E currently applies to businesses operating in the cannabis industry, irrespective of whether such businesses that are licensed and operating in accordance with applicable state laws. The application of Section 280E generally causes such businesses to pay higher effective tax rates than most industries. As a result of Section 280E, the Company's effective tax rate can be highly variable and depends on how large its ratio of non-deductible expenses is to its total revenues. The application of Section 280E to Columbia Care may adversely affect Columbia Care's profitability and, in fact, may cause Columbia Care to operate at a loss. There have been efforts at reforming federal cannabis law, however, none removing the impact or scope of Section 280E have passed into law and Section 280E will continue to apply to Columbia Care indefinitely. While recent legislative proposals, if enacted into law, could eliminate or diminish the application of Section 280E to cannabis businesses, the enactment of any such law is uncertain. Accordingly, Section 280E may to apply to Columbia Care indefinitely.

The Company's service providers may suspend or withdraw their services.

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of cannabis or otherwise, third party service providers to Columbia Care could suspend or withdraw their services, which may have a material adverse effect on Columbia Care's business, revenues, operating results, financial condition or prospects.

The Company may be unable to enforce its contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Since cannabis remains illegal in the United States at a federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that Columbia Care will be able to legally enforce contracts it enters into if necessary. Columbia Care cannot be assured that it will have a remedy for breach of contract, which would have a material adverse effect on Columbia Care's business, revenues, operating results, financial condition and prospects.

Ability to grow Columbia Care's business depends on state laws pertaining to the cannabis industry.

Continued development of the cannabis industry depends upon continued legislative authorization of cannabis at the state level. The status quo of, or progress in, the regulated cannabis industry is not assured and any number of factors could slow or halt further progress in this area. While there may be ample public support for legislative action permitting the manufacture and use of cannabis, numerous factors impact the legislative process. For example, many states that voted to legalize medical and/or adult-use cannabis have seen significant delays in the drafting and implementation of industry regulations and issuance of licenses. In addition, burdensome regulation at the state level could slow or stop further development of the medical cannabis industry, such as limiting the medical conditions for which medical cannabis can be recommended by physicians for treatment, restricting the form in which cannabis can be consumed, imposing significant registration requirements on physicians and patients or imposing significant taxes on the growth, processing and/or retail sales of cannabis, which could have the impact of dampening growth of the cannabis industry and making it difficult for cannabis businesses to operate profitably in those states. Any one of these factors could slow or halt additional legislative authorization of cannabis, which could harm Columbia Care's business, revenues, operating results, financial condition and prospects.

Reliable data on the cannabis industry is not available.

As a result of recent and ongoing regulatory and policy changes in the medical cannabis industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, market research and projections by Columbia Care of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data.

Conversions and potential future sales of shares could adversely affect prevailing market prices for the common shares.

Subject to the restrictions set forth in the articles of Columbia Care (the "**Articles**"), Common Shares may at any time, at the option of the holder, be converted into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share. Subject to the restrictions set forth in Columbia Care's Articles, each issued and outstanding Proportionate Voting Share may at any time, at the option of the holder, be converted into 100 Common Shares.

Further, Columbia Care cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of the Common Shares. Sales of substantial amounts of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. The market price of the Common Shares could be adversely affected upon the expiration of lock up periods applicable to certain Columbia Care shareholders.

Additional issuances of Common Shares, Proportionate Voting Shares, and Preferred Shares may result in dilution.

The Company may issue additional equity or convertible debt securities in the future, which may dilute existing shareholder's holdings. The Articles permit the issuance of an unlimited number of Common Shares, Proportionate Voting Shares, and Preferred Shares (as defined herein), and existing shareholders will have no pre-emptive rights in connection with such further issuances. The Board has discretion to determine the price and the terms of further issuances, and such terms could include rights, preferences and privileges superior to those existing holders of Subordinated Voting Shares.

The Company cannot predict the size or nature of future issuances or the effect that future issuances and sales of Common Shares, Proportionate Voting Shares, and Preferred Shares will have on the market price of the Common Shares registered hereunder. Issuances of a substantial number of additional Common Shares, Proportionate Voting Shares, and Preferred Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, Proportionate Voting Shares, and Preferred Shares, investors will suffer dilution to their voting power and economic interest in the Company.

The Company's Articles provides that the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom are the sole and exclusive forum for any derivative action brought on behalf of the Company, which may limit our investors' flexibility in selecting a forum for any future disputes.

The Company's Articles provides that the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom are the sole and exclusive forum for any derivative action brought on behalf of the company. The choice of forum provision may limit an investor's ability to bring a derivative claim in a judicial forum of its choosing.

The Company may grow low quality cannabis.

Columbia Care currently operates in an early-stage market which has a small representation of medical or adult-use cannabis consumers. Should Columbia Care be unable to grow a quality product demanded by the consumers, this could have a material impact on Columbia Care's revenues and average price per gram.

The Company faces risks inherent in the agricultural business.

Columbia Care's business involves the growing of cannabis, which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, including but not limited to, pests, plant diseases, crop failure and similar agricultural risks. Although Columbia Care grows some of its products indoors under climate-controlled conditions and carefully monitors the growing conditions of its products with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of its products and consequently on Columbia Care's sales, profitability and financial condition.

Climate change could exacerbate certain of the risks inherent in Columbia Care's agricultural operations.

Climate change could result in increasing frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages and changing temperatures, and of which can damage or destroy crops, resulting in Columbia Care having no or limited cannabis flower to process. If Columbia Care is unable to harvest cannabis flower through its proprietary operations, its ability to meet customer demand, generate sales, and maintain operations will be impacted. Furthermore, severe weather-related events may result in substantial costs to Columbia Care, including costs to respond during the event, to recover from the event, and to possibly modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt Columbia Care's operations by impacting the availability and costs of materials needed for production and could increase insurance and other operating costs.

Columbia Care may be directly or indirectly exposed to climate change risk from natural disasters, changes in weather patterns and severe weather, which may result in physical damage to Columbia Care's cultivation and processing facilities. Such damage may result in disrupted operations, and it may be difficult for Columbia Care to continue its business for a substantial period of time, which could materially adversely impact Columbia Care's business, financial condition or operating results and could cause the market value of its Common Shares to decline. In addition, climate change has continued to attract the focus of governments, the scientific community and the general public as an important threat, given the emission of greenhouse gases and other activities continue to negatively impact the planet. Columbia Care faces the risk that its operations will be subject to government initiatives aimed at countering climate change, which could impose constraints on its operational flexibility.

The Company may face risks related to its third-party product manufacturers.

All of Columbia Care's hemp-derived CBD products are produced, packaged, and labeled by third-party vendors. The Company relies on its third-party vendors to obtain and maintain certain permits, licenses or other approvals from regulatory agencies in the jurisdictions in which they operate, including, in the case of certain jurisdictions, the ability to demonstrate compliance with current good manufacturing practice standards. Failure of a third-party vendor to maintain the requisite permits, licenses or other approvals, or otherwise conform to the strict regulatory requirements of any applicable regulatory authority may result in delays, interruptions in supply, product recalls or withdrawals, and could expose the Company to potential product liability claims, damage our reputation and the reputation of our brands or otherwise harm our business.

The Company is exposed to product liability claims.

As a distributor of products designed to be ingested by humans, Columbia Care faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of Columbia Care's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of Columbia Care's products alone or in combination with other medications or substances could occur. Columbia Care may be subject to various product liability claims, for which insurance coverage may not be available, including, among others, that Columbia Care's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Columbia Care could result in increased costs, could adversely affect Columbia Care's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Columbia Care.

The Company's products may be subject to product recalls.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of Columbia Care's products are recalled due to an alleged product defect or for any other reason, Columbia Care could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Columbia Care may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all.

Significant failure or deterioration of Columbia Care's quality control systems could have a material adverse effect on the Company.

The quality and safety of Columbia Care's products are critical to the success of its business and operations. As such, it is imperative that Columbia Care's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although Columbia Care strives to ensure that it and any of its service providers have implemented and adhere to high caliber quality

control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company is subject to environmental risk and regulation.

Columbia Care's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Columbia Care's operations.

Government approvals and permits are currently, and may in the future, be required in connection with Columbia Care's operations. To the extent such approvals are required and not obtained, Columbia Care may be curtailed or prohibited from its current or proposed production, manufacturing or sale of cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Columbia Care may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production or manufacturing of cannabis, or more stringent implementation thereof, could have a material adverse impact on Columbia Care and cause increases in expenses, capital expenditures or production or manufacturing costs or reduction in levels of production or manufacturing or require abandonment or delays in development.

The Company has limited operating history.

As a high growth enterprise, Columbia Care has a limited history of profitability. Columbia Care is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of earnings. There is no assurance that Columbia Care will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The Company had negative cash flow from operations during the fiscal year ended December 31, 2022.

During the fiscal year ended December 31, 2022, Columbia Care sustained net losses from operations and had negative cash flow from operating activities. Columbia Care's cash as at December 31, 2022 was approximately $48.1 million. Although Columbia Care anticipates it will eventually have positive cash flow from operating activities, to the extent that Columbia Care has negative cash flow in any future period, certain of the proceeds from any offering of securities of Columbia Care may be used to fund such negative cash flow from operating activities.

The Company faces intense competition from other companies.

There is potential that Columbia Care will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than Columbia Care. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of Columbia Care. As a result of the early stage of the industry in which Columbia Care operates, Columbia Care expects to face additional competition from new entrants. To become and remain competitive, Columbia Care will require research and development, marketing, sales and support. Columbia Care may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of Columbia Care.

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and

become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

New well-capitalized entrants into the medical cannabis industry may develop large-scale operations.

Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities; however, the risk exists that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger or a larger number of dispensaries and cultivation and production facilities, which such trend is now being observed by Columbia Care. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the cannabis industry. While the approach in most state laws and regulations seemingly deters this type of takeover, this industry remains nascent and as indicated above, the future landscape remains largely unknown, especially as relates to the potential for interstate commerce in the cannabis industry in the United States, which might potentially be more advantageous to large conglomerates and companies as compared to Columbia Care.

The Company is vulnerable to rising energy costs.

Cannabis growing operations consume considerable energy, making Columbia Care potentially vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business, results of operations, financial condition or prospects of Columbia Care.

The Company is reliant is on key inputs.

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of Columbia Care. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Columbia Care might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Columbia Care in the future. Any inability to secure a replacement for such source in a timely manner or at all could have a material adverse effect on the business, financial condition, results of operations or prospects of Columbia Care.

The Company is reliant on suppliers and skilled labor.

The ability of Columbia Care to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that Columbia Care will be successful in maintaining its required supply of skilled labor, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by Columbia Care's capital expenditure plans may be significantly greater than anticipated by Columbia Care's management and may be greater than the funds available to Columbia Care, in which circumstance Columbia Care may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of Columbia Care.

The Company's sales are difficult to forecast.

Columbia Care must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of Columbia Care.

The Company faces intellectual property risks.

Columbia Care may have certain proprietary intellectual property, including but not limited to patents and proprietary processes, and plans for trademarks that are not yet public. Columbia Care will rely on this intellectual property, know- how and other proprietary information, and require employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and Columbia Care may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to Columbia Care's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on Columbia Care's business, results of operations, financial condition or prospects.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to Columbia Care. As a result, Columbia Care's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, Columbia Care can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, provincial, state or local level. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally-registered marks.

The Company may not be able to protect its patents.

If some or all of Columbia Care's patents expire or are invalidated or are found to be unenforceable, or if some or all of its patent applications do not contain patentable subject matter because the claims are determined to lack utility, novelty, or non-obviousness, or do not result in issued patents or result in patents with narrow, overbroad, or unenforceable claims, or claims that are not supported in regard to written description or enablement by the specification, Columbia Care may be subject to competition from third parties with products in the same class as its own products or devices, including in those jurisdictions in which Columbia Care has no patent protection.

Even if Columbia Care's products, devices, and/or the processes, or methods for treating patients for prescribed indications using these products and/or devices are covered by valid and enforceable patents and have claims with sufficient scope, disclosure and support in the specification, the patents will provide protection only for a limited amount of time. Columbia Care's ability to obtain patents can be highly uncertain and involve complex and in some cases unsettled legal issues and factual questions. Furthermore, different countries have different procedures for obtaining patents, and patents issued in different countries provide different degrees of protection against the use of a patented invention by others. Therefore, the scope and enforceability of Columbia Care's patents may differ across those countries in which Columbia Care is seeking patent protection, and Columbia Care's ability to protect its intellectual property in some countries may be limited accordingly. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may materially diminish the value of our intellectual property or narrow the scope of our patent protection.

Columbia Care may be subject to competition from third parties with products or devices in the same class as its products or devices in those jurisdictions in which it has no patent protection. Even if patents are issued to Columbia Care regarding its products, devices, and/or methods of using them, those patents can be challenged by its competitors who can argue such patents are invalid or unenforceable, lack utility, lack sufficient written description or enablement, or should be limited or narrowly construed. Patents also will not protect Columbia Care's product candidates if competitors devise ways of making or using these product candidates without legally infringing Columbia Care's patents.

Columbia Care also relies on trade secrets to protect its technology, especially where it does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Columbia Care's employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose its confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third party illegally obtained and is using Columbia Care's trade secrets is expensive and time-consuming, and the outcome is unpredictable. Moreover, Columbia Care's competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect Columbia Care's competitive business position.

The Company may not be able to protect its trademarks.

Apart from the federal illegality issues discussed above, Columbia Care's trademark applications may encounter other obstacles, including refusals or oppositions based on third party rights or issues such as the "mere descriptiveness" of a proposed trademark. In that event, Columbia Care has opportunities to respond, but may not be able to overcome the refusals or challenges. Once a trademark is registered, third parties can also bring cancellation proceedings, which may be successful in cancelling Columbia Care's registrations. Unregistered trademarks can be more challenging to protect and enforce, and an adverse decision with respect to registration, based on third party rights, can increase the risk of an infringement action.

The Company may infringe on intellectual property rights of third parties.

There is a risk that Columbia Care is infringing the proprietary rights of third parties because numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields that are the focus of Columbia Care's development and manufacturing efforts. Others might have been the first to make the inventions covered by one or more of its pending patent applications and/or might have been the first to file patent applications for these inventions. Furthermore, because of

historical policies and laws disfavoring the patenting and publication of cannabis-related technologies, prior art relevant to Columbia Care's or its competitors' patents and patent applications may not be readily identified during normal patent examination processes, resulting in the issuance of claims that might not have issued in a better documented field. In addition, because patent applications take many months to publish and patent applications can take many years to issue, there may be currently pending applications, unknown to Columbia Care, which may later result in issued patents that cover the production, manufacture, synthesis, commercialization, formulation or use of Columbia Care's products. In addition, the production, manufacture, synthesis, commercialization, formulation or use of Columbia Care's products may infringe existing patents of which Columbia Care is not aware. Similarly, a third party could take the position that Columbia Care is infringing its trademark rights, based on other registered or unregistered trademarks. Even if Columbia Care ultimately defeats a third party's claims, defending itself against third-party claims, including litigation in particular, would be costly and time consuming and would divert management's attention from its business, which could lead to delays in Columbia Care's development or commercialization efforts. If third parties are successful in their claims, Columbia Care may have to pay substantial damages, including the potential for treble damages if willful infringement is found, or take other actions that are adverse to Columbia Care's business.

The Company faces competition from synthetic production and technological advances.

The pharmaceutical industry may attempt to dominate the cannabis industry through the development and distribution of synthetic products which emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could adversely affect the ability of Columbia Care to secure long-term profitability and success through the sustainable and profitable operation of its business.

The Company may face constraints on marketing products.

The development of Columbia Care's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits companies' abilities to compete for market share in a manner similar to other industries. If Columbia Care is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, Columbia Care's sales and results of operations could be adversely affected.

The Company may be exposed to risk of fraudulent or illegal activity by employees, contractors and consultants.

Columbia Care is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent unauthorized conduct that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal, state and provincial healthcare fraud and abuse laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) contractual arrangements, including confidentiality requirements. It may not always be possible for Columbia Care to identify and deter misconduct by its employees and other third parties, and the precautions taken by Columbia Care to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Columbia Care from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with applicable laws or regulations or contractual requirements. If any such actions are instituted against Columbia Care, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Columbia Care's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Columbia Care's operations, any of which could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

Certain jurisdictions currently prohibit public company ownership of cannabis businesses.

Certain jurisdictions in the United States prohibit persons that are declared unqualified to hold a cannabis establishment license, which can include any publicly-traded company. In such circumstances, the prohibition against the issuance of a cannabis establishment business license may not be limited to the direct licensee but extend to owners of such licensees including parent-companies. As such, a publicly-traded company may be denied the issuance of a cannabis establishment business license in such jurisdictions which could limit Columbia Care's ability to expand.

The Company depends on information technology systems and may experience cyber-attacks.

Columbia Care's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Columbia Care's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology

systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Columbia Care's reputation and results of operations. Columbia Care has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that Columbia Care will not incur such losses in the future. Columbia Care's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Columbia Care may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

A security breach may have a material adverse effect on the Company.

Given the nature of Columbia Care's products and its lack of legal availability outside of channels approved by the United States federal government, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of Columbia Care's facilities could expose Columbia Care to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing Columbia Care's products. In addition, Columbia Care collects and stores personal information about its customers and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly customer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on Columbia Care's business, financial condition, results of operations and prospects.

We have been, and expect to continue to be, a target of cyberattacks. If our internal networks, systems, or data are or are perceived to have been compromised, our reputation may be damaged and our financial results may be negatively affected.

We have in the past been, and may in the future be, specifically targeted by bad actors for attacks intended to circumvent our security capabilities or to exploit our platform as an entry point into customers' endpoints, networks, or systems. We are also susceptible to inadvertent compromises of our systems and data, including those arising from process, coding, or human errors. We also utilize third-party service providers to, among other things, host, transmit, or otherwise process electronic data in connection with our business activities, including our supply chain, operations, and communications. Our third-party service providers and other vendors have faced and may continue to face cyberattacks, compromises, interruptions in service, or other security incidents from a variety of sources. A successful attack or other incident that results in an interruption of service or that compromises our or our service providers' internal networks, systems, or data could have a significant negative effect on our operations, reputation, financial resources, and the value of our intellectual property. We cannot assure you that any of our efforts to manage this risk, including adoption of a comprehensive incident response plan and process for detecting, mitigating, and investigating security incidents that we regularly test through table-top exercises, testing of our security protocols through additional techniques, such as penetration testing, debriefing after security incidents, to improve our security and responses, and regular briefing of our directors and officers on our cybersecurity risks, preparedness, and management, will be effective in protecting us from such attacks. It is virtually impossible for us to entirely eliminate the risk of such attacks, compromises, interruptions in service, or other security incidents affecting our internal systems or data, or that of our third-party service providers and vendors. Organizations are subject to a wide variety of attacks on their supply chain, networks, systems, and endpoints, and techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently. Furthermore, employee error or malicious activity could compromise our systems. As a result, we may be unable to anticipate these techniques or implement adequate measures to prevent an intrusion into our networks, which could result in unauthorized access to customer data, intellectual property, or lead to cyberattacks or other intrusions, litigation, governmental audits and investigations and significant legal fees, any or all of which could damage our relationships with our existing customers and could have a negative effect on our ability to attract and retain new customers. We have expended, and anticipate continuing to expend, significant resources in an effort to prevent security breaches and other security incidents impacting our systems and data.

In addition, while we maintain insurance policies that may cover certain liabilities in connection with a cybersecurity incident, we cannot be certain that our insurance coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

The Company is subject to high bonding and may face difficulty obtaining insurance coverage.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of cannabis to post a bond or significant fees when, for example, applying for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. Columbia Care is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of Columbia Care's business.

Columbia Care's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although Columbia Care maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. Columbia Care may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of Columbia Care is not generally available on acceptable terms. Columbia Care might also become subject to liability for pollution, fire, explosion or other hazards which it may not be insured against or which Columbia Care may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Columbia Care to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

Due to the Company's involvement in the cannabis industry, it may have a difficult time obtaining the various insurances that are desired to operate its business, which may expose Columbia Care to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive, because of the regulatory regime applicable to the industry. There are no guarantees that Columbia Care will be able to find such insurance coverage in the future, or that the cost will be affordable. If the Company is forced to go without such insurance coverage, it may prevent it from entering into certain business sectors, may inhibit growth, and may expose Columbia Care to additional risk and financial liabilities.

Columbia Care may not pay dividends.

The declaration and payment of dividends or distributions by Columbia Care will be at the discretion of the Board subject to restrictions under applicable laws, and may be affected by numerous factors, including Columbia Care's revenues, financial condition, acquisitions, capital investment requirements and legal, regulatory or contractual restrictions. A failure to pay dividends or a reduction or cessation of the payment of dividends could materially adversely affect the trading price of Common Shares.

The Company may be subject to international regulations.

Columbia Care is subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which it operates or imports or exports products or materials. Failure by Columbia Care to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on Columbia Care's business, financial condition and results of operations. There is the possibility that any such international jurisdiction could determine that Columbia Care was not or is not compliant with applicable local regulations. If Columbia Care's sales or operations were found to be in violation of such international regulations Columbia Care may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of Columbia Care's operations or asset seizures and the denial of regulatory applications.

The Company's use of customer information and other personal and confidential information may have an adverse impact.

Columbia Care collects, processes, maintains and uses data, including sensitive information on individuals (with consent when applicable) available to Columbia Care through online activities and other customer interactions with its business. Columbia Care's current and future programs may depend on its ability to collect, maintain and use this information, and its ability to do so is subject to evolving international, U.S. and Canadian laws and enforcement trends. Columbia Care strives to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, conflict with other rules, conflict with Columbia Care's practices or fail to be observed by its employees or business partners. If so, Columbia Care may suffer damage to its reputation and be subject to proceedings or actions against it by governmental entities or others. Any such proceeding or action could hurt Columbia Care's reputation, force it to spend significant amounts to defend its practices, distract its management or otherwise have an adverse effect on its business.

The Company is subject to taxation in both Canada and the United States.

Columbia Care is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Internal Revenue Code. Consequently, Columbia Care is subject to U.S. federal income tax on its worldwide taxable income. Since Columbia Care is a resident of Canada for purposes of the Tax Act, Columbia Care is also subject to Canadian income tax. Consequently, Columbia Care is liable for both U.S. and Canadian income tax, which could have a material adverse effect on its financial condition and results of operations, and could inhibit efficient use of its capital.

The Company may be subject to net operating loss and certain other tax attribute limitations.

Section 382 of the Internal Revenue Code contains rules that limit for U.S. federal income tax purposes the ability of a corporation that undergoes an "ownership change" to utilize its net operating losses (and certain other tax attributes) existing as of the date of such ownership change. Under these rules, a corporation is treated as having had an "ownership change"' if there is a cumulative change of more than a 50 percentage points in stock ownership by one or more "five percent shareholders," within the meaning of Section 382 of the Internal Revenue Code, during a rolling three-year period. If finalized, Treasury Regulations currently proposed under Section 382 of the Code may further limit Columbia Care's ability to utilize its pre-change net operating losses or other tax attributes if Columbia Care were to undergo a future ownership change. Columbia Care may have experienced ownership changes in the past, and it may experience ownership changes in the future and/or subsequent shifts in its stock ownership (some of which may be outside the control of Columbia Care). Thus, Columbia Care's ability to utilize carryforwards of its net operating losses and other tax attributes to reduce future tax liabilities may be substantially restricted. At this time, Columbia Care has not completed a study to assess the impact, if any, of ownership changes on its net operating losses and certain other tax attributes under Section 382 of the Internal Revenue Code.

Dividends may be subject to Canadian and/or United States withholding tax.

It is unlikely the company will pay dividends on its voting shares in the foreseeable future. However, in the unlikely event of a dividend, such dividends may not be eligible for foreign tax credits and may be subject to complex and unfavorable withholding tax laws and may not qualify for a reduced rate of withholding under the *Canada-United States Income Tax Convention (1980)* as amended.

Transfers of Common Shares may be subject to United States gift, estate and transfer taxes.

Because the Common Shares will be treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally will apply to a Non-U.S. Holder of Common Shares.

Changes in tax laws may affect the Company and its shareholders.

There can be no assurance that that the Canadian and U.S. general and industry specific tax laws and regulations of Columbia Care or an investment in Columbia Care will not be modified, prospectively or retroactively, by legislative, judicial or administrative action, in a manner adverse to Columbia Care or its shareholders.

Market price of the common shares may be highly volatile.

Market prices for cannabis companies have at times been volatile and subject to substantial fluctuations. The stock market, from time-to-time, experiences significant price and volume fluctuations unrelated to the operating performance of particular companies. Future announcements concerning Columbia Care or its competitors, including those pertaining to financing arrangements, government regulations, developments concerning regulatory actions affecting Columbia Care, litigation, additions or departures of key personnel, cash flow, and economic conditions and political factors in the United States may have a significant impact on the market price of the Common Shares. In addition, there can be no assurance that the Common Shares will continue to be listed on the Exchanges.

The market price of the Common Shares could fluctuate significantly for many other reasons, including as a result of the Arrangement or for reasons unrelated to Columbia Care's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by its subscribers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within its industry experience declines in their stock price, the share price of the Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against Columbia Care could cause it to incur substantial costs and could divert the time and attention of its management and other resources.

Further equity financing may dilute the interests of Columbia Care shareholders and depress the price of the common shares.

If Columbia Care raises additional financing through the issuance of equity securities (including securities convertible or exchangeable into equity securities) or completes an acquisition or merger by issuing additional equity securities, such issuance may

substantially dilute the interests of shareholders of Columbia Care and reduce the value of their investment. Columbia Care's Articles permit the issuance of an unlimited number of Common Shares, and Columbia Care Shareholders will have no pre-emptive rights in connection with a future issuance. The Board has the discretion to determine the price and the terms of issue of future issuances. Moreover, additional Common Shares may be issued by Columbia Care on the exercise of awards under Columbia Care's Omnibus Plan and upon the exercise of certain outstanding CGGC Warrants (as defined herein). The market price of the Common Shares could decline as a result of issuances of new shares or sales by shareholders of Common Shares in the market or the perception that such sales could occur. Sales by shareholders of Columbia Care might also make it more difficult for Columbia Care itself to sell equity securities at a time and price that it deems appropriate.

Conflicts of interest may exist between the Company and its directors or officers.

Certain of Columbia Care's directors and officers are, and may continue to be, or may become, involved in other business ventures through their direct and indirect participation in, among other things, corporations, partnerships and joint ventures, that are or may become competitors of the products and services Columbia Care provides or intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from Columbia Care's interests. In accordance with applicable corporate law, directors who have a material interest in a contract or transaction or a proposed contract or transaction with Columbia Care that is material to Columbia Care are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to Columbia Care's best interests.

However, in conflict-of-interest situations, Columbia Care's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to Columbia Care. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to Columbia Care.

Certain remedies may be limited.

Columbia Care's governing documents may provide that the liability of its members of the Board and its officers is eliminated to the fullest extent permitted under the laws of the Province of British Columbia. Thus, Columbia Care and its Shareholders may be prevented from recovering damages for certain alleged errors or omissions made by the members of the Board and its officers. Columbia Care's governing documents may also provide that Columbia Care will, to the fullest extent permitted by law, indemnify members of its Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of Columbia Care.

The anticipated benefits of the Green Leaf Transaction may not occur.

Columbia Care may fail to realize growth opportunities and synergies currently anticipated due to, among other things, challenges associated with certain markets Green Leaf Medical operates in and integrating the operations and personnel of Green Leaf Medical into Columbia Care.

General Risk Factors

The Company is reliant on management.

The success of Columbia Care is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on Columbia Care's business, operating results, financial condition or prospects.

The Company may become party to litigation from time to time.

Columbia Care is, may become, a party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Columbia Care is or becomes involved be determined against Columbia Care, such a decision could adversely affect Columbia Care's ability to continue operating and the market price for the Common Shares and other listed securities of Columbia Care. Even if Columbia Care is involved in litigation and wins, litigation can redirect significant company resources. Litigation may also create a negative perception of Columbia Care's brand. See Item 3 – "Legal Proceedings" for more information.

The Company may be unable to manage its growth effectively.

Columbia Care may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Columbia Care to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Columbia Care to deal with this growth may have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company is subject to significant costs of being a public company.

As a public issuer, Columbia Care is subject to the reporting requirements and rules and regulations under applicable U.S. and Canadian securities laws and the rules of any stock exchange on which Columbia Care's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations may increase Columbia Care's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition. In particular, Columbia Care is subject to reporting and other obligations under applicable U.S. and Canadian securities laws. These reporting and other obligations place significant demands on Columbia Care as well as on Columbia Care's management, administrative, operational and accounting resources. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for Columbia Care to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Columbia Care's results of operations or cause it to fail to meet its reporting obligations. If Columbia Care or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Columbia Care's consolidated financial statements and materially adversely affect the trading price of the Common Shares and of other listed securities of Columbia Care.

The trading market for common shares influenced by securities industry analyst research reports.

The trading market for Common Shares is influenced by the research and reports that industry or securities analysts publish about Columbia Care. If covered, a decision by an analyst to cease coverage of Columbia Care or fail to regularly publish reports on Columbia Care could cause Columbia Care to lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline. Moreover, if an analyst who covers Columbia Care downgrades its stock, or if operating results do not meet analysts' expectations, the stock price could decline.

Past performance may not be indicative of future results.

The prior operational performance of Columbia Care is not indicative of any potential future operating results of Columbia Care. There can be no assurance that the historical operating results achieved by Columbia Care or its affiliates will be achieved by Columbia Care, and Columbia Care's future performance may be materially different.

Financial projections may prove materially inaccurate or incorrect.

Any of Columbia Care's financial estimates, projections and other forward-looking information or statements included herein were prepared by Columbia Care without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information or statements. Such forward-looking information or statements are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed herein. Investors should inquire of Columbia Care and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results Columbia Care might achieve.

Global financial conditions may have an adverse impact on the Company.

Following the onset of the global credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact Columbia Care's ability to obtain equity or debt financing in the future on terms favorable to Columbia Care. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. In such an event, Columbia Care's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, unemployment levels, inflation, interest and currency exchange rates, structural changes in the cannabis industry, supply and demand for commodities, political developments, legislative or regulatory changes, social or labor unrest and stock market trends will affect Columbia Care's operating environment and its operating costs and profit margins and the price of its securities. Any negative events in the global economy could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

Disease outbreaks may negatively impact the Company.

A local, regional, national or international outbreak of a contagious disease, including the novel coronavirus COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could decrease the willingness of the general population to travel, cause staff shortages, reduced customer traffic, supply shortages, and increased government regulation all of which may negatively impact the business, financial condition and results of operations of the Company.

The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory. Further, such risks could also adversely affect Columbia Care's customers' financial condition, resulting in reduced spending for the merchandise we sell. Moreover, an epidemic, pandemic, outbreak or other public health crisis, such as COVID-19, could cause employees to avoid Company properties, which could adversely affect the Company's ability to adequately staff and manage its businesses. "Shelter-in-place" or other such orders by governmental entities could also disrupt our operations, if employees who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of our stores, facilities or operations of the Company's sourcing partners.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect Columbia Care's business, financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The following tables set forth the Company's principal physical properties.

Corporate Properties

Type	Location	Lease / Own
Headquarters	New York, NY	Lease
Shared Service Center	Chelmsford, MA	Lease
TGS Headquarters	Denver, CO	Lease

Production Properties

Type	Location	Lease / Own
Chino Cultivation Facility	Chino, AZ	Lease
San Diego Cultivation Facility	San Diego, CA	Lease
Denver Cultivation Facility 1	Denver, CO	Lease
Denver Cultivation Facility 2	Denver, CO	Lease
Denver Cultivation Facility 3	Denver, CO	Lease
Denver Manufacture Facility	Denver, CO	Lease
Denver Warehouse	Denver, CO	Lease
Trinidad Cultivation Facility 1	Trinidad, CO	Lease

Production Properties

Type	Location	Lease / Own
Trinidad Cultivation Facility 2	Trinidad, CO	Lease
Alachua Cultivation Facility	Alachua, FL	Lease
Arcadia Cultivation Facility	Arcadia, FL	Own
Lakeland Cultivation Facility	Lakeland, FL	Lease
Aurora Cultivation Facility	Aurora, IL	Lease
Lowell Cultivation Facility	Lowell, MA	Lease
Frederick Cultivation Facility	Frederick, MD	Own
Bishopville Extraction Facility	Bishopville, MD	Lease
Milford Cultivation Facility 1	Milford, DE	Lease
Milford Cultivation Facility 2	Milford, DE	Own
Rockville Cultivation Facility	Rockville, MD	Lease
Vineland Cultivation Facility 1	Vineland, NJ	Lease
Vineland Cultivation Facility 2	Vineland, NJ	Own
Rochester Cultivation Facility	Rochester, NY	Lease
Riverhead Cultivation Facility*	Riverhead, NY	Own
Mount Orab Cultivation Facility	Mount Orab, OH	Lease
Columbus Manufacturing Facility	Columbus, OH	Own
Pennsylvania Cultivation Facility	Saxton, PA	Lease
Portsmouth Cultivation Facility	Portsmouth, VA	Lease
Richmond Cultivation Facility	Richmond, VA	Lease
Capital City Cultivation Facility	Washington, D.C.	Lease
Falling Waters Cultivation Facility	Falling Waters, WV	Lease

Retail Properties

Type	Location	Lease / Own
SWC Prescott	Prescott, AZ	Lease
Cannabist Tempe	Tempe, AZ	Lease
Project Cannabis North Hollywood	North Hollywood, CA	Own
Columbia Care San Diego	San Diego, CA	Lease
The Healing Center San Diego	San Diego, CA	Lease
Wellness Earth Energy Dispensary	Studio City, CA	Lease
Project Cannabis San Francisco	San Francisco, CA	Lease
The Green Solution Ft. Collins	Ft. Collins, CO	Lease
The Green Solution Southeast Aurora	Aurora, CO	Lease
The Green Solution East Aurora	Aurora, CO	Lease
The Green Solution Central Aurora	Aurora, CO	Lease
The Green Solution W Aurora	Aurora, CO	Lease

Retail Properties

Type	Location	Lease / Own
The Green Solution South Aurora	Aurora, CO	Lease
The Green Solution Northglenn	Northglenn, CO	Lease
The Green Solution Glendale	Glendale, CO	Lease
The Green Solution North Denver	Denver, CO	Lease
The Green Solution Union Station	Denver, CO	Lease
The Green Solution Westminster	Denver, CO	Lease
The Green Solution West Denver	Denver, CO	Lease
The Green Solution Sheridan	Sheridan, CO	Lease
The Green Solution Edgewater	Edgewater, CO	Lease
The Green Solution Pueblo	Pueblo, CO	Lease
The Green Solution Black Hawk	Black Hawk, CO	Lease
The Green Solution Trinidad	Trinidad, CO	Lease
Clearance Cannabis Trinidad	Trinidad, CO	Lease
The Green Solution Silver Plume	Silver Plume, CO	Lease
The Green Solution Aspen	Aspen, CO	Lease
The Green Solution Glenwood Springs	Glenwood Springs, CO	Lease
Medicine Man Denver	Denver, CO	Lease
Medicine Man Aurora	Aurora, CO	Lease
Medicine Man Thornton	Thornton, CO	Lease

Medicine Man Longmont	Longmont, CO	Lease
Columbia Care Rehoboth Beach	Rehoboth Beach, DE	Lease
Columbia Care Smyrna	Smyrna, DE	Lease
Columbia Care Wilmington	Wilmington, DE	Lease
Columbia Care Bonita Springs	Bonita Springs, FL	Lease
Columbia Care Bradenton	Bradenton, FL	Lease
Columbia Care Brandon	Brandon, FL	Lease
Columbia Care Cape Coral	Cape Coral, FL	Lease
Columbia Care Delray Beach	Delray Beach, FL	Lease
Columbia Care Gainesville	Gainesville, FL	Lease
Columbia Care Jacksonville	Jacksonville, FL	Lease
Columbia Care Longwood	Longwood, FL	Lease
Columbia Care Melbourne	Melbourne, FL	Lease
Columbia Care Miami	Miami, FL	Lease
Columbia Care Orlando	Orlando, FL	Lease
Columbia Care Sarasota	Sarasota, FL	Lease
Columbia Care St. Augustine	St. Augustine, FL	Lease
Columbia Care Stuart	Stuart, FL	Lease
Columbia Care Chicago	Chicago, IL	Lease
Cannabist Villa Park	Villa Park, IL	Lease
Columbia Care Chevy Chase	Chevy Chase, MD	Lease
Wellness Institute of Maryland	Frederick, MD	Lease
gLeaf Rockville	Rockville, MD	Lease
Patriot Care Boston	Boston, MA	Lease
Patriot Care Greenfield	Greenfield, MA	Lease
Patriot Care Lowell	Lowell, MA	Lease
Columbia Care Missouri*	Hermann, MO	Lease
Columbia Care Vineland	Vineland, NJ	Lease
Columbia Care Deptford*	Deptford, NJ	Lease
Columbia Care Brooklyn	Brooklyn, NY	Lease
Columbia Care Manhattan	Manhattan, NY	Lease
Columbia Care Riverhead	Riverhead, NY	Lease
Columbia Care Rochester	Rochester, NY	Lease
Columbia Care Dayton	Dayton, OH	Own
Columbia Care Logan	Logan, OH	Own
Columbia Care Marietta	Marietta, OH	Own
Columbia Care Monroe	Monroe, OH	Own
gLeaf Warren	Warren, OH	Lease
Columbia Care Allentown	Allentown, PA	Lease

Retail Properties		
Type	**Location**	**Lease / Own**
Columbia Care Scranton	Scranton, PA	Lease
Columbia Care Wilkes-Barre	Wilkes-Barre, PA	Lease
Cannabist Springville	Springville, UT	Lease
Columbia Care Portsmouth	Portsmouth, VA	Lease
gLeaf Richmond	Richmond, VA	Lease
gLeaf Short Pump	Short Pump, VA	Lease
Cannabist Virginia Beach	Virginia Beach, VA	Lease
Capital City Care Washington D.C.	Washington, D.C.	Lease
Columbia Care Williamstown	Williamstown, WV	Lease
Columbia Care Fayetteville*	Fayetteville, WV	Lease
Columbia Care Morgantown*	Morgantown, WV	Lease
Columbia Care Beckley	Beckley, WV	Lease
Columbia Care St. Albans	St. Albans, WV	Lease

* Not operational

ITEM 3. LEGAL PROCEEDINGS

Legal Proceedings

The Green Leaf Transaction closed on June 11, 2021. By letters dated April 22, 2022, June 1, 2022 and March 14, 2023, the Company notified the shareholder representative ("SRS") for the former Green Leaf shareholders, including a director of the Company, that the Company was seeking indemnification of approximately $11 million for certain preclosing taxes paid by the Company on behalf of the former Green Leaf shareholders. By letter dated July 14, 2022, SRS notified the Company that the former Green Leaf shareholders were making an indemnification claim to the Company for $17.6 million related to alleged damages arising out of certain alleged undisclosed and under-disclosed litigation matters. By letter dated October 6, 2022, SRS sent an updated demand letter seeking in excess of $75 million from the Company. In addition to the claims raised in SRS's July 14, 2022 letter, SRS demanded payment of at least $58 million for Green Leaf's purported achievement of a milestone payout contemplated in the Green Leaf Transaction for the time period July 1, 2021 to June 30, 2022. The Company, based on a third-party assessment, determined that the milestone was not achieved. The parties engaged in preliminary negotiations, including a non-binding mediation, about the possibility of entering into a global resolution of outstanding disputes. On March 2, 2023, SRS filed a complaint in the Circuit Court for Baltimore City, Maryland against the Company, a Company subsidiary, the Company's Chairman, CEO and CFO, as well as the third-party firm that prepared the aforementioned assessment, seeking in excess of $72 million in damages, in addition to punitive damages, based on asserted legal claims of breach of contract, fraud and intentional misrepresentation, negligent misrepresentation, tortious interference with a contract, breach of a fiduciary duty, aiding and abetting a breach of a fiduciary duty and civil conspiracy. The Company (and the other named parties) will assert defenses with respect to the claims in the complaint. However, there can be no assurance that such defenses will be successful and, if they are not successful, that the direct or indirect losses will not be material. Separately, the Company intends to continue to pursue legal recourse against the former Green Leaf shareholders with respect to the approximately $11 million owed to the Company for certain preclosing tax payments.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Trading Price and Volume

The Company's common shares are listed on the NEO under the symbol "CCHW", on the CSE under the symbol "CCHW", and are quoted on the OTCQX under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

Shareholders

As of March 1, 2023, there are 893 holders of record of our common shares.

Dividends

The Company has not declared cash dividends on the common shares in the past. The Company currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, the Company does not intend to pay dividends on the common shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend is in the best interest of its shareholders.

Equity Compensation Plans

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding convertible securities, the weighted-average exercise price of such outstanding convertible securities and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2022.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding securities[(1)]	Weighted-average exercise price of outstanding securities	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	21,351,230	-	25,822,052
Equity compensation plans not approved by Shareholders	-	-	-
Total	21,351,230	-	25,822,052

Notes:

(1) The 21,351,230 Common Shares to be issued upon exercise of outstanding securities, warrants and rights consists of (i) 7,616,510 Common Shares that may be issued upon the vesting of PSUs, and (ii) 13,734,720 Common Shares that may be issued upon the vesting of RSUs. For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.

(2) Convertible securities remaining as of December 31, 2022.

Exchange Controls

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to nonresident holders of the securities of the Company, other than Canadian withholding tax. See "*Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada*," below.

Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) and the regulations promulgated thereunder (the "**Tax Act**") to a holder who acquires, as beneficial owner, our Common Shares, and who, for purposes of the Tax Act and at all relevant times: (i) holds the Common Shares as capital property; (ii) deals at arm's length with, and is not affiliated with, us; (iii) is not, and is not deemed to be resident in Canada; and (iv) does not use or hold and will not be deemed to use or hold, our Common Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Generally, our Common Shares will be considered to be capital property to a Non-Resident Holder provided the Non-Resident Holder does not hold our Common Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere or is an authorized foreign bank (as defined in the Tax Act). **Such Non-Resident Holders should seek advice from their own tax advisors**.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals, or the Proposed Amendments, to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and management's understanding of the current administrative policies and practices of the Canada Revenue Agency (the "**CRA**") published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative

policies or practices, whether by legislative, governmental, or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

Non-Resident Holders should consult their own tax advisors with respect to an investment in our Common Shares. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of our Common Shares, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective purchasers or holders of our Common Shares should consult their own tax advisors with respect to their particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding, or disposition of our Common Shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amounts subject to withholding tax and any capital gains or capital losses realized by a Non-Resident Holder may be affected by fluctuations in the Canadian-U.S. dollar exchange rate.

Disposition of Common Shares

A Non-Resident Holder will not generally be subject to tax under the Tax Act on a disposition of a Common Share, unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided the Common Shares are listed on a "designated stock exchange," as defined in the Tax Act at the time of disposition, the Common Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of our shares; and (ii) more than 50% of the fair market value of our shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Common Shares could be deemed to be taxable Canadian property. Even if the Common Shares are taxable Canadian property to a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Common Shares by virtue of an applicable income tax treaty or convention. **A Non-Resident Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.**

Receipt of Dividends

Dividends received or deemed to be received by a Non-Resident Holder on our Common Shares will be subject to Canadian withholding tax under the Tax Act. The general rate of withholding tax is 25%, although such rate may be reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. For example, under the Treaty, the rate is generally reduced to 15% where the Non-Resident Holder beneficially owns such dividends and is a resident of the United States for the purposes of, and is fully entitled to the benefits of, the Treaty.

Recent Sales of Unregistered Securities

The following information represents securities sold by the Company for the period covered by this Annual Report on Form 10-K which were not registered under the Securities Act. Included are new issues, securities issued upon conversion from other share classes, and securities issued in exchange for property, services, or other securities.

February 2022 Private Placement

On February 3, 2022, Columbia Care closed the private placement of its 2026 Notes. The 2026 Notes are senior secured obligations of the Company and were issued at 100% of face value. The 2026 Notes accrue interest payable semi-annually in arrears and mature on February 3, 2026, unless earlier redeemed or repurchased. The Company may redeem the 2026 Notes at par, in whole or in part, on or

after February 3, 2024, as more particularly described in the fourth supplemental trust indenture governing the 2026 Notes. In connection with the offering of the 2026 Notes, the Company received binding commitments to exchange approximately $31,750,000 of the Company's existing 13% senior secured notes due 2023, pursuant to private agreements in accordance with the trust indenture, for an equivalent amount of 2026 Notes plus accrued but unpaid interest and any negotiated premium thereon. As a result of the note exchanges, the Company received aggregate gross proceeds of $153,250,000 in cash pursuant to the offering of the 2026 Notes.

The Company sold all of the 2026 Notes pursuant to the exemptions from registration provided by Rule 506(b) and Rule 903. For sales to U.S. persons, the Company relied on Rule 506(b) because (i) there were a limited number of purchasers, (ii) no sales were made by general solicitation or advertising and (iii) sales were made only to accredited investors. For sales outside of the United States, the Company relied on Rule 903 of Regulation S promulgated under the Securities Act ("**Rule 903**") because the 2026 Notes were offered and sold outside the United States in "offshore transactions" in accordance with Rule 903.

Issuer Purchases of Equity Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Columbia Care Inc. ("Columbia Care", the "Company", "us", "our" or "we") is supplemental to, and should be read in conjunction with, Columbia Care's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2022, December 31, 2021 and December 31, 2020. Except for historical information, the discussion in this section contains forward-looking statements that involve risks and uncertainties. Future results could differ materially from those discussed below for many reasons, including the risks described in "Disclosure Regarding Forward-Looking Statements," Item 1A-Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Columbia Care's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Financial information presented in this MD&A is presented in thousands of United States dollars ("$" or "US$"), unless otherwise indicated.

OVERVIEW OF COLUMBIA CARE

Our principal business activity is the production and sale of cannabis. We strive to be the premier provider of cannabis-related products in each of the markets in which we operate. Our mission is to improve lives by providing cannabis-based health and wellness solutions through community partnerships, research, education and the responsible use of our products as a natural means to improve the quality of life of our patients and customers.

COLUMBIA CARE OBJECTIVES AND FACTORS AFFECTING OUR PERFORMANCE

As one of the largest fully integrated operators in the global medical cannabis industry, our strategy to grow our business is comprised of the following key components:

- Expansion and development within and outside our current markets
- Patient and customer-centric, leveraging health and wellness focus
- Consistency and quality of proprietary product portfolio, including branded consumer products
- Intellectual property and data-driven innovation

Our performance and future success are dependent on several factors. These factors are also subject to inherent risks and challenges, some of which are discussed below.

Branding

We have established a national branding strategy across each of the jurisdictions in which we operate. Maintaining and growing our brand appeal is critical to our continued success.

Regulation

We are subject to the local and federal laws in the jurisdictions in which we operate. We hold all required licenses for the production and distribution of our products in the jurisdictions in which we operate and continuously monitor changes in laws, regulations, treaties and agreements.

Product Innovation and Consumer Trends

Our business is subject to changing consumer trends and preferences, which is dependent, in part, on continued consumer interest in new products. The success of new product offerings, depends upon a number of factors, including our ability to (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products; (iv) price products competitively; (v) produce and deliver products in sufficient volumes and on a timely basis; and (vi) differentiate product offerings from those of competitors.

Growth Strategies

We have a successful history of growing revenue and we believe we have a strong strategy aimed at continuing our history of expansion in both current and new markets. Our future depends, in part, on our ability to implement our growth strategy including (i) product innovations; (ii) penetration of new markets; (iii) growth of wholesale revenue through third party retailers and distributors; (iv) future development of e-commerce and home delivery distribution capabilities; and (v) expansion of our cultivation and manufacturing capacity. Our ability to implement this growth strategy depends, among other things, on our ability to develop new products that appeal to consumers, maintain and expand brand loyalty, maintain and improve product quality and brand recognition, maintain and improve competitive position in our current markets, and identify and successfully enter and market products in new geographic areas and segments.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information derived from our audited consolidated financial statements, the consolidated financial statements, and the respective accompanying notes prepared in accordance with United States Generally Accepted Accounting Principles.

During the periods discussed herein, our accounting policies have remained consistent. The selected and summarized consolidated financial information below may not be indicative of our future performance.

Statement of operations:

	For the Year Ended			2022 vs. 2021		2021 vs. 2020	
	December 31, 2022	December 31, 2021	December 31, 2020	$ Change	% Change	$ Change	% Change
Revenues	$ 511,578	$ 460,080	$ 179,503	$ 51,498	11%	$ 280,577	156%
Cost of sales related to inventory production	(310,163)	(258,402)	(114,249)	(51,761)	20%	(144,153)	126%
Cost of sales related to business combination fair value adjustments to inventories	(204)	(7,663)	(3,111)	7,459	(97)%	(4,552)	146%
Gross profit	201,211	194,015	62,143	7,196	4%	131,872	212%
Goodwill impairment	(170,642)	(72,328)	—	(98,314)	136%	(72,328)	100%
Intangible impairment	(169,479)	—	—	(169,479)	100%	—	0%
Selling, general and administrative expenses	(277,330)	(232,052)	(142,355)	(45,278)	20%	(89,697)	63%
Operating expenses	(617,451)	(304,380)	(142,355)	(313,071)	103%	(162,025)	114%
Other (expense) income, net	(16,454)	(36,349)	(55,634)	19,895	(55)%	19,285	(35)%
Income tax (expense) benefit	11,213	(139)	16,197	11,352	(8167)%	(16,336)	(101)%
Net loss	(421,481)	(146,853)	(119,649)	(274,628)	187%	(27,204)	23%
Net loss attributable to non-controlling interest	(5,476)	(3,756)	(23,862)	(1,720)	46%	20,106	(84)%
Net loss attributable to Columbia Care Inc.	$ (416,005)	$ (143,097)	$ (95,787)	$ (272,908)	191%	$ (47,310)	49%
Loss per share attributable to Columbia Care Inc.—based and diluted	$ (1.06)	$ (0.42)	$ (0.41)	$ (0.64)	151%	$ (0.01)	3%
Weighted average number of shares outstanding—basic and diluted	392,571,102	338,754,694	232,576,117				

Summary of balance sheet items:

	December 31, 2022	December 31, 2021
Total Assets	$ 994,726	$ 1,376,512
Total Liabilities	$ 787,823	$ 825,689
Total Long-Term Liabilities	$ 584,705	$ 581,692
Total Equity	$ 206,903	$ 550,823

RESULTS OF OPERATIONS

Comparison of the Years Ended December 31, 2022, 2021 and 2020

The following tables summarize our results of operations for the years ended December 31, 2022, 2021, and 2020:

	For the Year Ended			2022 vs. 2021		2021 vs. 2020	
	December 31, 2022	December 31, 2021	December 31, 2020	$ Change	% Change	$ Change	% Change
Revenues	$ 511,578	$ 460,080	$ 179,503	$ 51,498	11%	$ 280,577	156%
Cost of sales related to inventory production	(310,163)	(258,402)	(114,249)	(51,761)	20%	(144,153)	126%
Cost of sales related to business combination fair value adjustments to inventories	(204)	(7,663)	(3,111)	7,459	(97)%	(4,552)	146%
Gross profit	201,211	194,015	62,143	7,196	4%	131,872	212%
Goodwill impairment	(170,642)	(72,328)	—	(98,314)	136%	(72,328)	100%
Intangible impairment	(169,479)	—	—	(169,479)	100%	—	—%
Selling, general and administrative expenses	(277,330)	(232,052)	(142,355)	(45,278)	20%	(89,697)	63%
Operating expenses	(617,451)	(304,380)	(142,355)	(313,071)	103%	(162,025)	114%
Loss from operations	(416,240)	(110,365)	(80,212)	(305,875)	277%	(30,153)	38%
Other (expense) income, net	(16,454)	(36,349)	(55,634)	19,895	(55)%	19,285	(35)%
Loss before provision for income taxes	(432,694)	(146,714)	(135,846)	(285,980)	195%	(10,868)	8%
Income tax (expense) benefit	11,213	(139)	16,197	11,352	(8167)%	(16,336)	(101)%
Net loss	(421,481)	(146,853)	(119,649)	(274,628)	187%	(27,204)	23%
Net loss attributable to non-controlling interest	(5,476)	(3,756)	(23,862)	(1,720)	46%	20,106	(84)%
Net loss attributable to Columbia Care Inc.	$(416,005)	$(143,097)	$ (95,787)	$(272,908)	191%	$ (47,310)	49%

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Revenues

The increase in revenue of $51,498 for the twelve months ended December 31, 2022, as compared to the prior year period was primarily driven by the expansion of our retail network and full year impact of our recent acquisitions.

During the twelve months ended December 31, 2022, when compared to the prior period we experienced an organic revenue decrease of $5,985 in our Legacy Columbia Care network and prior acquisitions of The Green Solution, Project Cannabis and The Healing Center. Our existing wholesale and retail network contributed to a revenue decrease of $28,241 and the expansion of new wholesale and retail facilities contributed to a revenue growth of $22,256 as compared to the prior period. The full year impact of acquisitions of Cannascend, Corsa Verde, Green Leaf Medical, and Medicine Man contributed to an additional $57,483 of revenue during the twelve months ended December 31, 2022, as compared to the prior period.

Cost of Sales

The increase in cost of sales of $44,302 for the twelve months ended December 31, 2022, as compared to the prior year period was primarily driven by the expansion of our retail network and full year impact of our recent acquisitions.

During the twelve months ended December 31, 2022, when compared to the prior period we experienced a cost of sales increase of $7,230 due to organic growth which includes our Legacy Columbia Care network as well as full year impact from our acquisitions of The Green Solution, Project Cannabis and The Healing Center. Our existing wholesale and retail network contributed to a cost of sales decrease of $6,218 and the expansion of new wholesale and retail facilities contributed to a cost of sales growth of $13,448 as compared to the prior period. The full year impact of our acquisitions of Cannascend, Green Leaf Medical, and Medicine Man contributed to an additional $37,072 of cost of sales during the twelve months ended December 31, 2022, as compared to the prior period.

Gross Profit

The increase in gross profit of $7,196 for the twelve months ended December 31, 2022, as compared to the prior year period was primarily driven by the expansion of our retail network and our recent acquisitions.

During the twelve months ended December 31, 2022, we experienced a gross profit decrease of $13,215 when compared to the prior period due to organic decrease in our Legacy Columbia Care network as well as from prior acquisitions of The Green Solution and Project Cannabis and The Healing Center. Our existing wholesale and retail network contributed to a gross profit decrease of $22,023

and the expansion of new wholesale and retail facilities contributed to a gross profit growth of $8,808 as compared to the prior period. The full year impact of acquisitions of Cannascend, Green Leaf Medical, and Medicine Man contributed to an additional $20,411 of gross profit during the twelve months ended December 31, 2022, as compared to the prior period.

Operating Expenses

The increase of $313,071 in operating expenses was primarily attributable to an increase in salary and benefits of $18,621, depreciation and amortization of $23,149, an increase in impairment of goodwill of $98,314, an increase in the impairment of intangible assets of $169,479, and an increase in operating facility costs of $11,069, as we expanded our operations and increased the size and scope of our administrative functions. This is offset by decrease in operating office and general expenses of $4,812, professional fees of $2,232, and advertisement and promotion of $2,082.

Other Expense (Income), Net

The increase in other expense (income), net for the year ended December 31, 2022, as compared to the prior year, was primarily due to an increase in interest expense on debt of $20,753, increase in amortization of debt issuance costs of $1,923, decrease in gain on remeasurement of contingent consideration of $22,000, a decrease in favorable change in fair value of derivative liability of $6,726 as a result of conversion of convertible debt during the year, other expenses of $6,857, and a loss on restructuring in the amount of $3,089, which is partially offset by acquisition and settlement of pre-existing relationships of $75,655 for the year ended December 31, 2021 which was not incurred in current year, decrease in loss on conversion of convertible notes of $1,580 and increase in rental income of $3,564.

Income Tax Benefit and Provisions

The Company recorded income tax benefit of $11,213 for the year ended December 31, 2022 as compared to income tax expense of $139 for the year ended December 31, 2021.

The net tax benefit of $11,213 for the year ended December 31, 2022 includes current tax expense of $58,070, deferred tax benefit of $73,609 and change in valuation allowances of $4,326.

Total provision for income taxes has decreased by $11,352 for the year ended December 31, 2022. The increase in current tax expense is related to an increase in expenses that are not tax deductible under 280E as well as increasing gross profit. The Company is subject to Section 280E of the Internal Revenue Code and is forced to disallow costs not attributable to cost of goods sold in its cannabis businesses. The increase in current tax expense for the year ended December 31, 2022 was offset by significant reductions of deferred tax liabilities related to acquisition activity and the impairment thereof.

Our future financial results are subject to significant potential fluctuations caused by, among other things, growth of sales volume in new and existing markets and our ability to control operating expenses. In addition, our financial results may be impacted significantly by changes to the regulatory environment in which we operate, both on a local, state and federal level.

Year Ended December 31, 2021 Compared with Year Ended December 31, 2020

Revenue

The increase in revenue of $280,577 for the year ended December 31, 2021, as compared to the prior year period was primarily driven by the expansion of our existing wholesale and retail network and our recent acquisitions. Our revenue is predominantly generated by retail sales, which increased $209,877 during the year ended December 31, 2021, as compared to the prior year.

During the year ended December 31, 2021, we experienced a revenue increase of $188,998 due to organic growth which includes our 2020 acquisitions of TGS and Project Cannabis. Our existing wholesale and retail network contributed to revenue growth of $184,637 and the expansion of new wholesale and retail facilities contributed to revenue growth of $4,361 as compared to the prior period. Our acquisitions of The Healing Center, Cannascend, Corsa Verde, Green Leaf Medical and Medicine Man contributed to an additional $91,578 of revenue during the year ended December 31, 2021, as compared to the prior year. Revenue increased by $60,625 related to our acquired retail facilities and $30,953 related to our acquired wholesale facilities.

Cost of Sales

The increase in cost of sales of $148,705 for the year ended December 31, 2021, as compared to the prior year period was primarily driven by the expansion of our existing wholesale and retail network and our recent acquisitions.

During the year ended December 31, 2021, we experienced a cost of sales increase of $99,403 due to organic growth which includes our 2020 acquisitions of TGS and Project Cannabis. Our existing wholesale and retail network contributed to a cost of sales growth of $94,524 and the expansion of new wholesale and retail facilities contributed to a cost of sales growth of $4,878 as compared to the prior period. Our acquisitions of The Healing Center, Cannascend, Corsa Verde, Green Leaf Medical and Medicine Man contributed to an additional $49,301 of cost of sales during the year ended December 31, 2021, as compared to the prior year. Cost of sales increased by $27,409 related to our acquired retail facilities and $21,892 related to our acquired wholesale facilities.

Gross Profit

The increase in gross profit of $131,872 for the year ended December 31, 2021, as compared to the prior year period was primarily driven by the expansion of our existing wholesale and retail network and our recent acquisitions.

During the year ended December 31, 2021, we experienced a gross profit increase of $89,595 due to organic growth which includes our 2020 acquisitions of TGS and Project Cannabis. Our existing wholesale and retail network contributed to a gross margin growth of $90,113 coupled with a gross profit loss of $517 as compared to the prior period. Our acquisitions of The Healing Center, Cannascend, Corsa Verde, Green Leaf Medical and Medicine Man contributed to an additional $42,277 of gross profit during the year ended December 31, 2021, as compared to the prior year. Gross profit increased by $33,216 related to our acquired retail facilities and $9,061 related to our acquired wholesale facilities.

Operating Expenses

The increase of $162,025 in operating expenses was primarily attributable to impairment charges of $72,328 during the year ended December 31, 2021, and an increase of $89,697 in selling, general and operating expenses, as compared to the prior year period. The increase in selling, general and operating expenses was primarily attributable to an increase in salary and benefits of $38,106, depreciation and amortization of $30,268, operating facility costs of $12,230 and advertising and promotion expenses of $10,172, as we expanded our operations and increased the size and scope of our administrative functions.

Other Expense (Income), Net

The decrease in other expense (income), net for the year ended December 31, 2021, as compared to the prior year, was primarily due to a remeasurement of contingent consideration of $81,119 as discussed in our audited consolidated financial statements for the year ended December 31, 2021 and a favorable change in fair value of derivative liability of $25,031 as a result of conversion of Convertible debt during the year, which was partially offset by increase in the acquisition and settlement of pre-existing relationships of $61,460.

Income Tax Benefit and Provisions

The Company recorded income tax expense of $139 for the year ended December 31, 2021 as compared to income tax benefit of $16,197 for the year ended December 31, 2020.

The net tax expense of $139 for the year ended December 31, 2021 includes current tax expense of $26,251, deferred tax benefit of $27,942 and change in valuation allowances of $1,830.

The increase in current tax expense is a direct result of the Company's increasing gross margin. The Company is subject to Section 280E of the Internal Revenue Code and is forced to disallow costs not attributable to cost of goods sold in its cannabis businesses. Current tax expense is largely offset by the significant deferred tax liabilities recorded as part of the company's acquisition activity.

These deferred tax liabilities are exhausted over time with current year activity resulting in deferred tax benefit which reduces overall tax expense

Our future financial results are subject to significant potential fluctuations caused by, among other things, growth of sales volume in new and existing markets and our ability to control operating expenses. In addition, our financial results may be impacted significantly by changes to the regulatory environment in which we operate, both on a local, state and federal level.

Non-GAAP Measures

We use certain non-GAAP measures, referenced in this MD&A. These measures are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation from nor as a substitute for our financial information reported under GAAP. We use non-GAAP measures including EBITDA, Adjusted EBITDA and Adjusted EBITDA margin which may be calculated differently by other companies. These non-GAAP measures and metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on GAAP measures. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented. We also recognize that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of companies within our industry. Finally, we use non-GAAP measures and metrics in order to facilitate evaluation of operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation.

The following table provides a reconciliation of net loss for the period to EBITDA and Adjusted EBITDA for the years ended December 31, 2022, 2021, and 2020:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net loss	$ (421,481)	$ (146,853)	$ (119,649)
Income tax	(11,213)	139	(16,197)
Depreciation and amortization	84,788	53,002	19,651
Interest expense, net and debt amortization	52,542	30,014	6,336
EBITDA (Non-GAAP measure)	$ (295,364)	$ (63,698)	$ (109,859)
Adjustments:			
Share-based compensation	27,930	25,018	29,805
Goodwill impairment	170,642	72,328	—
Intangible impairment	169,479	—	—
Fair-value mark-up for acquired inventory	204	7,663	3,111
Adjustments for acquisition and other non-core costs*	34,969	9,954	7,477
Fair-value changes on derivative liabilities	(6,560)	(13,286)	11,745
Loss on conversion of Convertible notes	—	1,580	—
Loss on Restructuring	3,089	—	—
Impairment on disposal group	—	2,000	1,969
Gain on remeasurement of contingent consideration	(37,362)	—	—
Acquisition and settlement of pre-existing relationships	—	75,655	14,195
Earnout liability accrual	349	(59,362)	21,757
Adjusted EBITDA (Non-GAAP measure)	$ 67,376	$ 57,852	$ (19,800)
Revenue	$ 511,578	$ 460,080	$ 179,503
Adjusted EBITDA (Non-GAAP measure)	67,376	57,852	(19,800)
Adjusted EBITDA margin (Non-GAAP measure)	13.2%	12.6%	(11.0)%
Revenue	$ 511,578	$ 460,080	$ 179,503
Gross profit	201,211	194,015	62,143
Gross margin	39.3%	42.2%	34.6%

* Acquisition and other non-core costs include costs associated with acquisitions, litigation expenses and COVID-19 expenses.

Adjusted EBITDA

The increase in Adjusted EBITDA for the year ended December 31, 2022, as compared to the prior year period, was primarily driven by improved gross profit and improved leverage of revenues across selling, general and administrative expenses such as facility costs, salary and benefits costs.

The increase in Adjusted EBITDA for the year ended December 31, 2021, as compared to the prior year period, was primarily driven by improved gross margins offset by increases in facility costs, salary and benefits costs.

Our future financial results are subject to significant potential fluctuations caused by, among other things, growth of sales volume in new and existing markets and our ability to control operating expenses. In addition, our financial results may be impacted significantly by changes to the regulatory environment in which we operate, both on a local, state and federal level.

Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures and for general corporate purposes. Historically, we have relied on external financing as our primary source of liquidity. Our ability to fund our operations and to make capital expenditures depends on our ability to successfully secure financing through issuance of debt or equity, as well as our ability to improve our future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

We are currently meeting our obligations as they become due and are earning revenues from our operations. However, we have sustained losses since inception and may require additional capital in the future. We estimate that based on our current business operations and working capital, we will continue to meet our obligations as they become due. As we continue to seek growth through expansion or acquisition, our cash flows requirements and obligations could materially change. As of December 31, 2022, we did not have any significant external capital requirements.

Recent Financing Transactions

February 2022 Private Placement

On February 3, 2022, we closed the private placement of $185,000 aggregate principal amount of the 2026 Notes. The 2026 Notes are senior secured obligations of the Company and were issued at 100.0% of face value. In connection with the offering of the 2026 Notes, the Company received binding commitments to exchange approximately $31,750 of the Company's May 2020 Private Placement Notes, pursuant to private agreements in accordance with the trust indenture, for an equivalent amount of 2026 Notes plus accrued but unpaid interest and any negotiated premium thereon. As a result of the note exchanges, the Company received aggregate gross proceeds of $153,250 in cash pursuant to the offering of the 2026 Notes.

Mortgages

In December 2021, the Company entered into a term loan and security agreement with a bank. The agreement provides for $20,000 mortgage on real property in New York and carries interest at a variable rate per annum equal to Wall Street prime rate ("Index") plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on January 1, 2027, which is estimated at $17,999 as of December 31, 2022. In connection with this Mortgage, the Company incurred financing costs of $655.

In June 2022, the Company entered into a term loan and security agreement with a bank. The agreement provides for $16,500 mortgage on real property in New Jersey and carries interest at a variable rate per annum equal to Wall Street prime rate ("Index") plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on July 15, 2027, which is estimated at $15,641 as of December 31, 2022. In connection with this Mortgage, the Company incurred financing costs of $209.

Cash Flows

Net cash provided in operating, investing and financing activities for the years ended December 31, 2022, 2021, and 2020, were as follows:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net cash used in operating activities	$ (111,401)	$ (523)	$ (49,650)
Net cash used in investing activities	(75,327)	(191,350)	(27,322)
Net cash provided by financing activities	153,684	202,437	89,994
Net increase/(decrease) in cash and cash equivalents	$ (33,044)	$ 10,564	$ 13,022

Operating Activities

During the year ended December 31, 2022, operating activities used $111,401 of cash, primarily resulting from net loss of $421,481, change in derivative liability of $6,560, deferred taxes of $69,243, gain on remeasurement of contingent consideration of $37,362, net changes in operating assets and liabilities of $50,545, and partially offset by depreciation and amortization of $84,788, equity-based compensation expense of $27,930, debt amortization expense of $8,588, goodwill impairment of $170,642, intangible assets impairment of $169,479, and provision for obsolete inventory and other assets of $11,267.

During the year ended December 31, 2021, operating activities used $523 of cash, primarily resulting from net loss of $146,853, gain on remeasurement of contingent consideration of $59,362, change in derivative liability of $13,286, and decrease in deferred taxes of

$26,112, partially offset by goodwill impairment charge of $72,328, depreciation and amortization of $53,002, equity-based compensation expense of $25,018, debt amortization expense of $6,068 and impairment on disposal group of $2,000 and net changes in operating assets and liabilities of $81,424.

During the year ended December 31, 2020, operating activities used $49,650 of cash, primarily resulting from net loss of $119,649, partially offset by equity-based compensation expense of $29,805, depreciation and amortization of $19,651, debt amortization expense of $2,189 and impairment on disposal group of $1,969.

Investing Activities
During the year ended December 31, 2022, investing activities used $75,327 of cash, consisting of purchases of property and equipment of $72,741, and cash paid for other assets of $2,973.

During the year ended December 31, 2021, investing activities used $191,350 of cash, consisting of cash paid for acquisitions of $50,762, purchases of property and equipment of $117,506, cash paid for other assets of $15,792, and cash paid for deposits of $7,019.

During the year ended December 31, 2020, investing activities used $27,322 of cash, consisting of purchases of property and equipment of $42,885 and cash paid for deposits of $5,688, partially offset by cash received from sale leasebacks of $11,927, acquisitions of $3,821 and deposits of $6,676.

Financing Activities
During the year ended December 31, 2022, financing activities provided $153,684 of cash, consisting of $153,250 in net proceeds received from issuance of debt, and proceeds from issue of mortgage note of $16,500, partially offset by debt repayment of $7,699, sellers note repayment of $1,875, and lease liability payments of $5,815.

During the year ended December 31, 2021, financing activities provided $202,437 of cash, consisting of $133,195 and $90,655 in net proceeds received from issuance of common shares and debt, respectively, partially offset by debt repayment of $9,950 and lease liability payments of $9,664.

During the year ended December 31, 2020, financing activities provided $89,994 of cash, consisting of $89,379 in gross proceeds received from issuance of debt as reduced by issuance costs of $3,548 and the sale of membership interest of a subsidiary of $5,509, partially offset by lease liability payments of $734.

Contractual Obligations and Commitments

The following table summarizes contractual obligations as of December 31, 2022 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and beyond
Lease commitments	$ 393,839	$ 29,939	$ 32,215	$ 28,531	$ 26,035	$ 25,518	$ 251,601
Sale-Leaseback commitments	$ 207,724	$ 9,766	$ 10,082	$ 10,407	$ 10,743	$ 11,090	$ 155,636
2026 Notes	$ 185,000	$ —	$ —	$ —	$ 185,000		
Term debt (principal)	$ 38,215	$ 38,215	$ —	$ —	$ —	$ —	$ —
Acquisition related term debt	$ 3,214	$ 104	$ 109	$ 113	$ 118	$ 123	$ 2,647
Interest on term debt	$ 57,611	$ 19,512	$ 17,697	$ 17,693	$ 1,702	$ 109	$ 898
Convertible debt (principal)	$ 80,100	$ 5,600	$ —	$ 74,500	$ —	$ —	$ —
Interest on convertible debt	$ 11,403	$ 4,741	$ 4,470	$ 2,192	$ —	$ —	$ —
Mortgage notes (principal)	$ 35,965	$ 537	$ 578	$ 648	$ 715	$ 33,487	$ —
Mortgage notes (interest)	$ 14,822	$ 3,527	$ 3,486	$ 3,416	$ 3,349	$ 1,044	
Closing promissory note (principal)	$ 3,000	$ 1,125	$ 1,500	$ 375	$ —	$ —	$ —
Closing promissory note (interest)	$ 270	$ 158	$ 105	$ 7			
Project Cannabis real estate notes (principal)	$ 7,000	$ 2,000	$ 5,000	$ —	$ —	$ —	$ —
Project Cannabis real estate notes (interest)	$ 570	$ 420	$ 150	$ —	$ —	$ —	$ —
Total contractual obligations	$ 1,038,733	$ 115,644	$ 75,392	$ 137,882	$ 227,662	$ 71,371	$ 410,782

The above table excludes purchase orders for inventory in the normal course of business.

Off-Balance Sheet Arrangements

As of the date of this filing, we do not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of our operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

Changes In or Adoption of Accounting Practices

The following U.S. GAAP standards have been recently issued by the Financial Accounting Standards Board.

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The update among other things clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures, for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The update is effective for fiscal years beginning after December 15, 2021. We are evaluating the impact of this update on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("**ASU 2020-06**"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with our accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. We early adopted the new standard on January 1, 2021. The adoption of the standard did not have a material impact on our Consolidated Financial Statements.

Critical Accounting Estimates

We make judgements, estimates and assumptions about the future that affect reported of assets and liabilities, and revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

The preparation of our consolidated financial statements requires us to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Judgements estimates and assumptions with the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Business Combinations

We account for business combinations under the acquisition method of accounting, which requires us to recognize separately from goodwill, the assets acquired and the liabilities assumed at their acquisition date fair values. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in our consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at

the acquisition date including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain acquired intangible assets under the income approach include growth in future expected cash flows from product sales, customer contracts, revenue growth rate, customer ramp-up period and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In the valuation of goodwill, we make assumptions regarding estimated future cash flows to be derived from our business. If these estimates or their related assumptions change in the future, we may be required to record impairment for these assets.

We have the option to first perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying value. However, we may elect to bypass the qualitative assessment and proceed directly to the quantitative impairment tests. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value of the reporting unit exceeds its fair value, we would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. We perform an annual assessment of our goodwill as of first day of the fourth quarter, or more frequently, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill. If events or circumstances do not indicate that the fair value of a reporting unit is below its carrying amount, then goodwill is not considered to be impaired and no further testing is required, if otherwise, we compare the fair value of our reporting unit to its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the amount by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss. We monitor the indicators for goodwill impairment testing between annual tests.

Recoverability of Long-lived Assets

We evaluate the recoverability of our long-lived tangible and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Such trigger events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used, a significant adverse change in legal factors or in the business climate, including those resulting from technology advancements in the industry, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows we expect to generate from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. We perform impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based upon estimated discounted future cash flows. We recognized impairment of $2,000 and $1,969 recognize any impairment loss for long-lived assets for the years ended December 31, 2021 and December 31, 2020. Assets to be disposed of or held for sale would be separately presented on the balance sheets and reported at the lower of their carrying amount or fair value less costs to sell, and would no longer be depreciated or amortized.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Our financial instruments consist of cash and cash equivalents, accounts receivable, and other current assets, accounts payable, accrued expenses, and other current liabilities, derivative liability, debt and lease liabilities. The fair values of cash, accounts receivables, accounts payable and accrued expenses and other current liabilities, short-term debt and lease liabilities approximate their carrying values due to the relatively short-term to maturity or because of the market rate of interest used on initial recognition. Columbia Care classifies its derivative liability as fair value through profit and loss (FVTPL).

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of contained within the hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Our assets measured at fair value on a nonrecurring basis include investments, assets and liabilities held for sale, long-lived assets and indefinite-lived intangible assets. We review the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually, for indefinite-lived intangible assets. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered Level 3 measurements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company does not have significant credit risk with respect to its customers.

The Company provides credit to its customers in the normal course of business. The Company has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of its sales are paid at the time of sale.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the effective management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity at all times to settle obligations and liabilities when due.

Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign exchange, raw material and other commodity prices.

Currency Risk. The operating results and financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction risks. The Company has no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Company's senior secured financial debts have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

Commodities Price Risk. Commodities Price risk is the risk of variability in fair value due to movements in equity or market prices. The primary raw materials used by the Company aside from those cultivated internally are labels and packaging. Management believes a hypothetical 10% change in the price of these materials would not have a significant effect on the Company's consolidated annual results of operations or cash flows, as these costs are generally passed through to its customers. However, such an increase could have an impact on our customers' demand for our products, and we are not able to quantify the impact of such potential change in demand on our combined annual results of operations or cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial information required by Item 8 is located beginning on page F-1 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

a. Disclosure Controls and Procedures.

Management of the Company, including the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the year covered by this Form 10-K. The term "disclosure controls and procedures" means controls and other procedures established by the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 (the "**Exchange Act**") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation of the Company's disclosure controls and procedures, as of December 31, 2022, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, our management conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period ended December 31, 2022, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer have concluded that during the period covered by this report, our disclosure controls and procedures were effective as of December 31, 2022. In its evaluation effective as of December 31, 2021 management concluded that disclosure controls and procedures were not effective because of a material weakness in our internal control over financial reporting. This item was remediated during 2022 as discussed below.

Evaluation of Internal Control over Financial Reporting Under Canadian Law as of December 31, 2021

As a newly reporting company in the United States, the Company was subject to a transition period related to management's assessment regarding internal control over financial reporting. However, as a public company in Canada, the Company undertook an analysis of our internal control over financial reporting in accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Based on this evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that, as of December 31, 2021, our disclosure controls and procedures were not effective due to the material weaknesses in our internal control over financial reporting, relating to the lack of appropriate controls over management's fair value modeling of complex accounting and financial reporting issues in the impairment testing of goodwill and intangible assets.

The material weakness related to a lack of certain controls, or improper execution of designed control procedures for review of complex accounting and financial reporting issues.

The combination of control deficiencies that resulted in these material weaknesses were related to insufficient resources to properly execute the designed controls or perform an effective review over certain manual controls related to the financial statement close process. In addition, certain control deficiencies related to the timely review of transactions that were infrequent in nature.

In response to the material weakness described above, the Company implemented a remediation plan to address the material weakness. Based on this remediation and our ongoing evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that, as of December 31, 2022, our disclosure controls and procedures were effective.

The Company, including its CEO and CFO, does not expect that its internal controls and procedures will prevent or detect all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

b. Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Based upon their evaluation of the Company's controls over financial reporting, as of December 31, 2022, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, our management conducted an evaluation of the effectiveness of our controls over financial reporting as of the end of the period ended December 31, 2022, as required by paragraph (c) of § 240.13a-15 or 240.15d-15 of this chapter. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013) to conduct the required assessment of the effectiveness of the Company's internal control over financial reporting. Based on this evaluation, our principal executive officer and principal financial officer have concluded that during the period covered by this report, our controls over financial reporting were effective as of December 31, 2022.

c. Attestation Report of the Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of the Company's registered independent public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered independent public accounting firm as the Company qualifies as an "emerging growth company" under the Jumpstart Our Business Start-ups Act of 2012.

d. Changes in Internal Control Over Financial Reporting.

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) during the fourth quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

In May 2020, the Company completed the May 2020 Private Placement, a concurrent brokered and non-brokered private placement of the May 2020 Private Placement Units for gross proceeds of US$19,115,000. Each May 2020 Private Placement Unit was comprised of: (i) the May 2020 Private Placement Notes, US$1,000 principal amount of 13.00% senior secured first-lien notes; and (ii) 120 May 2020 Private Placement Warrants.

The May 2020 Private Placement Notes are governed by the terms of the May 2020 Trust Indenture dated May 14, 2020 between the Company and Odyssey Trust Company, as trustee.

The May 2020 Private Placement Units were issued pursuant to the terms of the May 2020 Private Placement Subscription Agreements entered into between the Company and the subscribers of the May 2020 Private Placement Units and pursuant to an agency agreement dated as of May 11, 2020, between the Company and Canaccord Genuity Corp., as agent for the May 2020 Private Placement.

As part of the May 2020 Private Placement, the March 2020 Private Placement Notes were cancelled and exchanged for an equivalent number of May 2020 Private Placement Notes. Subscribers of March 2020 Private Placement Units were issued an additional 8.55 May 2020 Private Placement Warrants for each March 2020 Private Placement Unit held by such subscribers.

The May 2020 Private Placement Notes were originally scheduled to become due and payable, together with all accrued and unpaid interest thereon, on May 14, 2023 (the "**Maturity Date**"). On March 28, 2023, the Company provided notice to Odyssey Trust Company (the "**Extension Notice**") to extend the maturity of the May 2020 Private Placement Notes to May 14, 2024. Under the terms of the May 2020 Trust Indenture, the Company had the discretion to extend the Maturity Date to May 14, 2024. Other than the change in Maturity Date, all other terms of the May 2020 Trust Indenture remain in place, including the Company's right to redeem the May 2020 Private Placement Notes and the Company's obligation to make an offer to repurchase all or any part of the May 2020 Private Placement Notes upon a change of control.

The foregoing description of the Extension Notice does not purport to be complete and is qualified in its entirety by reference to the full text of the Extension Notice, a copy of which is filed as Exhibit 4.14 and is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The following table sets forth the directors and executive officers of the Company as of March 23, 2023 and their respective positions.

Name	Age	Position
Nicholas Vita	50	Chief Executive Officer and Director
Michael Abbott	58	Chairman and Director
Frank Savage	84	Director
James A.C. Kennedy	69	Director
Jonathan P. May	56	Director
Jeff Clarke	61	Director
Alison Worthington	58	Director
Julie Hill	76	Director
Philip Goldberg	47	Director
Derek Watson	52	Chief Financial Officer
David Hart	46	Chief Operating Officer
Dr. Rosemary Mazanet	67	Chief Scientific Officer
Bryan Olson	49	Chief People and Administrative Officer
Guy Hussussian	56	Chief Data Officer
Jesse Channon	38	Chief Growth Officer
David Sirolly	48	Chief Legal Officer and General Counsel

Director and Executive Officer Biographies

Nicholas Vita, Director and Chief Executive Officer

Nicholas Vita co-founded Columbia Care in 2012. Mr. Vita has over 25 years of experience serving in corporate leadership roles, investing capital, structuring and funding public/private partnerships and providing strategic advisory services to Fortune 500 companies throughout the U.S., Europe, Asia and Latin America. Prior to Columbia Care, Mr. Vita was a Partner and served as the Chairman of the Investment Committee at Apelles Investment Management, LLC, a private investment management company focused on the healthcare and privatized military infrastructure sectors. Before Apelles, Mr. Vita was a General Partner, member of the Investment Committee and the Portfolio Manager for the Healthcare Sector at ARX Investment Management. Previously, he worked in the Investment Banking Division at Goldman Sachs & Co. Inc. as an Analyst, Associate and Vice President in the Healthcare Department where he focused on mergers, raid defense and corporate finance. He is a graduate of Columbia College, Columbia University.

Michael Abbott, Director and Chairman

Michael Abbott co-founded Columbia Care in 2012. Mr. Abbott joined Swiss Bank Corporation in 1990 as an Associate in Equity Capital Markets and was transferred to the Bank's Chicago branch in 1993 to work with SBC O'Connor. In 1996, Mr. Abbott joined Goldman Sachs as a Vice President in the Convertible Trading and Sales Department and later led its Structured Product Trading and Origination Group. Mr. Abbott co-founded the foreign exchange trading hedge fund, Elysium Capital, in 2002. In 2006, he became Chief Executive Officer and head of the investment committee of Robeco Sage, a multibillion-dollar fund of hedge funds. He was also appointed Chief Investment Officer of the Cornell University endowment in 2010. In 2012, he became a Managing Director at the Raptor Group, a single family office based out of Boston and New York City. Mr. Abbott started his professional career in 1983 as a London police officer. Mr. Abbott has served as a director of Target Global Acquisition I Corp. (Nasdaq: TGAAU), a special purpose acquisition company, since 2021. Mr. Abbott matriculated at King's College London's School of Law, graduating in 1990 with a Bachelor of Laws degree. He serves on the Advisory Counsel of King's College London Business School and was conferred a Fellowship of King's College, London in December 2020.

Frank Savage, Director

Frank Savage serves as the Managing Partner of Savage Holdings, LLC, a global financial services company and has previously held senior positions at Citibank, Equitable Life Assurance Corp. (now AXA Inc.) and Alliance Capital Management International as its Chairman. He currently serves on the board of directors of Bloomberg L.P., and has served on the boards of a number of

corporations and non-profit organizations, including Lockheed Martin, Inc. and Qualcomm Inc. Mr. Savage earned a Bachelor of Arts degree from Howard University, a Master of Arts degree from the Johns Hopkins Nitze School of Advanced International Studies, and was the recipient of an Honorary Doctorate of Humane Letters from Hofstra University and an honorary Doctor of Humanities degree from Howard University. He serves as Chair Emeritus of Howard University and Trustee Emeritus of The Johns Hopkins University.

James A.C. Kennedy, Director

In December 2015, James A.C. Kennedy resigned from his role as President and Chief Executive Officer of T. Rowe Price Group, a global investment management organization, serving institutions and individuals around the world and retired from T. Rowe Price in March 2016. Mr. Kennedy spent 38 years with T. Rowe Price, including nine years as CEO, during which time the firm's assets more than doubled to $763 billion. Previously Mr. Kennedy served as an investment analyst, as Director of Research, and as Head of Equities at the firm. Mr. Kennedy also served on the Board of T. Rowe Price for 20 years. Prior to earning his MBA at Stanford University, Mr. Kennedy participated in the Financial Management training program at General Electric. Mr. Kennedy currently serves on the board of United Continental.

Jonathan P. May, Lead Director

Jonathan May is currently Co-Founder and Managing Director of Floresta Ventures, LLC. Floresta invests, owns and operates restaurant and retail concepts. He is also a co-founder and managing director of Floresta Partners, LLC, a consulting firm focusing on growing multi-unit restaurant and retail concepts. Prior to forming Floresta, Mr. May was Executive Director of Natural Capital Partners Holdings LLC. NCPH works with corporations to measure their environmental impact and deliver solutions for positive impact on carbon, renewable energy, water, biodiversity and communities. Previously Mr. May was a founder and Managing Director of Catalytic Capital LLC, a private equity firm focused on growing retail and consumer branded companies. Before co-founding Catalytic Capital, Mr. May was Senior Vice President of Corporate Development for Triarc Companies, Inc. where he was responsible for merger identification and execution, corporate finance, and strategic planning. Mr. May also served as Chief Executive Officer of Arby's, Inc., where he managed the growth of 3,400 restaurants comprising $2.5 billion of global system-wide sales. Mr. May held a variety of strategic and operating roles at Arby's before becoming CEO. Mr. May also is the Lead Independent Director of INDUS Realty Trust, Inc., a publicly traded real estate company, and is also a Director of Bridgewater Chocolate, LLC, a private chocolate manufacturer and retailer. Mr. May formerly was a board member of Sneaker Villa and Marketwatch.com.

Jeff Clarke, Director

Mr. Clarke currently serves as Co-CEO of E.Merge Technology Acquisition Corporation (NASDAQ: ETACU), a special purpose acquisition corporation. Mr. Clarke also serves on the Board of Directors of FTD, LLC. Prior to this, Mr. Clarke spent five years as chief executive officer of Eastman Kodak Company, where he led the restructuring and divestiture of its high multiple packaging print division, substantially reducing Kodak's debt. Mr. Clarke has also held numerous prominent roles within the technology industry, including chief executive officer, chairman and executive chair positions at Travelport Limited, a leading technology and distribution company in the travel industry. He has also served as chief operating officer for CA Software, executive vice president of global operations at Hewlett-Packard and chief financial officer at Compaq Computer. Mr. Clarke is a former director at Dockers, Autodesk, Red Hat, Compuware and UTStarcom. He earned his MBA from Northeastern University and now serves as a Northeastern University Trustee.

Alison Worthington, Director

Alison Worthington is an innovative marketing leader with nearly three decades of experience transforming brands, product portfolios and P&Ls to deliver growth and ROI. Ms. Worthington held multiple senior level operating roles for The Coca-Cola Company, Starbucks and Microsoft as well as serving as the global Chief Marketing Officer for Method Home Products and a senior consultant at L.E.K. Consulting. She currently is Head of Marketing at Lyra Health, which helps leading companies improve access to effective, high-quality mental health care for their employees and their families. Ms. Worthington previously led a marketing consulting practice, where she was engaged as an interim Chief Marketing Officer and on demand advisor to high growth tech, consumer, life science, retail and e-commerce companies looking to reposition and scale their brands and products with new customer experiences and channels. She leveraged her background in building experiential lifestyle brands through compelling communication, disruptive product innovation, digital transformation and omnichannel marketing to put businesses on a path of purposeful growth and competitive differentiation. She was fortunate to work with great companies like GoPro, Ancestry, Bragg Live Foods and multiple startups. Ms. Worthington earned an MBA from the Harvard Graduate School of Business Administration and an AB in Economics from Smith College.

Julie Hill, Director

Julie Hill has spent more than two decades serving on a range of private and public corporate boards of directors. Most recently, Ms. Hill was a member of the board of directors of Anthem, a Fortune 50 company and the largest U.S. health insurance company by member. She is currently a member of the board of trustees of Lord Abbett, a $225 billion New Jersey-based mutual fund management firm. She was also previously on the board of Lend Lease, based in Sydney, Australia, a $9 billion international construction, development, investment and management firm, publicly traded on the Australian exchange, and Holcim (U.S.), the U.S. operation of a Swiss company, as well as several other public corporate boards. Prior to her last 20 years serving on boards of directors, she founded and ran multiple companies, mostly in the real estate investment and development industry, and was a senior executive at numerous publicly traded companies, including Mobil Land, a division of Mobil Oil, and UK-based Costain Group. Ms. Hill is currently Chair of the Board of Trustees of the University of California at Irvine (UCI), and is a board member of Leaders' Quest, and the Alliance for SoCal Innovation. She is a member of the International Women's Forum and Los Angeles Trusteeship, and is a prior member of the Women's Leadership Board of the Kennedy School of Government at Harvard. She earned a bachelor of arts degree in English from UCLA, and a master's degree in marketing from the University of Georgia.

Philip Goldberg, Director

Philip Goldberg co-founded Green Leaf Medical, LLC in 2014 and served as Green Leaf Medical's CEO until Green Leaf was acquired by Columbia Care in June of 2021. Mr. Goldberg built Green Leaf Medical into a leading multi-state cannabis operator in the mid-Atlantic region with 500 full time employees, 400,000 square feet of cultivation space, three extraction labs, and 10 dispensary licenses across Maryland, Pennsylvania, Virginia and Ohio. Prior to entering the cannabis industry, he founded and operated a successful advertising firm focused on lead generation, digital media, customer acquisition and retention. Mr. Goldberg is a graduate of the University of Arizona.

Derek Watson, Chief Financial Officer

Derek Watson joined Columbia Care in January 2022 as Chief Financial Officer. Prior to joining Columbia Care, Derek served as the Chief Financial and Commercial Officer at Tastes on the Fly, a private equity-backed national consumer retail company based in California, from September 2018 to January 2022. He has also held Chief Financial Officer roles at two other consumer companies, Starr Restaurants, from April 2016 to March 2018, and Samba Brands, and as Chief Financial Officer and Vice President of Strategic Initiatives at Schindler Elevator, the U.S. subsidiary of Schindler Holding AG (SCHN.SW). Derek began his career at KPMG where he spent 20 years providing audit and consulting services, including as a Partner and Practice Leader, and served private and Fortune 500 companies across a variety of industries while based in London, Prague, New York, and Philadelphia. He has experience in a range of leadership roles covering strategy, investor relations, information technology, tax, treasury, accounting, FP&A, operational improvement, and risk management. Derek is a Fellow at the Culinary Institute of America, a Board Member with the Queen Elizabeth Memorial Garden in New York and has served as a Board Advisor to a number of entrepreneurial start-ups. Derek is a Chartered Accountant with the ICAEW, holds an undergraduate degree in Finance & Accounting from Kingston University, London and an MBA from Columbia University.

David Hart, Chief Operating Officer

David Hart joined Columbia Care in 2016 and became Chief Operating Officer in 2018. Prior to joining Columbia Care, Mr. Hart served as COO of Abyrx, a venture capital backed medical device company. Prior to his time at Abyrx, Mr. Hart was CFO and CIO at Alpine Capital, a family investment office for the Ranawat Orthopedic Group at the Hospital for Special Surgery. Mr. Hart started his career in financial services at Thomas Weisel Partners and Duff & Phelps.

Dr. Rosemary Mazanet, Chief Scientific Officer

Dr. Rosemary Mazanet joined Columbia Care as Chief Scientific Officer in 2015 as the Chair of the Scientific Advisory Board and became the Chief Scientific Officer in 2017. Prior to joining Columbia Care, Dr. Mazanet was an Oncologist at the Brigham and Women's Hospital / Dana Farber Cancer Institute before starting her industry career at Amgen. Dr. Mazanet has more than 25 years of experience as an expert in all areas of Biotechnology and is a Trustee at the University of Pennsylvania Health System.

Bryan Olson, Chief People & Administrative Officer

Bryan Olson joined Columbia Care as Chief Human Capital Officer in 2017. Prior to joining Columbia Care, Mr. Olson was the Chief Human Resource Officer for global law firm K&L Gates and previously held senior HR executive positions at Aetna and United Technologies Corporation. Mr. Olson is a former practicing employee benefits and executive compensation attorney at Skadden Arps and started his career at Fidelity Investments.

Guy Hussussian, Chief Data Officer

Guy Hussussian joined Columbia Care as Chief Data Officer in September 2018. Prior to joining Columbia Care, Mr. Hussussian was responsible for Cloud Infrastructure Engineering and Operations groups at IBM where he was tasked with deploying and running IBM-Aspera High Speed Transfer Service since 2016. Mr. Hussussian has more than 20 years of Engineering, IT, and Operations leadership experience. Mr. Hussussian started the Infrastructure Engineering and Cloud Operations Group responsible for IBM-Aspera High Speed Transfer Service. Prior to IBM he was a Director of Research and Development at VMware. Mr. Hussussian started his career as an engineer in healthcare and worked his way up to running Global IT for Workshare.

Jesse Channon, Chief Growth Officer

Jesse Channon joined Columbia Care in December 2019 as Chief Growth Officer. Mr. Channon is an accomplished leader with over a decade of experience in digital marketing, consumer targeting, grassroots campaigns and social media, having advised and worked with some of the largest brands and agencies in the world, including Microsoft, AT&T, Honda, Starbucks, NBC, Red Bull and more. A member of the founding team at PageLever, a Y Combinator-backed company, Mr. Channon oversaw all revenue and partnerships, working with companies such as YouTube, Intel and Toyota to build one of the first real-time applications on Facebook's API and earning certification in the first wave of Preferred Marketing Developers. In 2013, PageLever sold to Unified, a New York City-based Ad Tech company, where Mr. Channon spent six years on the senior management team. After Unified, Mr. Channon served as chief revenue officer for Social Native, a custom content marketplace. He serves on the Entrepreneurship Advisory Board for the Harbert School of Business at Auburn University, the Marketing Board for UJA in New York City and mentors first-time founders of early stage start-ups.

David Sirolly, Chief Legal Officer and General Counsel

David Sirolly joined Columbia Care in 2021 as Chief Legal Officer and General Counsel. Prior to joining Columbia Care, Mr. Sirolly served as General Counsel, Corporate and Chief Compliance Officer of Integra LifeSciences Corporation, a publicly-traded global medical technology company, since 2010. Over his 11-year career at Integra, he held a variety of legal and compliance leadership roles which included accountability for corporate governance, securities laws, finance initiatives, healthcare compliance, employment law, litigation as well as legal support for a commercial division and information technology. Prior to Integra, Mr. Sirolly was Assistant General Counsel of ValueClick, Inc. (now Conversant, Inc.), a publicly-traded digital media company. David began his legal career at the international law firm of Hogan & Hartson LLP (now Hogan Lovells) based in Washington DC. At Hogan, he focused on supporting medical device and pharmaceutical manufacturers on complex legal and regulatory matters. Mr. Sirolly also spent several years at a leading regional law firm in Pennsylvania working on civil and administrative litigation. Mr. Sirolly has a JD from the University of Virginia School of Law and a degree in economics from Duke University.

Code of Ethics

The Board of Directors has adopted a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer, as well as all other employees and directors. Our Code of Ethics is available on our website at https://investors.columbia.care/corporate-governance/governance-overview.

Audit Committee

The Board believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, all members of the Audit Committee have been determined by the Board to be "independent" and "financially literate" as such terms are defined under the corporate governance rules of the Nasdaq Capital Market ("**Nasdaq**"). The Audit Committee consists of Jeff Clarke, Jonathan P. May and Frank Savage. The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Audit Committee. The Board has also determined that all members of the Audit Committee meets the SEC definition of an audit committee financial expert.

ITEM 11. EXECUTIVE COMPENSATION.

Executive Compensation

Summary Compensation Table

The following table sets forth all compensation paid to or earned by the named executive officers (the "**NEOs**") of the Company in the last two fiscal years.

							Non-equity Incentive Plan Compensation ($)		

Name and Principal Position	Year	Salary ($)	Share-Based Awards[1][2][3] ($)	Option- Based Awards ($)	Annual Incentive Plans	Long- term Incentive Plans	All Other Compensation[4] ($)	Total Compensation ($)
Nicholas Vita	2022	$ 500,000	$ 4,300,002	$ —	$ 160,000	$ —	$ 39,780	$ 4,999,782
CEO and Director	2021	$ 485,753	$ 3,300,003	$ —	$ 360,000	$ —	$ 1,128	$ 4,146,884
Michael Abbott	2022	$ 425,000	$ 2,170,002	$ —	$ 100,000	$ —	$ 40,000	$ 2,735,002
Chairman and Director	2021	$ 420,548	$ 2,170,004	$ —	$ 160,000	$ —	$ 21,128	$ 2,771,680
David Hart	2022	$ 348,247	$ 3,250,005	$ —	$ 122,000	$ —	$ 11,660	$ 3,731,912
COO	2021	$ 340,000	$ 1,500,002	$ —	$ 160,000	$ —	$ 10,543	$ 2,010,545

Notes:

(1) 2022 share-based award values converted to USD based on exchange rate at date of grant of 1 CAD:0.799616 USD; 2021 share-based award values converted to USD based on exchange rate at date of grant of 1 CAD:0.796144 USD.

(2) For 2022, reflects (i) annual share-based awards, specifically 928,572 RSUs and 500,000 PSUs granted to Mr. Vita, 468,605 RSUs and 252,326 PSUs granted to Mr. Abbott, and 323,921 RSUs and 174,419 PSUs granted to Mr. Hart, and (ii) retention awards of 581,396 RSUs granted to Mr. Hart.

(3) For 2021, reflects annual share-based awards, specifically 342,652 RSUs and 184,505 PSUs granted to Mr. Vita, 225,320 RSUs and 121,326 PSUs granted to Mr. Abbott, and 155,751 RSUs and 83,866 PSUs granted to Mr. Hart.

(4) For 2022, reflects (i) tax planning reimbursements of $39,780 and $20,000 for Messrs. Vita and Abbott respectively, (ii) life insurance reimbursements of $20,000 for Mr. Abbott, and (iii) Company 401(k) contribution of $11,600 for Mr. Hart.

Outstanding Equity Awards Table

The following table sets forth information concerning the option-based and share-based awards granted to the Company's NEOs that were outstanding as of December 31, 2022.

	Option-based Awards				Share-based Awards		
Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[1][2]	Market Or Payout Value of Vested Share- Based Awards Not Paid Out or Distributed ($)
Nicholas Vita CEO and Director	—	$ —	—	$ —	4,340,538	$ 3,255,404	—
Michael Abbott Chairman and Director	—	$ —	—	$ —	3,382,790	$ 2,537,093	—
David Hart COO	—	$ —	—	$ —	2,140,598	$ 1,605,449	—

Notes:

(1) Market value of unvested share-based awards and vested but undistributed share-based awards calculated based on the closing share price on December 31, 2022 (converted to USD based on an exchange rate of 1 CAD:0.73826 USD).

(2) For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.

Deferred Compensation Plans

The Company's Board of Directors approved termination of the Income Incentive Plan (i.e., the deferred compensation plan under the Legacy Management Incentive Plan), effective April 1, 2020, and all outstanding deferred compensation will subsequently be paid out in shares of the Company between 12 and 24 months following plan termination per Section 409A of the Internal Revenue Code. The Company has no other deferred compensation plans.

Termination and Change of Control Benefits

Other than as described herein, the Company does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities. Note that the dollar value of potential accelerated equity in connection with a qualifying termination reflects an exchange rate of 1 CAD: 0.73826 USD.

Nicholas Vita

On April 26, 2019, the Company entered into an employment agreement with Mr. Vita (the "**Vita Agreement**"). In the event of termination without cause of Mr. Vita's employment or if Mr. Vita resigns for good reason in connection with a change of control, Mr. Vita shall receive (i) an amount equal to thirty-six (36) months of the sum of Mr. Vita's then base salary and target bonus paid over such 36-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Vita's health insurance premiums to continue Mr. Vita's health insurance coverage for thirty-six (36) months beyond the termination date; and (iii) Mr. Vita shall receive outplacement services for a period of one (1) year following the termination date. The change of control payments and benefits that would be made to Mr. Vita are conditioned on and subject to Mr. Vita signing and not rescinding the Vita Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Vita's outstanding time-vested RSUs, including the time-vested portion of his outstanding restricted stock unit award, granted April 26, 2019 (the "**Vita Post-Closing RSU Grant**"), will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of the Vita Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. The total estimated incremental payments, payables and benefits to Mr. Vita in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $4,851,913, with Mr. Vita's health insurance coverage continuing for thirty-six (36) months from the termination date.

In the event that the Company terminates Mr. Vita's employment without cause or Mr. Vita resigns for good reason, Mr. Vita shall receive (i) an amount equal to twenty-four (24) months of the sum of Mr. Vita's then base salary and target bonus paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Vita's health insurance premiums to continue Mr. Vita's health insurance coverage for twenty-four (24) months beyond the termination date; and (iii) Mr. Vita shall receive outplacement services for a period of one (1) year following the termination date. The payments and benefits that would be made to Mr. Vita are conditioned on and subject to Mr. Vita signing and not rescinding the Vita Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause or a termination for good reason, Mr. Vita's outstanding time-vested RSUs and performance-vested RSUs/PSUs will be forfeited. As an exception, Mr. Vita's outstanding time-vested portion of the Vita Post-Closing RSU Grant will vest in full and his performance-vested portion of the Vita Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. The total estimated incremental payments and payables to Mr. Vita in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,935,030, with Mr. Vita's health insurance coverage continuing for twenty-four (24) months from the termination date.

Michael Abbott

On April 26, 2019, the Company entered into an employment agreement with Mr. Abbott (the "**Abbott Agreement**"). In the event of termination without cause of Mr. Abbott's employment or if Mr. Abbott resigns for good reason in connection with a change of control, Mr. Abbott shall receive (i) an amount equal to thirty-six (36) months of the sum of Mr. Abbott's then base salary and target bonus paid over such 36-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Abbott's health insurance premiums to continue Mr. Abbott's health insurance coverage for thirty-six (36) months beyond the termination date; and (iii) Mr. Abbott shall receive outplacement services for a period of one (1) year following the termination date. The change of control payments and benefits that would be made to Mr. Abbott are conditioned on and subject to Mr. Abbott signing and not rescinding the Abbott Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Abbott's outstanding time-vested RSUs, including the time-vested portion of his outstanding restricted stock unit award, granted April 26, 2019 (the "**Abbott Post-Closing RSU Grant**"), will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of the Abbott Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. The total estimated incremental payments, payables and benefits to Mr. Abbott in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $3,323,602, with Mr. Abbott's health insurance coverage continuing for thirty-six (36) months from the termination date.

In the event that the Company terminates Mr. Abbott's employment without cause or Mr. Abbott resigns for good reason, Mr. Abbott shall receive (i) an amount equal to twenty-four (24) months of the sum of Mr. Abbott's then base salary and target bonus paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Abbott's health insurance premiums to continue Mr. Abbott's health insurance coverage for twenty-four (24) months beyond the termination date; and (iii) Mr. Abbott shall receive outplacement services for a period of one (1) year following the termination date. The severance payments and benefits that would be made to Mr. Abbott are conditioned on and subject to Mr. Abbott signing and not rescinding the Abbott Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause or a termination for good reason, Mr. Abbott's outstanding time-vested RSUs and performance-vested RSUs/PSUs will be forfeited. As an exception, Mr. Abbott's outstanding time-vested portion of the Abbott Post-Closing RSU Grant will vest in full and his performance-vested portion of the Abbott Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. The total estimated incremental payments and payables to Mr. Abbott in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,395,031, with Mr. Abbott's health insurance coverage continuing for twenty-four (24) months from the termination date.

On March 16, 2023, the Company announced the transition of Mr. Abbott from Executive Chairman to Chairman pursuant to a transition and release of claims agreement (the "Transition Agreement").

David Hart

On April 26, 2019, the Company entered into an employment agreement with Mr. Hart, as amended on January 1, 2022 (the "**Hart Agreement**"). The Hart Agreement may be terminated at any time by Mr. Hart or the Company. In the event of termination without cause of Mr. Hart's employment in connection with a change of control, Mr. Hart shall receive (i) an amount equal to twenty-four (24) months of Mr. Hart's then base salary, plus target bonus, paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for twenty-four (24) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Hart's outstanding time-vested RSUs, including the time-vested portion of the outstanding restricted stock unit award, granted April 26, 2019 (the "**Hart Post-Closing RSU Grant**"), will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of his Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. Under the Legacy Management Incentive Plan, upon a change of control, outstanding restricted stock and restricted stock units that were converted from Capital Accumulation Incentive Plan Units and Income Incentive Plan Units, respectively, will fully vest (though administrator of plan may determine to require the earlier of a period of up to one year of continued employment post change of control or termination of employment). The total estimated incremental payments, payables and benefits to Mr. Hart in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $2,363,970, with Mr. Hart's health insurance coverage continuing for twenty-four (24) months from the termination date.

In the event that the Company terminates Mr. Hart's employment without cause, Mr. Hart shall receive (i) an amount equal to eighteen (18) months of Mr. Hart's then base salary, plus target bonus, paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for eighteen (18) months beyond the termination date. The severance payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Hart's outstanding time-vested RSUs and performance-vested RSUs will be forfeited. As an exception, the portion of Mr. Hart's outstanding time-vested portion of the Hart Post-Closing RSU Grant that is scheduled to vest within the following twelve months will vest and his performance-vested portion of the Hart Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. Under the Legacy Management Incentive Plan, upon an involuntary termination without cause, outstanding restricted stock and RSUs that were converted from Capital Accumulation Incentive Plan Units and Income Incentive Plan Units, respectively, will be forfeited. The total estimated incremental payments and payables to Mr. Hart in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $551,273, with Mr. Hart's health insurance coverage continuing for eighteen (18) months from the termination date.

Director Compensation

The following table sets forth all compensation paid to or earned by each non-employee director of the Company during the fiscal year ended December 31, 2022.

Name	Fees Earned or Paid in Cash[1] ($)	Share-Based Awards[2][3] ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total Compensation ($)
Jeff Clarke	$ 59,500	$ 245,005	$ —	$ —	$ —	$ 304,505
Julie Hill	$ 34,500	$ 220,004	$ —	$ —	$ —	$ 254,504
James A.C. Kennedy	$ 59,500	$ 195,002	$ —	$ —	$ —	$ 254,502
Jonathan P. May	$ 72,000	$ 195,002	$ —	$ —	$ —	$ 267,002
Frank Savage	$ 62,000	$ 170,001	$ —	$ —	$ —	$ 232,001
Alison Worthington	$ 38,500	$ 220,004	$ —	$ —	$ —	$ 258,504

Notes:

(1) Reflects annual cash retainer for Board service and, as applicable, additional cash retainer for Lead Director and additional cash retainer for Committee chairs and members.

(2) Share-based award values converted to USD based on exchange rate at date of grant of 1 CAD: 0.799616 USD for grants made in March 2022, and 1 CAD: 0.751478 USD for grants made in September 2022.

(3) Reflects (i) Special Litigation Committee RSU awards granted in March, specifically 8,306 RSUs granted to each of Messrs. Clarke, Kennedy, and May, (ii) Special Strategic Committee RSU awards granted in March, specifically 8,306 RSUs granted to each of Messrs. Clarke, Hill, and Worthington, (iii) Special Strategic Committee RSU awards granted in September, specifically 15,433 RSUs granted to each of Messrs. Clarke, Hill, and Worthington, and (iv) annual RSU awards granted in September, specifically 104,939 RSUs granted to each of Messrs. Clarke, Hill, Kennedy, May, Savage, and Worthington.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended December 31, 2022, Frank Savage, James A.C. Kennedy, Alison Worthington and Jonathan P. May served as members of the Compensation Committee.

None of the Company's executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director of the Company or on the Compensation Committee, during fiscal 2022. None of the Company's executive officers served as a director of another entity, one of whose executive officers served on the Compensation Committee, during fiscal 2022.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth the expected beneficial ownership of the Company's securities as of March 23, 2023 for (i) each member of the Board of Directors, (ii) each NEO, (iii) each person known to the Company and expected to be the beneficial owner of more than 5% of the Company's securities and (iv) the members of the Board and the NEOs as a group. Beneficial ownership is determined according to the rules of the SEC. Generally, a person has beneficial ownership of a security if the person possesses sole or shared voting or investment power of that security, including any securities that a person has the right to acquire beneficial ownership within 60 days. Information with respect to beneficial owners of more than 5% of the Company's securities is based on completed questionnaires and related information provided by such beneficial owners as of March 23, 2022. Except as indicated, all shares of the Company's securities will be owned directly, and the person or entity listed as the beneficial owner has sole voting and investment power. The address for each director and executive officer is c/o Columbia Care Inc., 680 Fifth Ave., 24th Floor, New York, New York 10019.

Name, Position and Address of Beneficial Owner	Common Shares		Proportionate Voting Shares		Total[1]	
	Number Beneficially Owned	% of Total Common Shares	Number Beneficially Owned	% of Total Proportionate Voting Shares	Total Number of Capital Stock Beneficially Owned	% of Total Capital Stock
Nicholas Vita, Chief Executive Officer and Director	26,062,322	6.65%	0	0.00%	26,062,322	6.49%

Michael Abbott, Chairman and Director	761,356	0.19%	0	0.00%	761,356	0.19%
Frank Savage, Director	143,158	0.04%	0	0.00%	143,158	0.04%
James A.C. Kennedy, Director	1,882,501	0.48%	2,505	2.52%	2,133,044	0.53%
Jonathan P. May, Director	133,865	0.03%	29,468	29.60%	3,080,632	0.77%
Jeff Clarke, Director	530,822	0.14%	47	0.05%	535,551	0.13%
Alison Worthington, Director	87,734	0.02%	0	0.00%	87,734	0.02%
Julie Hill, Director	62,551	0.02%	0	0.00%	62,551	0.02%
Philip Goldberg, Director	7,798,573	1.99%	0	0.00%	7,798,573	1.94%
David Hart, Chief Operating Officer	1,058,990	0.27%	0	0.00%	1,058,990	0.26%
Dr. Rosemary Mazanet, Chief Scientific Officer	1,329,801	0.34%	0	0.00%	1,329,801	0.33%
Bryan Olson, Chief People and Administrative Officer	426,920	0.11%	0	0.00%	426,920	0.11%
Guy Hussussian, Chief Data Officer	162,257	0.04%	0	0.00%	162,257	0.04%
Jesse Channon, Chief Growth Officer	489,163	0.12%	0	0.00%	489,163	0.12%
Derek Watson, Chief Financial Officer	10,000	0.00%	0	0.00%	10,000	0.00%
David Sirolly, Chief Legal Officer and General Counsel	11,419	0.00%	0	0.00%	11,419	0.00%
All Board directors and NEOs as a group	40,951,432	10.45%	32,020	32.16%	44,153,471	10.99%
Five Percent Holders:						
SIGMA SAGITTARII Ltd. Victoria Road Douglas, Isle of Man United Kingdom IM2 4DF	27,790,854	6.91%				

Notes:

(1) Includes Proportionate Voting Shares on an as converted basis.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Related Party Transaction Policy

The Company has not adopted a related party transaction policy.

Transactions with Related Persons

Since the beginning of the last fiscal year there have been none and there are no currently proposed transactions, other than as described below, in which the Company was or is to be a participant and the amount involved exceeds $120,000, and in which any related person had or will have a direct or indirect material interest.

For the quarter ended September 30, 2021, the Company had anticipatorily accrued $68,000,000 for potential share issuances and cash payments for purposes of acquisition and settlement of pre-existing relationships, inclusive of prospective acquisition costs relating to third-party entities and other litigation costs. On April 18, 2022, in connection with the accrual, the Company issued 18,755,082 common shares and on April 18, 2022 and April 24, 2022 paid approximately $26,000,000 to acquire, by merger, VentureForth Holdings, LLC, which is the owner of VentureForth LLC (**"VentureForth"**). The Company previously had a management services agreement with VentureForth. In further connection with the accrual, the shares issued, and amounts paid also amicably resolved, with no admissions of liability and in exchange for releases, certain direct, indirect, derivative and indemnification claims relating to a confidential arbitration to which VentureForth, a separate subsidiary of the Company and certain members of the Company's management team were respondent parties (the **"VentureForth Matter"**). With respect to the VentureForth Matter, on April 24, 2022, the Company entered into an agreement containing customary terms and conditions, which agreement was negotiated at arm's length with independent counsel representing the parties, with Michael Abbott, Chairman and Director of the Company, and Nicholas Vita, Chief Executive Officer and Director of the Company, pursuant to which the Company paid $1,654,625 to Mr. Abbott and $976,000 to Mr. Vita to address claims, interests and rights held by Mr. Abbott and Mr. Vita relating to the VentureForth Matter.

Promoters

No person or company has been at any time during the past five fiscal years a promoter of the Company.

Director Independence

For purposes of this Annual Report on Form 10-K, the independence of our directors is determined under the corporate governance rules of the Nasdaq Capital Market ("**Nasdaq**"). The independence rules of Nasdaq include a series of objective tests, including that an "independent" person will not be employed by us and will not be engaged in various types of business dealings with us. In addition, the Board is required to make a subjective determination as to each person that no material relationship exists with the Company either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. It has been determined that six of our directors are independent persons under the independence rules of Nasdaq: Frank Savage, James A.C. Kennedy, Jonathan P. May, Jeff Clarke, Alison Worthington and Julie Hill.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table sets forth fees paid to the Company's auditors, Davidson & Company LLP, in 2022 and 2021 for audit and non-audit services. All of the services described below were approved in accordance with the Company's pre-approval policy, which is described in the next section.

	2022	2021
Audit fees (1)	$ 1,300,000	$ 1,195,000
Audit-related fees (2)	$ 375,000	$ 69,082
Tax fees (3)	$ —	$ —
All other fees (4)	$ —	$ —

Notes:

(1) "Audit Fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other annual regulatory audits and filings.

(2) "Audit Related Fees" includes the aggregate fees paid to the external auditors for services related to the audit services, including reviewing quarterly financial statements and management's discussion thereon and conferring with the Board and Audit Committee regarding financial reporting and accounting standards.

(3) "Tax Fees" include the aggregate fees paid to external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns.

(4) "Other Fees" include fees for assurance procedures in connection with filings statements and information circulars and services related to underwriter's due diligence.

Pre-Approval Policies and Procedures

The Company's Audit Committee has a policy related to pre-approval of all audit and permissible non-audit services to be provided by the independent registered public accounting firm. Pursuant to this policy, the Audit Committee must pre-approve all services provided by the independent registered public accounting firm. Pre-approvals for classes of services are granted at the start of each fiscal year and are applicable for such year. As provided under the Sarbanes-Oxley Act of 2002 and the SEC's rules, the Audit Committee, in its discretion, may delegate to one or more of its members the authority to address certain requests for pre-approval in between regularly scheduled meetings of the Audit Committee, and such pre-approval decisions are reported to the Audit Committee at its next regular meeting. The policy is designed to help ensure that there is no delegation by the Audit Committee of authority or responsibility for pre-approval decisions to management.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements

See the Index to Financial Statement listed on page F-1 of the Form 10-K.

(a)(2) Financial Statement Schedules

Schedules have been omitted because they are not applicable, not material or because the information is included in the consolidated financial statements or the notes thereto.

(a)(3) Exhibits

The exhibits are incorporated by reference from the Exhibit Index attached hereto.

ITEM 16. FORM 10-K SUMMARY.

None.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1	Transaction Agreement dated November 21, 2018 between Canaccord Genuity Growth Corp. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
2.2	Agreement and Plan of Merger dated December 21, 2020 among Columbia Care Inc., Columbia Care LLC, Vici Acquisition LLC, Vici Acquisition II LLC, Green Leaf Medical, LLC and Shareholder Representative Services LLC (incorporated by reference to Exhibit 2.2 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)
2.3	Arrangement Agreement, dated March 23, 2022, between Cresco Labs Inc. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
2.4	Amending Agreement, dated February 27, 2023, between Cresco Labs Inc. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K, filed with the SEC on February 28, 2023
3.1	Articles of Columbia Care Inc. (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.1	Warrant Agency Agreement dated September 20, 2018 between Canaccord Genuity Growth Corp. and Odyssey Trust Company (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.2	Warrant Agreement dated April 26, 2019 between Columbia Care Inc. and Canaccord Genuity Corp. (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.3	Trust Indenture made as of March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.4	Warrant Indenture dated March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.5	Trust Indenture made as of May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.5 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.6	Warrant Indenture dated May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.6 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.7	First Supplemental Indentures dated as of June 19, 2020 between Columbia Care Inc and Odyssey Trust Company (incorporated by reference to Exhibit 4.7 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.8	Warrant Indenture dated July 2, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.8 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.9	Warrant Indenture dated October 29, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.9 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.10	Second Supplemental Indenture dated June 29, 2021 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.10 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on January 28, 2022)
4.11	Third Supplemental Indenture dated February 2, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.11 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)

Exhibit No.	Description of Exhibit
4.12	Fourth Supplemental Indenture dated February 3, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.12 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)
4.13	Fifth Supplemental Indenture dated May 5, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed with the SEC on May 11, 2022)
4.14*	Extension Notice dated March 28, 2023 to Odyssey Trust Company.
10.1	Lease Agreement dated December 1, 2013 between Pagson, LLC and Patriot Care Corporation (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.2	Lease Agreement dated April 30, 2015 between Eastman Kodak Company and Columbia Care NY, LLC (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.3	Lease Agreement dated April 10, 2019 between MM Downtown Facility, LLC and PHC Facilities, Inc. (incorporated by reference to Exhibit 10.3 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.4	Lease Agreement dated December 23, 2019 between NLCP 156 Lincoln MA, LLC and Patriot Care Corp. (incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.5	First Amendment to Lease dated December 2, 2020 between PHC Facilities, Inc. and MM Downtown Facility, LLC (incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.6*#	Employment Agreement dated April 26, 2019 between Columbia Care Inc. and Nicholas Vita (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.7*#	Employment Agreement dated April 26, 2019 between Columbia Care Inc. and David J. Hart (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.8*#	Employment Agreement dated April 26, 2019 between Columbia Care Inc. and Michael Abbott (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.9*#	Amendment No. 1 dated January 1, 2022 to Employment Agreement between Columbia Care Inc. and David J. Hart (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.10*#	Restricted Stock Unit Award Notice and Award Agreement dated April 26, 2019 between Columbia Care Inc. and Nicholas Vita (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.11*#	Restricted Stock Unit Award Notice and Award Agreement dated April 26, 2019 between Columbia Care Inc. and David Hart (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.12*#	Restricted Stock Unit Award Notice and Award Agreement dated April 26, 2019 between Columbia Care Inc. and Michael Abbott (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.13*#	Columbia Care Inc. Amended and Restated Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.14*	Mortgage and Security Agreement dated December 28, 2021 between Columbia Care NY Realty LLC and East West Bank (incorporated by reference to Exhibit 10.14 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)

Exhibit No.	Description of Exhibit
10.15	Form of Voting Support Agreement (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
10.16	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
10.17*	Transition Agreement between Columbia Care Inc. and Michael Abbott
21.1*	Subsidiaries of Columbia Care Inc.
31.1*	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1‡	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2‡	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
‡ Document has been furnished, is not deemed filed and is not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in any such filing.
# Management contract, compensatory plan or arrangement required to be filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 29, 2023.

COLUMBIA CARE INC.

/s/ Nicholas Vita

By: Nicholas Vita
Title: Chief Executive Officer and Director

/s/ Derek Watson

By: Derek Watson
Title: Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Nicholas Vita and Derek Watson, jointly and severally, his or her attorney-in-fact, each with the full power of substitution, for such person, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might do or could do in person hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Name and Signature	Title	Date
/s/ Nicholas Vita Nicholas Vita	Chief Executive Officer and Director	March 29, 2023
/s/ Derek Watson Derek Watson	Chief Financial Officer (Principal Financial and Accounting Officer)	March 29, 2023
/s/ Michael Abbott Michael Abbott	Chairman and Director	March 29, 2023
/s/ Frank Savage Frank Savage	Director	March 29, 2023
/s/ James A.C. Kennedy James A.C. Kennedy	Director	March 29, 2023
/s/ Jonathan P. May Jonathan P. May	Director	March 29, 2023
/s/ Jeff Clarke Jeff Clarke	Director	March 29, 2023
/s/ Alison Worthington Alison Worthington	Director	March 29, 2023
/s/ Julie Hill	Director	March 29, 2023

Name and Signature	Title	Date
Julie Hill		

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

DAVIDSON & COMPANY LLP Chartered Professional Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Columbia Care Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Columbia Care Inc. and its subsidiaries (together "the Company") as of December 31, 2022, and December 31, 2021, and the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for each of the three years in ended December 31, 2022, December 31, 2021 and December 31, 2020 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and December 31, 2021, and the results of its operations and its cash flows for each of the three years ended December 31, 2022, December 31, 2021, and December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

(PCAOB ID:731) Chartered Professional Accountants
Vancouver, Canada

March 29, 2023

A member of Nexia International

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

COLUMBIA CARE INC
CONSOLIDATED BALANCE SHEETS
(expressed in thousands of US dollars, except for share and per share amounts)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash	$ 48,154	$ 82,198
Accounts receivable, net of allowances of $3,142 and, $2,542, respectively	10,087	18,302
Inventory	127,905	94,567
Prepaid expenses and other current assets	21,942	29,252
Assets held for sale	29,089	2,120
Total current assets	237,177	226,439
Property and equipment, net	357,993	339,692
Right of use assets - operating leases, net	174,472	179,099
Right of use assets - finance leases, net	45,423	66,442
Goodwill	19,274	184,018
Intangible assets, net	145,265	367,787
Other non-current assets	15,122	13,035
Total assets	$ 994,726	1,376,512
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 23,775	$ 44,007
Accrued expenses and other current liabilities	64,574	126,954
Income tax payable	33,961	26,537
Contingent consideration	—	29,345
Current portion of lease liability - operating leases	6,762	9,056
Current portion of lease liability - finance leases	6,552	5,092
Current portion of long-term debt, net	47,315	1,884
Liabilities held for sale	20,179	1,122
Total current liabilities	$ 203,118	$ 243,997
Long-term debt, net	281,705	159,017
Deferred taxes	2,903	79,477
Long-term lease liability - operating leases	174,312	176,004
Long-term lease liability - finance leases	50,586	70,268
Contingent consideration	—	11,596
Derivative liability	235	6,795
Other long-term liabilities	74,964	78,535
Total liabilities	787,823	825,689
Stockholders' Equity:		
Common Stock, no par value, unlimited shares authorized as of December 31, 2022 and December 31, 2021, respectively, 391,238,484 and 361,423,270 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	—	—
Preferred Stock, no par value, unlimited shares authorized as of December 31, 2022 and December 31, 2021, respectively, none issued and outstanding as of December 31, 2022 and December 31, 2021	—	—
Proportionate voting shares, no par value, unlimited shares authorized as of December 31, 2022 and December 31, 2021, respectively; 10,009,819 and 14,729,636 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	—	—
Additional paid-in-capital	1,117,287	1,039,726
Accumulated deficit	(904,003)	(468,335)
Equity attributable to Columbia Care Inc.	213,284	571,391
Non-controlling interest	(6,381)	(20,568)
Total equity	206,903	550,823
Total liabilities and equity	$ 994,726	$ 1,376,512

The accompanying notes are an integral part of these consolidated financial statements.

COLUMBIA CARE INC
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)
(expressed in thousands of US dollars, except for share and per share amounts)

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Revenues, net of discounts	$ 511,578	$ 460,080	$ 179,503
Cost of sales related to inventory production	(310,163)	(258,402)	(114,249)
Cost of sales related to business combination fair value adjustments to inventory	(204)	(7,663)	(3,111)
Gross Margin	201,211	194,015	62,143
Goodwill impairment	(170,642)	(72,328)	-
Intangible impairment	(169,479)	-	-
Selling, general and administrative expenses	(277,330)	(232,052)	(142,355)
Total operating cost	(617,451)	(304,380)	(142,355)
Loss from operations	(416,240)	(110,365)	(80,212)
Other expense:			
Interest (expense) income on leases, net	(5,548)	(5,280)	(1,466)
Interest (expense) income, net	(48,349)	(24,734)	(4,870)
Other income (expense), net	37,443	(6,335)	(49,298)
Total other expense	(16,454)	(36,349)	(55,634)
Loss before provision for income taxes	(432,694)	(146,714)	(135,846)
Income tax (expense) benefit	11,213	(139)	16,197
Net loss and comprehensive loss	(421,481)	(146,853)	(119,649)
Net loss attributable to non-controlling interests	(5,476)	(3,756)	(23,862)
Net loss attributable to shareholders	$ (416,005)	$ (143,097)	$ (95,787)
Weighted-average number of shares used in earnings per share - basic and diluted	392,571,102	338,754,694	232,576,117
Loss attributable to shares (basic and diluted)	$ (1.06)	(0.42)	(0.41)

The accompanying notes are an integral part of these consolidated financial statements.

COLUMBIA CARE INC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in thousands of U.S. dollars, except for number of shares and warrants)

	Units	Common Shares	Proportionate Voting Shares	Additional Paid-in Capital	Accumulated Deficit	Total Columbia Care Inc. Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance as of December 31, 2019	**—**	**117,176,201**	**99,352,980**	**$ 429,475**	**$ (209,389)**	**$ 220,086**	**$ (2,503)**	**$ 217,583**
Issuance of shares in connection with acquisitions	—	48,936,767	—	147,795	—	147,795	—	147,795
Warrants issued with debt	—	—	—	6,298	—	6,298	—	6,298
Warrants exercised	—	2,192,298	—	388	—	388	—	388
Cancellation of restricted stock awards	—	—	(37,314)	—	—	—	—	—
Conversion between classes of shares	—	72,807,752	(72,807,752)	—	—	—	—	—
Equity-based compensation(1)	—	1,852,064	—	29,805	—	29,805	—	29,805
Sale of membership interests in subsidiary	—	—	—	—	—	—	5,509	5,509
Deconsolidation of subsidiary	—	—	—	—	—	—	220	220
Non-controlling interest buyouts	—	7,038,835	—	18,301	(20,062)	(1,761)	761	(1,000)
Net loss	—	—	—	—	(95,787)	(95,787)	(23,862)	(119,649)
Balance as of December 31, 2020	—	**250,003,917**	**26,507,914**	**$ 632,062**	**$ (325,238)**	**$ 306,824**	**$ (19,875)**	**$ 286,949**
Equity-based compensation(1)	—	5,880,944	—	21,318	—	21,318	—	21,318
Issuance of shares, net	—	21,792,500	—	133,196	—	133,196	—	133,196
Issuance of shares in connection with acquisitions	—	59,960,743	—	206,540	—	206,540	—	206,540
Issuance of shares in connection with purchase of assets	—	6,708,270	—	23,853	—	23,853	—	23,853
Conversion of convertible notes	—	4,550,139	—	23,919	—	23,919	—	23,919
Conversion between classes of shares	—	11,761,404	(11,761,404)	—	—	—	—	—
Cancellation of restricted stock awards	—	(48,590)	(16,874)	$ —	$ —	$ —	$ —	$ —
Warrants exercised	—	813,943	—	1,901	—	1,901	—	1,901
Non-controlling interests buyouts	—	—	—	(3,063)	—	(3,063)	3,063	—
Net loss	—	—	—	—	(143,097)	(143,097)	(3,756)	(146,853)
Balance as of December 31, 2021	—	**361,423,270**	**14,729,636**	**$ 1,039,726**	**$ (468,335)**	**$ 571,391**	**$ (20,568)**	**$ 550,823**
Equity-based compensation (1)	—	22,858,845	—	69,517	—	69,517	—	69,517
Warrants exercised	—	180,000	—	425	—	425	—	425
Issuance of shares in connection with acquisitions	-	2,082,589	—	7,619	—	7,619	—	7,619
Cancellation of restricted stock awards	—	—	(26,037)	—	—	—	—	—
Conversion of convertible notes	—	—	—	—	—	—	—	—
Conversion between classes of shares	—	4,693,780	(4,693,780)	—	—	—	—	—
Non-controlling interest buyout	—	—	—	—	(19,663)	(19,663)	19,663	—
Distributions to non-controlling interest holders	—	—	—	—	—	—	—	—
Issuance of shares in connection with acquisitions	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	(416,005)	(416,005)	(5,476)	(421,481)
Balance as of December 31, 2022	—	**391,238,484**	**10,009,819**	**$ 1,117,287**	**$ (904,003)**	**$ 213,284**	**$ (6,381)**	**$ 206,903**

(1) The amounts shown are net of any shares withheld by the Company to satisfy certain tax withholdings in connection with vesting of equity-based awards.

The accompanying notes are an integral part of these consolidated financial statements.

COLUMBIA CARE INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in thousands of US dollars, except for units and shares)

	Year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Cash flows from operating activities:			
Net loss	$ (421,481)	$ (146,853)	$ (119,649)
Adjustments to reconcile net loss to net cash (used in) operating activities:			
Depreciation and amortization	84,788	53,002	19,651
Equity-based compensation	27,930	25,018	29,805
Debt amortization expense	8,588	6,068	2,189
Loss on conversion of Convertible Notes	—	1,580	—
Provision for obsolete inventory and other assets	11,267	2,356	—
Goodwill impairment charges	170,642	72,328	—
Intangible impairment charges	169,479	—	—
Impairment on disposal group	—	2,000	1,969
Earnout adjustment	349	—	—
(Gain) / loss on remeasurement of contingent consideration	(37,362)	(59,362)	21,757
Deferred taxes	(69,243)	(26,112)	(20,998)
Change in fair value of derivative liability	(6,560)	(13,286)	11,745
Other	747	1,314	3,858
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable	8,086	(6,333)	(4,574)
Inventory	(44,301)	(18,033)	(17,258)
Prepaid expenses and other current assets	889	28,445	(2,747)
Other assets	15,030	15,331	13,490
Accounts payable	(10,082)	7,954	5,381
Accrued expenses and other current liabilities	(11,514)	64,765	15,945
Income taxes payable	7,425	3,645	2,387
Other long-term liabilities	(16,078)	(14,350)	(12,601)
Net cash used in operating activities	(111,401)	(523)	(49,650)
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired / Cash acquired due to acquisition	29	(50,762)	3,821
Purchases of property and equipment	(72,741)	(117,506)	(42,885)
Cash paid for other assets	(2,973)	(15,792)	—
Proceeds from sale of property	358	386	11,927
Cash received (paid) on deposits, net	—	(7,019)	988
Cash for loan under CannAscend and Corsa Verde agreements	—	(657)	(1,173)
Net cash used in investing activities	(75,327)	(191,350)	(27,322)
Cash flows from financing activities:			
Proceeds from issuance of debt and warrants	153,250	71,520	89,379
Proceeds from mortgage note	16,500	20,000	—
Payment of debt issuance costs	(7,699)	(865)	(3,548)
Repayment of debt	(637)	(9,950)	—
Payment of lease liabilities	(5,815)	(9,664)	(734)
Issuance of common shares	—	133,559	—
Costs of issuance of common shares	—	(364)	—
Repayment of sellers note	(1,875)	—	—
Exercise of warrants	425	1,901	388

Sale of membership interests of subsidiary	—	—	5,509
Purchase of non-controlling interest	—	—	(1,000)
Taxes paid on equity based compensation	(465)	(3,700)	—
Net cash provided by financing activities	153,684	202,437	89,994
Net increase in cash	(33,044)	10,564	13,022
Cash and restricted cash at beginning of the year	82,533	71,969	58,947
Cash and restricted cash at end of year	$ 49,489	$ 82,533	$ 71,969
Supplemental disclosure of cash flow information:			
Cash paid for interest on other obligations	$ 28,706	$ 19,340	$ 5,356
Cash paid for income taxes	$ 51,435	$ 22,556	$ 7,694
Reconciliation of cash and cash equivalents and restricted cash:			
Cash	$ 48,154	$ 82,198	$ 61,111
Restricted cash	$ 1,335	$ 335	$ 10,858
Cash and restricted cash, end of period	$ 49,489	$ 82,533	$ 71,969
Supplemental disclosure of non-cash investing and financing activities:			
Non-cash fixed asset additions within accounts payable and accrued expenses	$ 12,512	$ 14,826	$ 13,084
Issuance of warrants	$ —	$ —	$ 6,298
Shares issued in connection with conversion of Convertible Notes into equity, net	$ —	$ 23,919	$ —
Extinguishment of derivative liability upon conversion of Convertible Notes	$ —	$ 23,853	$ —
Debt incurred issued in connection with acquisition of property, plant and equipment	$ —	$ 7,000	$ —
Derivative liability recognized upon issuance of convertible debt	$ —	$ 15,099	$ 5,364
Shares issued in connection with finalization of working capital on acquisition	$ —	$ 228	$ —
Shares issued in connection with satisfaction of contingent consideration	$ —	$ 48,202	$ —
Intercompany note receivable with TGS assumed in connection with acquisition	$ —	$ —	$ 16,855
Buyout of non-controlling interest by issuance of shares	$ —	$ 1,959	$ —
Deconsolidation of subsidiary	$ —	$ —	$ 220
Reclass of deferred compensation to equity	$ —	$ —	$ —
Conversion of convertible debt and accrued interest to equity	$ —	$ —	$ —
Assets held for sale	$ 29,089	$ 2,120	$ 3,483
Liabilities held for sale	$ (20,179)	$ (1,122)	$ (1,483)

The accompanying notes are an integral part of these consolidated financial statements.

1. OPERATIONS OF THE COMPANY

Columbia Care Inc. ("the Company" or "the Parent"), was incorporated under the laws of the Province of Ontario on August 13, 2018. The Company's principal mission is to improve lives by providing cannabis-based health and wellness solutions and derivative products to qualified patients and consumers. The Company's head office and principal address is 680 Fifth Ave. 24th Floor, New York, New York 10019. The Company's registered and records office address is 666 Burrard St #1700, Vancouver, British Columbia V6C 2X8.

On April 26, 2019, the Company completed a reverse takeover ("RTO") transaction and private placement further described in Note 3. Following the RTO, the Company's Common Shares were listed on the Aequitas NEO exchange, trading under the symbol "CCHW". As of the time of this report, the Company's Common Shares are also listed on the Canadian Securities Exchange (the "CSE") under the symbol "CCHW", the OTCQX Best Market under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

On March 23, 2022, the Company jointly announced with Cresco Labs LLC ("Cresco Labs") that the Company and Cresco Labs have entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which Cresco Labs will acquire all of the issued and outstanding shares (the "Company Shares") of the Company (the "Cresco Transaction"). Subject to customary closing conditions and necessary regulatory approvals, the Cresco Transaction is expected to close around the end of the second quarter of 2023. Under the terms of the Arrangement Agreement, shareholders of the Company (the "Company Shareholders") will receive 0.5579 of a subordinate voting share of Cresco Labs (each whole share, a "Cresco Labs Share") for each Company common share (or equivalent) held, subject to adjustment, representing a total consideration enterprise value of approximately US$2.0 billion based on the closing price of Cresco Labs Shares on the CSE as of March 22, 2022. After giving effect to the Cresco Transaction, Company Shareholders will hold approximately 35% of the pro forma Cresco Labs Shares (on a fully diluted in-the-money, treasury method basis).

2. SUMMARY OF SIGNIFICANT ACCOUNTING

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC")**.**

These consolidated financial statements have been prepared on the going concern basis which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, under the historical cost convention except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.For the years ended December 31, 2022, 2021 and 2020, the Company reported a consolidated net loss of $(416,005), $(143,097) and $(95,787), respectively. For the years ended December 31, 2022, 2021 and 2020 the Company had cash flows used in operating activities of $(111,401), $(523) and $(49,650), respectively. As of December 31, 2022 and 2021, the Company had working capital of $34,059 and $(17,558), respectively. Current management forecasts and related assumptions support the view that the Company can adequately manage the operational needs of the business with the current cash on hand for the next twelve months from the date of issuance of these financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, its partially-owned subsidiaries, and those controlled by the Company by virtue of agreements, on a consolidated basis after the elimination of intercompany transactions and balances. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee, and when the Company has the ability to affect those returns through its power over the investee. The financial statements of entities controlled by the Company by virtue of agreements are fully consolidated from the date that control commences and deconsolidated from the date control ceases.

Investment in affiliates

The Company has investments in business entities, including general or limited partnerships, contractual ventures, or other forms of equity participation. The Company determines whether such investments involve a variable interest entity ("VIE") based on the characteristics of the subject entity. If the entity is determined to be a VIE and the Company is determined to be the primary beneficiary of the entity, the Company consolidates the VIE and the other party's equity interest in the VIE is accounted for as a noncontrolling interest.

The Company generally accounts for investments it makes in VIEs in which it has determined that it does not have a controlling financial interest but has significant influence over and holds at least a 20% ownership interest using the equity method. Any such investment not meeting the parameters to be accounted under the equity method would be accounted for using the cost method unless the investment had a readily determinable fair value, at which it would then be reported. Investments in unconsolidated VIEs are recorded in non-current assets on the consolidated balance sheets. Income from affiliates is immaterial for the period presented.

If an entity fails to meet the characteristics of a VIE, the Company then evaluates such entity under the voting model. Under the voting model, the Company consolidates the entity if they determine that they, directly or indirectly, have greater than 50% of the voting shares, and determines that other equity holders do not have substantive participating rights.

The Company assesses annually whether there is any objective evidence that its interest in associates is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal, or value in use) and charged to the consolidated

Non-controlling Interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. The Company elected to measure each NCI at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance.

Segment, geographic areas and customers information

The Company has determined that it operates in a single operating and reportable segment, the production and sale of cannabis. This is consistent with how the chief operating decision maker allocates resources and assesses performance. The Company's products have similar characteristics due to the same raw material ingredient (cannabis), similar nature of cultivation process, the type or class of customer and the regulatory nature of the industry. Revenues from transactions with no single external customer exceed 10% of the consolidated revenues.

Revenue earned outside of the United States of America is immaterial for the years ended December 31, 2022, 2021, and 2020. Long-lived assets located outside of the United States of America are immaterial as on December 31, 2022 and 2021.

Significant concentrations

The following table lists the states where the revenue represented 10% or more of the total revenue in the Company's consolidated statement of operations:

	December 31, 2022	December 31, 2021	December 31, 2020
Colorado	18.4%	21.8%	21.3%
Pennsylvania	*	11.5%	19.5%
California	*	11.5%	*
Massachusetts	*	10.3%	19.8%
Virginia	10.4%	*	*
New York	*	*	*

* State's revenue is not greater than or equal to 10% of the total consolidated revenue during the specific period.

Functional currency

The Canadian dollar serves as the functional currency of the Parent. All of the Company's subsidiaries have the U.S. dollar as their functional currency. These consolidated financial statements are presented in U.S. dollars. The translation adjustment that arises as a result of the functional currency of the Parent being different than the subsidiaries is de minimis. Also, transaction gains and losses are not material.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, product and environmental liability. The Company records accruals for those loss contingencies when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. The Company records a contingent gain when all of the following conditions have been met: (a) the amount to be paid to the Company is known, (b) there is no potential for appeal or reversal, and (c) collectability is reasonably assured.

Business combinations

The Company accounts for business combinations under the acquisition method of accounting, which requires it to recognize separately from goodwill, the assets acquired and the liabilities assumed at fair value as of the acquisition date. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the Company's consolidated statements of operations. Accounting for business combinations requires the Company to make significant estimates and assumptions, especially at the acquisition date including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain acquired intangible assets under the income approach include growth in future expected cash flows from product sales, customer contracts, revenue growth rate, customer ramp-up period and discount rates. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual results.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash. As of December 31, 2022 and 2021, the Company did not have any cash equivalents.

Restricted cash

Restricted cash primarily consists of escrow deposits related to acquisition activity and other contractual obligations.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress such as pre-harvested cannabis plants and by-products to be extracted. The costs of growing cannabis, including but not limited to labor, utilities, nutrition and irrigation, are capitalized into inventory until the time of harvest.

Inventory is stated at the lower of cost or net realizable value, with cost determined using standard cost. Cost includes costs directly related to manufacturing and distribution of the products. These costs include raw materials, packaging, direct labor, overhead, shipping and the depreciation of manufacturing equipment and production facilities determined at normal capacity. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes.

Net realizable value is determined as the estimated average selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. At the end of each reporting period, the Company performs an assessment of inventory obsolescence and to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items.

Assets and liabilities held for sale

The Company classifies its long-lived assets and related liabilities to be sold as held for sale in the period (i) it has approved and committed to a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions required to sell the asset have been initiated, (iv) the sale of the asset is probable, (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company initially measures a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset until the date of sale. Upon designation as an asset held for sale, the Company no longer records depreciation expense on the asset. The Company assesses the fair value of a long-lived asset less any costs to sell at each reporting period and until the asset is no longer classified as held for sale.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, considering factors such as economic and market conditions and the useful lives of assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

	Estimated Useful life
Buildings	40 years
Furniture and fixtures	5 years
Equipment	5 years
Computers and software	3 years
Leasehold improvements	Shorter of the life of the lease or economic life

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively if appropriate. Construction in progress is measured at cost and reflects amounts incurred for property or equipment construction or improvements that have not been placed in service. Upon completion, construction in progress will be reclassified as building or leasehold improvements depending on the nature of the assets and depreciated over the estimated useful life of the asset.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of operations and comprehensive loss in the year the asset is de-recognized.

Leasehold improvements are depreciated over the terms of the leases when placed in service.

Intangible assets and goodwill

The Company records goodwill and intangible assets acquired in business combination at their fair values, which are derived primarily using market and income approach valuation techniques. These measurements include the following key assumptions: (1) forecasted revenues, expenses and cash flows, (2) terminal period revenue growth and cash flows, (3) an estimated weighted average cost of capital, (4) assumed discount rates depending on the asset, (5) royalty rates, (6) start-up costs, (7) customer recurring revenue rates and (8) a tax rate. These assumptions are consistent with those that hypothetical market participants would use. Because the Company is required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. Additionally, if these estimates or their related assumptions change in the future, the Company may be required to record impairment for these assets.

Subsequent to acquisition, intangible assets are recorded at net of accumulated amortization and impairment losses, if any. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, as follows:

	Estimated Useful life
Licenses and Permits	10-15 years
Trademarks and Tradenames	5-10 years
Customer relationships	5-7 years

The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. The Company defines each state in which it operates as its reporting unit. Goodwill is allocated to each identified reporting unit, which is the state (one level below the operating segment).

Goodwill is not amortized and is tested for impairment at least annually or more often, if and when circumstances indicate that goodwill may be impaired. This includes but is not limited to significant adverse changes in the business climate, market conditions, or other events that indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value.

Goodwill impairment test

In accordance with the accounting standards, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill or an indefinite-lived intangible asset is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down to fair value.

The quantitative impairment test for goodwill compares the fair value of a reporting unit with the carrying value of its net assets, including goodwill. If the fair value of the reporting unit is less than the carrying value of the reporting unit, an impairment charge would be recorded to the Company's operations, for the amount in which the carrying amount exceeds the reporting unit's fair value. The estimate of fair value requires the use of significant unobservable inputs, representative of a Level 3 fair value measurement. The Company determines fair values

for each reporting unit using the income approach, when available and appropriate, the market approach, or a combination of both. The income approach involves forecasting projected financial information (such as revenue growth rates, profit margins, tax rates, working capital and capital expenditures) and selecting a discount rate that reflects the risk inherent in estimated future cash flows. Under the market approach, the fair value is based on observed market data. If multiple valuation methodologies are used, the results are weighted appropriately.

The Company performs an annual assessment of its goodwill as of October 1, or more frequently, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill.

Recoverability of Long-lived Assets

The Company evaluates the recoverability of its long-lived tangible and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Such trigger events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used, a significant adverse change in legal factors or in the business climate, including those resulting from technology advancements in the industry, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows expected to be generated from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based upon estimated discounted future cash flows.

As further discussed in Note 19, the Company conducted impairment analyses test at the Colorado, California and Pennsylvania reporting units level.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement and tax bases of assets and liabilities and are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company routinely evaluates the likelihood of realizing the benefit of its deferred tax assets and may record a valuation allowance if, based on all available evidence, it determines that some portion of the tax benefit will not be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes deferred tax assets to the extent that it believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would not be able to realize all or a portion of its deferred tax assets in the future, a valuation allowance is recorded. If the company later realizes it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, it would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740 on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than- not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Irrespective of indemnification clauses pertaining to unrecognized tax benefits related to the Company's acquisitions, the Company recognizes interest and penalties related to unrecognized tax benefits in the income tax expense.

Advertising and promotion costs

Advertising and promotion costs are expensed as incurred. During the years ended December 31, 2022, 2021 and 2020 the Company incurred $14,173, $16,255, and $6,083 respectively in advertising and promotion costs, which are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Sale-leaseback transactions

From time to time, the Company may enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which the Company sells the property to a third party and agrees to lease the property back for a certain period of time. To determine whether the transfer of the property should be accounted for as a sale, the Company evaluates whether it has transferred control to the third party in accordance with the revenue recognition guidance set forth in ASC 606.

If the transfer of the asset is deemed to be a sale at market terms, the Company recognizes the transaction price for the sale based on the cash proceeds received, derecognizes the carrying amount of the underlying asset and recognizes a gain or loss in the consolidated statements of operations and comprehensive loss for any difference between the carrying value of the asset and the transaction price. The Company then accounts for the leaseback in accordance with its lease accounting policy.

If the transfer of the asset is determined not to be a sale at market terms, the Company accounts for the transaction as a financing arrangement, and accordingly no equipment sale is recognized. The Company retains the historical costs of the property and the related accumulated depreciation on its books and continues to depreciate the property over the lesser of its remaining useful life or its initial lease term. The asset is presented within property and equipment, net on the consolidated balance sheets. All proceeds from these transactions are accounted for as finance obligations and presented as non-current obligation on the consolidated balance sheets. A portion of the lease payments is recognized as a reduction of the financing obligation and a portion is recognized as interest expense based on an imputed interest rate.

Right of use assets and lease liability

The Company has entered into lease agreements for certain facilities, vehicles and equipment, which provide the right to use the underlying asset and require lease payments over the term of the lease. At inception of the lease agreement, the Company assesses whether the agreement conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. Each lease is further analyzed to check whether it meets the classification criteria of a finance or operating lease. All identified leases are recorded on the consolidated balance sheet with a corresponding lease right-of-use asset, net, representing the right to use the underlying asset for the lease term and the operating lease liabilities representing the obligation to make lease payments arising from the lease. The Company has elected not to recognize lease assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low-value assets. Lease right-of-use assets, net and lease liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term and include options to extend or terminate the lease when they are reasonably certain to be exercised. The present value of lease payments is determined primarily using the incremental borrowing rate based on the information available as of the lease commencement date.

Lease expense for operating leases is recorded on a straight-line basis over the lease term and variable lease costs are recorded as incurred. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Finance lease interest expense is recognized based on an effective interest method and depreciation of assets is recorded on a straight-line basis over the shorter of the lease term and useful life of the asset. Both operating and finance lease right of use assets are reviewed for impairment, consistent with other long-lived assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. After a right of use asset is impaired, any remaining balance of the asset is amortized on a straight-line basis over the shorter of the remaining lease term or the estimated useful life.

Revenue recognition

Performance Obligations

The Company recognizes revenue from sales when it satisfies its performance obligations by transferring control of promised products to its customers, which occurs at a point in time when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products. Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs at the point of sale for merchandise purchased at the Company's own retail stores, or upon shipment for merchandise ordered through online websites. Such revenues are recorded net of estimated returns based on historical trends.

Revenue from the Company's wholesale business is generally recognized upon shipment of products, at which point title passes and risk of loss is transferred to the customer.

The Company's revenues are disaggregated as follows:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Dispensary	$ 438,879	$ 376,582	$ 164,011
Cultivation and wholesale	72,580	83,180	15,347
Other	119	318	145
	$ 511,578	$ 460,080	$ 179,503

The Company recognizes revenue in an amount that reflects the consideration it expects to be entitled to in exchange for the performance obligations. Revenue is recorded net of discounts and unearned revenue from the Company's loyalty programs. During the years ended December 31, 2022, 2021, and 2020, the Company netted discounts of $106,765, $61,171, and $19,507, respectively, against the revenues. Discounts are provided by the Company during promotional days or weekends. Discounts are also provided to employees, seniors and other categories of customers and may include price reductions and coupons. Variable consideration is estimated in the transaction price at contract inception based on current sales levels and historical experience using the expected value method, subject to constraint. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy.

Sales taxes collected from customers are remitted to the appropriate taxing jurisdictions as they become due, and are excluded from sales revenue as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Freight revenues on all product sales, when applicable, are also recognized, on a consistent manner, at a point in time. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company generates an immaterial amount of revenue from services such as management fee revenues and interest on overdue amounts on the Columbia Care's National Credit card ("CNC Cards"). Management fee revenue is recognized over time as the recipient of management services derives value from the services provided. The interest on overdue amounts on the CNC Cards is recognized as interest income over time.

During the years ended December 31, 2022 and 2021, the Company earned a revenue of $4,520 and $4,524 from the CNC program. These revenues are included in the retail revenues mentioned above. As of December 31, 2022 and 2021, in connection with the revenues generated from the CNC card, the Company has accounts receivable of $1,437 and $1,173, net of an allowance of bad debts of $638 and $384. These receivables are included within the line item on the consolidated balance sheets. During the years ended December 31, 2022 and 2021, the Company incurred expenses of $504 and $454 in connection with the administration of the CNC program. These expenses are included within the selling, general and administrative expenses in the consolidated statement of operations and comprehensive loss. Interest on overdue amounts on the CNC card is immaterial.

Loyalty Points Reward Programs

In certain of its markets, the Company offers a loyalty reward program to its dispensary customers. The Company offers its customers loyalty points rewards program that allows its customers to earn discounts on future purchases. Loyalty points are earned when a qualifying purchase is made. When a customer attains a certain number of points, the customer can redeem the credits on his/her next in-store purchase, up to a certain annual minimum. Loyalty points not redeemed expire automatically after six months from the date which they were earned.

A portion of the revenue generated in a sale is allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire.

Deferred Income

Deferred income represents cash payments received in advance of the Company's transfer of control of products or services to its customers and generally consists of unearned revenue from the Company's loyalty programs. The Company's deferred income balances were $4,083 and $2,956 as of December 31, 2022 and 2021, respectively, and were recorded within accrued expenses and other current liabilities in the consolidated balance sheets.

During the year ended December 31, 2022, the Company recognized $12,890 as net revenue from amounts recorded as deferred income in prior periods. During the years ended December 31, 2021, and 2020 the company recognized $6,591 and $0 respectively as net revenues from amounts recorded as deferred income in prior periods. The deferred income balance as of December 31, 2022 is expected to be recognized as revenue within the next twelve months.

Accounts receivable, net

Accounts receivable consist of amounts billed and currently due from customers. The Company maintains an allowance for doubtful accounts for estimated losses. In determining the allowance, consideration includes the probability of recoverability based on historical collection experience, aging of receivables and other economic and industry factors. Certain accounts receivable may be fully reserved when the Company becomes aware of any specific collection issues.

Credit losses

The allowance for credit losses is based upon a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history, the specific customer's ability to pay its obligation and any other forward-looking data regarding customers' ability to pay which may be available.

Sales taxes

Sales taxes collected from customers are excluded from revenues.

Cost of Goods Sold

Cost of goods sold includes the amounts incurred to acquire and produce inventory for sale to the Company's customers, including costs of purchased materials, freight charges, depreciation, direct labor and other employment costs, cultivation facility costs, excise taxes and changes in reserves for obsolescence and inventory realizability.

These costs are reflected in the Company's consolidated statements of operations and comprehensive loss when the product is sold and net sales revenues are recognized or, in the case of inventory write-downs, when circumstances indicate that the carrying value of inventories is in excess of their recoverable value. Additionally, cost of sales includes the costs associated with certain free or heavily discounted products. These incentive costs are recognized at the same time that the Company recognizes the related revenue.

Equity-based payment arrangements

The Company measures all equity-based payment arrangements to employees and directors in accordance with ASC 718, *Compensation–Stock Compensation*. The Company's stock-based compensation cost is measured based on the fair value at the grant date of the stock-based award. It is recognized as expense over the requisite service period, which generally represents the vesting period. Forfeitures are recognized as they occur. The Company estimates the fair value of each stock-based award on its measurement date using either the current market price of the stock, the Black-Scholes option valuation model or the Monte Carlo Simulation valuation model, whichever is most appropriate. The Black-Scholes and Monte Carlo Simulation valuation models incorporate assumptions such as expected term of the instrument, volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date, by reference to the underlying terms of the instrument, and the Company's experience with similar instruments. Changes in assumptions used to estimate fair value could result in materially different results.

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

Expense for performance restricted stock awards is recognized based upon the fair value of the awards on the date of grant and the number of shares expected to vest based on the terms of the underlying award agreement and the requisite service period(s).

Equity classified common stock warrants

The Company classifies certain warrants for the purchase of shares of its common stock as equity on its consolidated balance sheets as these warrants are considered indexed to the Company's shares of Common Stock. For warrants that do not meet the criteria of a liability warrant and are classified on the Company's consolidated balance sheets as equity instruments, the Company uses the Black-Scholes model to measure the value of the warrants at issuance.

Convertible debt

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement. The separation of the components affects the initial recognition of the convertible debt at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Financial instruments

The Company follows the guidance in FASB ASC 820, *Fair Value Measurements and Disclosures*, or ASC 820, which defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third party qualified valuers to perform the valuation. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third-party qualified valuers to perform the valuation. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or Level 2 to Level 3.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized in the consolidated balance sheets at the time the Company becomes a party to the contractual provisions of the financial instrument.

Initial measurement of financial assets and financial liabilities

Financial assets and liabilities are recognized at fair value upon initial recognition plus any directly attributable transaction costs when not subsequently measured at fair value through profit or loss.

Subsequent measurement

Measurement in subsequent periods is dependent on the classification of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held to maturity, available for sale, and other financial liabilities.

The Company's Level 3 financial instruments include the derivative liability associated with the convertible note payable issued to stockholders (see Note 5).

Loss on conversion of Convertible Debt

Under the terms of the Company's Convertible Debt, the Company is permitted to offer additional incentives to the convertible debtholders as an inducement to convert their convertible debt into common shares. The additional incentive offered to the convertible debt holders is accounted for by the Company by recognizing a loss on conversion equal to the fair value of additional shares that were issued as a result of the incentive program. The difference between the net book value of the debt that is converted, and the inducement loss is credited to equity. The reduction in the derivative liability relating to the embedded conversion feature within the Convertible Debt is also credited to equity.

Accounting for Real Estate Asset Acquisitions

The Company's real estate acquisitions are generally accounted for as asset acquisitions as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Company records the cost of assets acquired based on the cost of the acquisition, which is the consideration the transferred to the seller(s) and generally includes direct transaction costs related to the acquisition.

Recently adopted accounting pronouncements

In December 2019, the FASB issued ASU No. 2019-12 Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The update contains a number of provisions intended to simplify the accounting for income taxes. The update is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company adopted the guidance in Topic 740 beginning January 1, 2021. The adoption did not have a material impact on the Company's consolidated financial statements.

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The update among other things clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures, for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The update is effective for fiscal years beginning after December 15, 2021. The Company is evaluating the impact of this update on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless

(1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company early adopted the new standard on January 1, 2021. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

Accounting pronouncements not yet adopted

In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848. This update defers the Sunset Date of ASC Topic 848, Reference Rate Reform (Topic 848), which provides temporary optional relief in accounting for the impact of Reference Rate Reform. This updated is effective upon issuance and generally can be applied through December 31, 2024. The Company is evaluating the impact of this update on its consolidated financial statements.

Reclassification

Certain reclassifications have been made to conform the prior years consolidated financial statements and notes to the current year presentation. These reclassifications do not impact the gross margin, loss from operations, loss before provision for income taxes and net loss and comprehensive loss presented on the consolidated statements of operations and comprehensive loss.

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. These estimates and judgements are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Financial statement areas that require significant judgement are as follows:

(1) Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

(2) Estimated useful lives, impairment considerations and amortization of property and equipment, intangible assets – amortization of property and equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

(3) Goodwill and indefinite-lived intangible asset impairment testing require management to make estimates in the impairment testing model. On at least an annual basis, the Company assesses whether goodwill is impaired. Impairment of definite long-lived assets is influenced by judgment in defining a reporting unit and determining the indicators of impairment, and estimates used to measure impairment losses.

(4) The reporting unit's fair value is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

(5) Stock-based compensation – The fair value of stock-based compensation expenses is estimated using the Black-Scholes option pricing model and rely on a number of assumptions including the fair value of common shares on the grant date, risk-free rate, volatility rate, annual dividend yield, the expected term, and the estimated rate of forfeiture of options granted. Volatility is estimated by using the historical volatility of the Company.

(6) Convertible debentures – The fair value of Convertible Debentures where the Company had elected the fair value option are determined using the Black-Scholes option pricing model. Assumptions and estimates are made in determining an appropriate conversion price, volatility, dividend yield, and the fair value of common stock. There is judgement in assessing what portion of the gain or loss, if any, relates to the change in the instrument-specific credit risk.

3. REVERSE TAKEOVER TRANSACTION AND PUBLIC FILING STATUS

On November 21, 2018, CGGC entered into a merger agreement with Columbia Care LLC (the "Merger Agreement") providing for the merger (the "Merger") of Columbia Care LLC with a newly-formed subsidiary of CGGC. On April 26, 2019, (the "Acquisition Date") the Company completed the merger. Under the terms of the Merger Agreement, CGGC acquired 100% of the issued and outstanding ownership interests of Columbia Care LLC in exchange for the issuance of common shares and proportionate voting shares in the capital of CGGC. Prior to the Merger, CGGC consolidated its common shares on a one for three basis and changed its name to Columbia Care Inc. Following the Merger, Columbia Care LLC became a single-member partnership, wholly owned by the Company.

While CGGC was the legal acquirer of Columbia Care LLC, the RTO has been treated as a reverse asset acquisition and consequently Columbia Care LLC was identified as the acquirer for accounting purposes. The RTO was measured at the fair value of the shares deemed to have been issued by Columbia Care LLC in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Columbia Care LLC acquiring 100% of CGGC. Any difference between the fair value of the shares deemed to have been issued by Columbia Care LLC and the fair value of CGGC's identifiable net assets acquired and liabilities assumed represents the value of the public listing received by Columbia Care LLC and was debited to equity. The identifiable assets acquired and liabilities of CGGC assumed by Columbia Care LLC were based on their respective fair values at the Acquisition Date and were paid as follows:

Net assets acquired		
Cash	$	120,193
Consideration paid		
19,077,096 common shares held by CGGC shareholders	$	111,339
5,394,945 warrants held by CGGC shareholders		19,925
	$	131,264
Value attributable to obtaining a listing status	$	11,071

For the year ended December 31, 2019, the Company expensed $3,961 in listing costs. The fair value of the common shares and warrants included in the consideration paid of $131,264 was determined based on an independent valuation of the Company's shares and the percentage ownership of CGGC shareholders, on a diluted basis, on the Acquisition Date. The fair value of the warrants included in the consideration paid of $19,925 was calculated using the Black-Scholes model with the following assumptions:

Expected volatility	70.00%
Expected term (years)	5.00
Expected dividends	0.00%
Risk-free interest rate	1.52%

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies.

The Company evaluated the warrants issued as a part of the purchase consideration under ASC 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging—Contracts in Entity's Own Equity. These warrants do not have a redemption feature and are traded separately from our common shares on the NEO exchange. They can be converted into shares, on a one-for-one conversion ratio prior to their expiry on April 26, 2024, upon payment of a fixed exercise price of $10.35 (Canadian Dollars) per warrant by the warrant holder. The settlement amount is subject to change in case of certain situations like future stock split, consolidation, stock dividend etc. These variables that could affect the settlement amount would be inputs to the fair value of a fixed-for-fixed forward or option on equity shares. As the Company early adopted the provisions of ASU 2017-11 in 2018, the value of the down round provision associated with a future rights issue would be recognized only when it is activated and there is an actual reduction of the strike price or conversion feature. The Company

determined that these warrants are freestanding financial instruments that qualify for the scope exemption for being accounted as derivatives. Further, the warrant agreement does not prohibit settlement in unregistered shares and it does not contain any cash-settled top-off or make-whole provisions or provisions for cash payment by the Company in case it fails to file with the SEC. The Company has an unlimited number of authorized shares and it is not required to post a collateral at any point with respect to the warrant agreement. The rights of the warrant holders do not rank higher than the rights of the shareholders. The Company therefore concluded that the warrants meet the criteria to be classified in stockholders' equity and should be measured at fair value on the date of RTO. No changes would be required to the measurement amount or the classification unless an event that requires a reclassification of the warrants out of the equity occurs. The Company reassessed the contract classification as of December 31, 2022, 2021 and 2020, noting no changes to the classification and / or measurement. The Company formally became an SEC registrant with the filing of its 2021 Form 10-K.

4. INVENTORY

Details of the Company's inventory are shown in the table below:

	December 31, 2022	December 31, 2021
Accessories and supplies	$ 1,506	$ 815
Work-in-process - cannabis in cures and final vault	92,963	52,519
Finished goods - dried cannabis, concentrate and edible products	33,436	41,233
Total inventory	$ 127,905	$ 94,567

The inventory values are net of inventory write-downs as a result of obsolescence or unmarketability charged to cost of sales. As a result of local market conditions in Colorado, there was a $11,066, $0, and $0 write-down during the year ended December 31, 2022, 2021 and 2020 respectively.

5. CURRENT AND LONG-TERM DEBT

Current and long-term obligations, net, are shown in the table below:

	December 31, 2022	December 31, 2021
2026 Notes	$ 185,000	$ —
Term debt	38,215	69,965
2025 Convertible Notes	74,500	74,500
Mortgage Note	35,965	20,000
2023 Convertible Notes	5,600	5,600
Acquisition related real estate notes	7,000	7,000
Acquisition related promissory notes	3,000	4,875
Acquisition related term debt	3,214	3,314
	352,494	185,254
Unamortized debt discount	(12,483)	(19,301)
Unamortized deferred financing costs	(11,016)	(5,379)
Unamortized debt premium	25	327
Total debt, net	329,020	160,901
Less current portion, net*	(47,315)	(1,884)
Long-term portion	$ 281,705	$ 159,017

* The current portion of the debt includes scheduled payments on the term debt, mortgage note, acquisition related promissory notes and acquisition related notes payable, net of corresponding portion of the unamortized debt discount, debt premium and unamortized deferred financing costs.

The following table summarizes the scheduled principal payments on the Company's outstanding indebtedness as of December 31, 2022:

	2023	2024	2025	2026	2027	Thereafter	Total
Term debt	38,215	—	—	—	—	—	38,215
Convertible Notes	5,600	—	74,500	—	—	—	80,100
2026 Notes	—	—	—	185,000	—	—	185,000
Mortgage Note	537	578	648	715	33,487	—	35,965
Acquisition related real estate notes (see note 6)	2,000	5,000		—	—	—	7,000
Acquisition related promissory notes (see note 6)	1,125	1,500	375	—	—	—	3,000
Acquisition related note payable (see note 6)	104	109	113	118	123	2,647	3,214
	47,581	7,187	75,636	185,833	33,610	2,647	352,494

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2022.

The following table presents information about the current and long-term debt obligations of the Company as of December 31, 2022:

	Balance, January 01	Borrowing	Acquisition related	Conversion/Exchanges	Repayments	Balance, December 31
Term debt	$ 69,965	—	—	(31,750)	—	$ 38,215
2025 Convertible Notes	$ 74,500	—	—	—	—	$ 74,500
Mortgage Note	$ 20,000	16,500	—	—	(535)	$ 35,965
2023 Convertible Notes	$ 5,600	—	—	—	—	$ 5,600
2026 Notes	$ —	153,250	—	31,750	—	$ 185,000
Acquisition related real estate notes (see note 6)	$ 7,000	—	—	—	—	$ 7,000
Acquisition related promissory notes (see note 6)	$ 4,875	—	—	—	(1,875)	$ 3,000
Acquisition related note payable (see note 6)	$ 3,314	—	—	—	(100)	$ 3,214
	185,254	169,750	—	—	(2,510)	352,494

The following table summarizes the scheduled principal payments on the Company's outstanding indebtedness as of December 31, 2021:

	Balance, January 01	Borrowing	Acquisition related	Conversion	Repayments	Balance, December 31
Term debt	$ 69,965	$ —	$ —	$ —	$ —	$ 69,965
2025 Convertible Notes	—	74,500	—	—	—	74,500
Mortgage Note	—	20,000	—	—	—	20,000
2023 Convertible Notes	18,760	—	—	(13,160)	—	5,600
Acquisition related real estate notes (see note 6)	—	—	7,000	—	—	7,000
Acquisition related promissory notes (see note 6)	8,776	—	6,000	—	(9,901)	4,875
Acquisition related note payable (see note 6)	—	—	3,363	—	(49)	3,314
	$ 97,501	$ 94,500	$ 16,363	$ (13,160)	$ (9,950)	$ 185,254

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2021 and December 31, 2022.

2025 Convertible Notes

On June 29, 2021, the Company completed an offering of 6.0% Secured Convertible Notes Due 2025 ("2025 Convertible Notes") for an aggregate principal amount of $74,500.

The 2025 Convertible Notes are senior secured obligations of the Company and will accrue interest payable semiannually in arrears and mature on June 29, 2025, unless earlier converted, redeemed or repurchased. The 2025 Convertible Notes shall be convertible, at the option of the holder, from the date of issuance until the date that is 10 days prior to their maturity date into common shares of the Company at a conversion price equal to US$6.49 payable on the business day prior to the date of conversion, adjusted downwards for any cash dividends paid to holders of Common Shares and other customary adjustments. The Company may redeem the Notes at par, in whole or in part, on or after June 29, 2023, if the volume weighted average price of the Common Shares trading on the Canadian Stock Exchange or the NEO Exchange for 15 of the 30 trading days immediately preceding the day on which the Company exercises its redemption right, exceeds 120.0% of the conversion price of the Notes at a Redemption Price equal to 100.0% of the principal amount of the 2025 Convertible Notes redeemed, plus accrued but unpaid interest, if any, up to but excluding the Redemption Date.

The 2025 Convertible Notes require interest-only payments until June 29, 2025, at a rate of 6.0% per annum, payable semi-annually in June and December and commencing in December 2021. The 2025 Convertible Notes are due in full on June 29, 2025. The Company incurred financing costs of $3,190 in connection with the 2025 Convertible Notes. The principal amount of the 2025 Convertible Notes and the conversion price are denominated in U.S. dollars. As the functional currency of the Company is Canadian dollars, the amount of the liability to be settled depends on the applicable foreign exchange rate on the date of settlement. The 2025 Convertible Notes therefore represent an obligation to issue a fixed number of shares for a variable amount of liability. Due to this conversion feature within the 2025 Convertible Notes, the Company is unable to obtain an exception from derivative accounting. Accordingly, this conversion feature was accounted for as an embedded derivative liability and measured at fair value of $15,099 on the date of issuance of debt with a corresponding debt discount, reflected as a reduction to the carrying value of the Convertible Notes. The Company fair values the derivative liability at each balance sheet

date. Changes in fair value of the embedded derivative are recognized in the consolidated statements of operations and comprehensive loss. The debt discount is amortized over the term of the 2025 Convertible Notes.

2023 Convertible Notes

On June 19, 2020, the Company completed the first tranche of an offering of senior secured convertible notes ("Convertible Notes") for an aggregate principal amount of $12,800. During July 2020, the Company completed subsequent tranches for an aggregate principal amount of $5,960.

The Convertible Notes can be exchanged into Common Shares at a conversion price of $3.79 (Canadian Dollars). For the purposes of determining the number of Common Shares issuable upon conversion of the Convertible Notes, the principal amount of the Convertible Notes surrendered for conversion shall be deemed converted from U.S. Dollars into Canadian Dollars, using the end-of-day exchange rate published by the Bank of Canada on the date immediately preceding the date that the Convertible Note is surrendered for conversion. The Convertible Notes require interest-only payments until December 19, 2023, at a rate of 5.0% per annum, payable semi-annually on June 30 and December 31 commencing on December 31, 2020. The Convertible Notes are due in full on December 19, 2023. The Company incurred financing costs of $175 in connection with issuance of the Convertible Notes.

The Company determined that the Convertible Notes represent an obligation to issue a variable number of shares for a variable amount of liability, as the amount of the liability to be settled depends on the applicable foreign exchange rate at the date of settlement. In accordance with ASC 480 – *Distinguishing Liabilities from Equity*, a conversion feature within a financial instrument to issue a variable number of equity units fails to meet the definition of equity. Accordingly, such a conversion feature must be accounted for as an embedded derivative liability and measured at fair value with changes in fair value recognized in the consolidated statements of operations. Upon initial recognition, the Company recorded a derivative liability of $5,364 within other long-term liabilities in the consolidated balance sheets and a corresponding debt discount, reflected as a reduction to the carrying value of the Convertible Notes. The Company fair values the derivative liability at each balance sheet date. Changes in fair value of the embedded derivative are recognized in the consolidated statements of operations and comprehensive loss. The debt discount is amortized over the term of the 2023 Convertible Notes.

Conversion of Convertible notes

In April 2021, the Company offered an incentive program to the holders of the Convertible Notes, pursuant to which, the Company would issue to each noteholder that surrendered its Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares of the Company on a private placement basis for each one-thousand US dollars aggregate principal amount of Convertible Notes surrendered for conversion. Pursuant to this incentive program, 4,550,139 shares were issued upon of conversion of $13,160 of Convertible Notes. These conversions resulted in recognition of a loss on conversion of $1,580, write down of derivative liability, debt discount and debt amortization of $12,127, $2,855 and $93, respectively and a corresponding credit to paid in capital of $23,919. Convertible note holders of $5,600 of the convertible debt issued in 2020 did not convert their debt into Common Shares and as of September 30, 2021, $5,600 of the convertible debt issued in 2020 was still outstanding.

Embedded derivative in 2025 Convertible Notes and 2023 Convertible Notes

The fair value of the embedded derivative was calculated on the date of issuance and at the end of each reporting period using a Monte Carlo simulation model with the following assumptions:

	December 31, 2022	December 31, 2021
Expected volatility	71.5%	63.8%
Expected dividends	0.0%	0.0%
Expected term (years) for 2025 Convertible Debt	2.5	3.5
Risk-free interest rate for 2025 Convertible Debt	3.9%	1.1%
Expected term (years) for 2023 Convertible Debt	1	2
Risk-free interest rate for 2023 Convertible Debt	4.6%	0.9%

During the year ended December 31, 2022 and 2021, the Company recognized a gain on remeasurement of the derivative of $6,560 and $13,286 respectively and an expense on remeasurement of the derivative of $11,745, which is recorded as other expense (income) in the consolidated statement of operations, respectively.

Mortgages

In December 2021, the Company entered into a term loan and security agreement with a bank. The agreement provides for $20,000 mortgage on real property in New York and carries interest at a variable rate per annum equal to Wall Street prime rate ("Index") plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on January 1, 2027, which is estimated at $17,999 as of December 31, 2022. In connection with this Mortgage, the Company incurred financing costs of $655.

In June 2022, the Company entered into a term loan and security agreement with a bank. The agreement provides for $16,500 mortgage on real property in New Jersey and carries interest at a variable rate per annum equal to Wall Street prime rate ("Index") plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on July 15, 2027, which is estimated at $15,641 as of December 31, 2022. In connection with this Mortgage, the Company incurred financing costs of $209.

Term debt

On March 31, 2020 and April 23, 2020, the Company completed the first and second tranches of a private placement of notes ("Private Notes") for an aggregate principal amount of $14,250 and $1,000, respectively. The Private Notes required interest-only payments through March 30, 2024, at a rate of 9.9% per annum, payable semi-annually on March 31 and September 30 commencing on September 30, 2020. The Private Notes were due in full on March 30, 2024. In connection with the first and second tranche offerings of the Private Notes, the Company issued 1,723,250 common share purchase warrants at an exercise price of $3.10 (Canadian Dollars).

On May 14, 2020, the Company completed a private placement of an aggregate of 19,115 senior secured first-lien note units (the "May Units") for aggregate gross proceeds of $19,115, each May Unit being comprised of (i) $1,000 principal amount of 13.0% senior secured first-lien notes ("Notes") and (ii) 120 Common Share purchase warrants (the "May Warrants") with an exercise price of $2.95 (Canadian Dollars) per underlying Common Share (the "May Private Placement"). Concurrent with the closing of the May Private Placement, the Private Notes were exchanged for Notes. In addition, holders of Private Notes were issued additional 130,388 May Warrants with an exercise price of $2.95 (Canadian Dollars).

On July 2, 2020, the Company completed a second private placement of an aggregate of 4,000 units (the "July Units") for aggregate gross proceeds of $4,000, each July Unit being comprised of (i) $1,000 Notes and (ii) 75 Common Share purchase warrants (the "July Warrants") with an exercise price of $4.53 (Canadian Dollars) per underlying Common Share.

On October 29, 2020, November 10, 2020 and November 27, 2020, the Company completed private placements of an aggregate of 20,000, 8,400 and 3,000 units (the "Early November Units"), respectively, for aggregate gross proceeds of $32,054, each unit being comprised of (i) $1,000 Notes and (ii) 60 Common Share purchase warrants (the "Fall Warrants" and together with the May Warrants and July Warrants, the "Warrants") with an exercise price of $5.84 (Canadian Dollars) per underlying Common Share.

On November 30, 2020, the Company completed another private placement of an aggregate of 200 units the "Late November Units" and together with the May Units, the July Units and the Early November Units, the "Units"), respectively for aggregate gross proceeds of $200, each unit being comprised of (i) $1,000 Notes and (ii) 125 Fall Warrants.

At the option of the holder, each Warrant can be exchanged for one Common Share. The Warrants expire on May 14, 2023.

The Notes require interest-only payments through May 14, 2023, at a rate of 13.0% per annum, payable semi-annually on May 31 and November 30, which commenced on November 30, 2020. The Notes are due in full on May 15, 2023. The Company incurred financing costs of $3,373 in connection with the issuance of these Notes. The Notes contain customary terms and conditions, representations and warranties, and events of default.

Upon initial recognition, the Company recorded $6,298 to equity reserves, reflecting the fair value of the warrants issued, with a corresponding reduction to the carrying value of the Notes. The debt discount will be amortized to interest expense over the term of the notes using the effective interest method.

The fair value of the warrants included in the private placement were calculated using a Black-Scholes model on the date of issuance with the following assumptions:

Expected volatility	80.00%
Expected term (years)	3.00
Expected dividends	0.00%
Risk-free interest rate	0.50%

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies.

Total interest and amortization expense on the Company's debt obligations for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Year Ended December 31, 2022	December 31, 2021	December 31, 2020
Interest expense on debt	$ 40,123	$ 19,370	$ 6,193
Amortization of debt discount	5,327	4,921	1,766
Amortization of debt premium	(164)	(280)	(47)
Amortization of debt issuance costs	3,425	1,502	468
Other interest (expense) income, net	(362)	(779)	(3,510)
Total interest expense, net	$ 48,349	$ 24,734	$ 4,870

The weighted average interest rate on the Company's indebtedness was 8.97%.

February 2022 Private Placement

On February 3, 2022, Columbia Care closed a private placement of $185,000 aggregate principal amount of 9.50% senior-secured first-lien notes due 2026 (the "2026 Notes") and received aggregate gross proceeds of $153,250. The 2026 Notes are senior secured obligations of the Company and were issued at 100.0% of face value. The 2026 Notes accrue interest in arrears which is payable semi-annually and mature on February 3, 2026, unless earlier redeemed or repurchased. The Company may redeem the 2026 Notes at par, in whole or in part, on or after February 3, 2024, as more particularly described in the fourth supplemental trust indenture governing the 2026 Notes. In connection with the offering of the 2026 Notes, the Company exchanged $31,750 of the Company's existing 13.0% Term Debt, pursuant to private agreements in accordance with the trust indenture, for an equivalent amount of 2026 Notes plus accrued but unpaid interest and any negotiated premium thereon.

The premium and paid interest were paid out of funds raised from the February 2022 Private Placement. The total unamortized debt and debt issuance costs of $2,153, related to modified portion of the Term Debt, will be amortized over the term of the 2026 Notes using the effective interest method. The Company incurred $7,189 in creditor fees in connection with the modified Term Debt and 2026 Notes and $301 in third-party legal fees related to 2026 Notes which were capitalized and will be amortized over the term of the 2026 Notes using the effective interest rate method.

6. ACQUISITIONS

(a) Green Leaf Medical

On June 11, 2021, the Company acquired (the "Green Leaf Transaction") a 100% ownership interest in Green Leaf Medical, LLC ("Green Leaf"). On July 7, 2021, the Company acquired ("the Green Leaf-Ohio Transaction") a residual 49% ownership interest (constituting 949,379 Common Shares) in Green Leaf Medical of Ohio II, LLC ("Green Leaf-Ohio").

Green Leaf was formed in April 2014 for the purpose of selling medicinal and recreational cannabis products in the states of Maryland, Pennsylvania, Ohio, and Virginia. Green Leaf owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the states of Maryland, Pennsylvania, Ohio, and Virginia. The Company executed the Green Leaf Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter, or expand in the Maryland, Pennsylvania, Ohio, and Virginia markets.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Green Leaf:

	As previously reported	Measurement period adjustments	As adjusted
Consideration transferred			
Cash consideration	$ 62,796	$ —	$ 62,796
Less working capital adjustment	(2,011)	37	(1,974)
Closing shares	125,729	93	125,822
Milestone shares after closing (contingent consideration)	125,230	(27,816)	97,414
Total unadjusted purchase price	311,744	(27,686)	284,058
Less: Cash and cash equivalents acquired	(30,779)	—	(30,779)
Total purchase price, net of cash and cash equivalents acquired	$ 280,965	$ (27,686)	$ 253,279

Equity purchase consideration comprised 44,848,416 Common Shares which were issued during the year ended December 31, 2021.

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash and cash equivalents acquired:

	As previously reported	Measurement period adjustments	As adjusted

Purchase price allocation			
Assets acquired:			
Accounts receivable	$ 4,660	$ (295)	$ 4,365
Inventory	13,659	4,204	17,863
Prepaid expenses and other current assets	31,687	(509)	31,178
Property and equipment	52,070	166	52,236
Right of use assets	1,876	—	1,876
Goodwill	164,004	(62,269)	101,735
Intangible assets	142,858	81,477	224,335
Accounts payable	(4,080)	—	(4,080)
Accrued expenses and other current liabilities	(22,597)	(21)	(22,618)
Note payable	(2,344)	256	(2,088)
Lease liabilities	(1,876)	—	(1,876)
Other long-term liabilities	(62,161)	(3,533)	(65,694)
Deferred tax liabilities	(36,791)	(47,162)	(83,953)
Consideration transferred	$ 280,965	$ (27,686)	$ 253,279

On June 11, 2021, prepaid expenses and other current assets consisted of tenant improvement receivable of $28,424. After its acquisition, Green Leaf undertook the construction and build out of its cultivation site and received reimbursement of $27,115. As of December 31, 2021, tenant receivable is $1,308.

The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets and liabilities acquired and residual goodwill. The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses, which are subject to change within the respective measurement periods.

The contingent consideration, payable in Common Shares (the "Milestone Shares") of the Company, was estimated considering certain metrics as of the June 11, 2021 acquisition date, subject to the terms and conditions set forth in the Agreement and Plan of Merger (the "Merger Agreement") entered into by the Company in connection with the Green Leaf Transaction. The fair value of the contingent consideration was estimated using a probability weighted expected return method ("PWERM"). This fair value measurement was based on significant inputs that are not observable in the market, and represent a level 3 fair value measurement, including those relating to discount factors and probabilities of achievement of the related milestones. Discounts of 23.44% and 38.76% were applied to the August 15, 2022 and 2023 earn out cash flows, respectively, to derive an aggregate discounted probability-adjusted earn out. The Company then applied a discount for lack of marketability rate of 15% to arrive at the net fair value of contingent consideration. An estimated range of outcomes has been deemed indeterminable by the Company.

Based on the financial results for the year ended December 31, 2021, the Company remeasured the contingent consideration at fair value and recorded a net gain of $59,362 within other expense, net in the consolidated statements of operations and comprehensive loss.

At the end of the First Milestone period through June 30, 2022, the Company engaged a third-party expert and determined that no Milestone Shares were payable for the First Milestone. Based on the financial results for the year ended December 31, 2022, the Company determined that no remaining contingent consideration would be due and recorded a net gain of $37,362 within other expense, net in the consolidated statements of operations and comprehensive loss.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Green Leaf Transaction consists of expected synergies from combining operations of the Company and Green Leaf, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

Green Leaf's state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $153,746, $21,375 and $49,214, respectively, which were determined to have definite useful lives of 10, 5 and 7 years respectively.

As a part of this acquisition, the Company acquired a note payable issued in March 2018 for the purchase of real property. This note payable matures in April 2038 and bears interest at a rate of 4.0% per annum with monthly payments of principal and interest of $19,266 (discount is based on imputed interest rate of 13.25%) and is secured by the underlying real property.

In conjunction with the Green Leaf Transaction, the Company expensed $830 of acquisition-related costs in 2021, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

$74,545 of revenue and $12,997 of net income of Green Leaf was included in the consolidated statement of operations for the year ended December 31, 2021.

Unaudited supplemental pro-forma information

Had the acquisition of Green Leaf been completed on January 1, 2020, the Company's pro forma results of operations for the year ended December 31, 2021 and 2020 would have been as follows:

	Year Ended	
	December 31, 2021	December 31, 2020
Revenue	$ 512,006	$ 257,128
Net income attributable to shareholders	(131,950)	(85,873)
Earnings attributable to shares (basic and diluted)	(0.36)	(0.31)
Weighted-average number of shares used in earnings per share—basic and diluted	368,683,785	277,311,971

The pro forma financial information which gives effect to certain transaction accounting adjustments, including amortization of acquired intangibles is not necessarily indicative of the operating results that would have occurred had the acquisition been consummated on January 1, 2020, nor is it necessarily indicative of future operating results.

(b) Futurevision Holdings, Inc., Futurevision 2020, LLC and Medicine Man Longmont, LLC

On November 1, 2021, the Company acquired (the "Medicine Man Transaction") a 100% ownership interest in Futurevision Holdings, Inc. and Futurevision 2020, LLC (collectively, "Medicine Man"), through the Agreement and Plan of Merger (the "Merger Agreement"). Concurrently with the Merger Agreement, the Company was granted an option (the "Option") to purchase Medicine Man Longmont, LLC ("Medicine Man Longmont"). The option was exercised on August 12, 2022 upon completion of the sale of the TGS Longmont location as required under the Merger Agreement, with the correspondent measurement period adjustments applied subsequently to the period of acquisition against goodwill from ther acquisition.

Medicine Man was formed in 2010 for the purpose of selling medicinal and recreational cannabis products in the state of Colorado. Medicine Man owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the state of Colorado. The Company executed the Medicine Man Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter, or expand in the Colorado market.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Medicine Man:

Consideration transferred	
Cash consideration	$ 7,240
Closing shares	23,955
Milestone shares after closing (contingent consideration)	3,664
Purchase option obligation	5,899
Total unadjusted purchase price	40,758
Working capital adjustment	127
Total adjusted purchase price	40,885
Less: Cash and cash equivalents acquired	(1,250)
Total purchase price, net of cash and cash equivalents acquired	$ 39,635

Equity purchase consideration comprised 5,840,229 Common Shares of which 4,857,184 were issued in November 2021.

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash and cash equivalents acquired:

Purchase price allocation	As previously reported	Measurement period adjustments	As adjusted
Assets acquired:			
Inventory	$ 3,611		$3,611
Prepaid expenses and other current assets	397		397
Option deposit	5,899	(5,899)	—
Property and equipment	1,498		1,498
Right of use assets	818		818
Goodwill	9,908	5,899	15,807
Intangible assets	30,370		30,370
Accounts payable	(696		(696)
Accrued expenses and other current liabilities	(1,910		(1,910)
Lease liabilities	(1,438		(1,438)

Deferred tax liabilities	(8,822		(8,822)
Consideration transferred	$ 39,635	—	$39,635

The purchase price allocations for the Medicine Man Transaction reflect various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets and liabilities acquired and residual goodwill.

The contingent consideration, payable in Common Shares (the "Milestone Shares") of the Company, was estimated considering certain metrics as of the November 1, 2021 acquisition date, subject to the terms and conditions set forth in the Merger Agreement entered into by the Company in connection with the Medicine Man Transaction. The fair value of the contingent consideration was determined upon acquisition.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Medicine Man Transaction consists of expected synergies from combining operations of the Company and Medicine Man, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

Medicine Man's state licenses and trademarks represented identifiable intangible assets acquired in the amounts of $26,900 and $3,470 respectively, which were determined to have definite useful lives of 10 and 5 years respectively.

In conjunction with the Medicine Man Transaction, the Company expensed $1,099 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

$4,734 of revenue and $536 of net income of Medicine Man was included in the consolidated statement of operations for the year ended December 31, 2021.

(c) The Healing Center San Diego (THCSD)

On January 6, 2021, the Company acquired a 100% ownership interest in The Healing Center of San Diego, Inc. ("THCSD").

THCSD was formed in 2016 for the purpose of selling recreational and related cannabis products in San Diego, California, where it owns and operates a dispensary. The Company executed the THCSD Transaction in order to continue to grow revenues; expand its dispensaries; and penetrate the San Diego market.

The aggregate purchase price for the THCSD Transaction, being $14,115 consisted of; $3,425 in cash consideration, $5,718 in promissory notes ("Closing Promissory Notes") and $4,972 in equity purchase consideration ("Closing Shares"). Equity purchase consideration comprised 971,541 Common Shares which were issued on January 6, 2021. The Closing Promissory Notes were issued with a debt discount of $282 and require sixteen quarterly payments of $375 of principal, plus accrued and unpaid interest thereon at a rate of 8.0% per annum, beginning on April 6, 2021, through maturity on December 16, 2024.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for the THCSD Transaction:

	As previously reported	Measurement period adjustments	As adjusted
Consideration transferred			
Cash consideration	$ 3,425	$ —	$ 3,425
Closing promissory notes	5,718	—	5,718
Closing Shares	4,972	—	4,972
Total unadjusted purchase price	14,115	—	14,115
Less: Cash and cash equivalents acquired	(698)	—	(698)
Total purchase price, net of cash and cash equivalents acquired	$ 13,417	$ —	$ 13,417

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash assumed:

	As previously reported	Measurement period adjustments	As adjusted
Purchase price allocation			

Assets acquired:			
Inventory	$ 597	$ —	$ 597
Prepaid expenses and other current assets	91	—	91
Property and equipment	619	—	619
Right of use assets	635	—	635
Goodwill	4,303	349	4,652
Intangible assets	10,987	—	10,987
Other long term assets	—	466	466
Accounts payable	(133)	—	(133)
Accrued expenses and other current liabilities	(260)	—	(260)
Lease liabilities	(635)	—	(635)
Deferred tax liabilities	(2,787)	(349)	(3,136)
Other long term liability	—	(466)	(466)
Consideration transferred	$ 13,417	$ —	$ 13,417

The purchase price allocation for the THCSD Transaction reflects various fair value estimates and analyses, which are subject to change within the respective measurement periods.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the THCSD Transaction consists of expected synergies from combining operations of the Company and THCSD, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

THCSD's state licenses and trade name represented identifiable intangible assets acquired in the amounts of $9,181 and $1,806, respectively, which were each determined to have a definite useful life of 10 years.

In conjunction with the THCSD Transaction, the Company expensed $85 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's statement of comprehensive income. THCSD's acquisition-related costs in the amount of $198 were expensed in THCSD's pre-acquisition consolidated financial statements.

$11,814 of revenue and $976 of net income of THCSD was included in the consolidated statement of operations for the year ended December 31, 2021.

(d) Project Cannabis

On December 1, 2020, the Company acquired (the "Project Cannabis Transaction") a 100% ownership interest in Resource Referral Services Inc., PHC Facilities Inc. and Wellness Earth Energy Dispensary, Inc., and acquired a 49.9% ownership interest in Access Bryant SPC (collectively, "Project Cannabis").

Project Cannabis was formed in August 2014 for the purpose of selling medicinal and recreational cannabis products in the state of California, on both a wholesale and retail basis. Project Cannabis owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the state of California. The Company executed the Project Cannabis Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and penetrate the California market.

The aggregate purchase price for the Project Cannabis Transaction, of $39,029 (the "Transaction Price") consisted of $35,273 in equity purchase consideration ("Closing Shares"), $3,400 of deferred stock payments ("Deferred Stock Consideration"), and a working capital adjustment of $584. Purchase consideration comprised 15,713,867 common shares, of which, 1,528,881 are subject to a lock-up period of eighteen months following the date of issuance, for the purpose of funding any potential indemnification obligations of the seller. In accordance with the terms of the purchase agreement, if Project Cannabis fails to achieve a certain level of performance after acquisition, the Company is entitled to a partial refund of the shares already issued. As of December 31, 2021, based on management estimates, the Company is entitled to receive a refund of 2,992,530 shares. The resultant contingent gain of $8,524 will be recognized as income in future periods when all contingencies relating to collectability, payment and timing have been resolved.

In May 2021, the Company finalized the working capital on the Project Cannabis transaction. This resulted in issuance of an additional 178,619 Common Shares to the sellers and recording of additional purchase consideration of $228 to goodwill.

As a part of the Project Cannabis Transaction, the Company was also granted an option to acquire two real estate properties in California for total consideration of $16,500 comprising $9,500 of cash and the assumption of debt of $7,000. In June 2021, the Company exercised the

option. The debt comprises of one interest-only real estate loan of $5,000 with a maturity date in July 2024 that requires monthly interest payments at 6%, and another interest-only real estate loan of $2,000 with a maturity date in July 2023 that requires monthly interest payments at 10%.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Project Cannabis:

Consideration transferred		
Closing Shares	$	35,273
Deferred stock payments		3,400
Total unadjusted purchase price		38,673
Working capital adjustment		584
Total adjusted purchase price		39,257
Less: Cash acquired		(877)
Total purchase price	$	38,380

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 1,568
Inventory	2,795
Prepaid expenses and other current assets	699
Property and equipment	632
Right of use assets	1,587
Long-term deposits	38
Goodwill	23,520
Intangible assets	18,020
Other non-current assets	5,221
Accounts payable	(121)
Accrued expenses and other current liabilities	(3,431)
Lease liabilities	(1,587)
Deferred tax liability	(5,340)
Other long-term liabilities	(5,221)
Consideration transferred	$ 38,380

The purchase price allocations for the Project Cannabis Transaction reflects various fair value estimates and analyses relating to the determination of fair value of certain tangible and intangible assets acquired and residual goodwill. The Company determined the estimated fair value of the acquired working capital, and

identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Project Cannabis Transaction consists of expected synergies from combining operations of the Company and Project Cannabis, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill will be deductible for tax purposes.

Project Cannabis' state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $10,356, $4,411 and $3,253, respectively, which were determined to have definite useful lives of 10, 5 and 5 years, each respectively.

In conjunction with the Project Cannabis Transaction, the Company expensed $584 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

Since the closing date of the Project Cannabis Transaction, $32,848 of revenue and $2,745 of net loss of Project Cannabis were included in the Company's consolidated statement of operations and comprehensive loss for the year ended December 31, 2021, respectively.

(e) Corsa Verde

On May 4, 2021, the Company acquired Corsa Verde, LLC ("Corsa Verde"). The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Corsa Verde:

	As previously reported	Measurement period adjustments	As adjusted
Consideration transferred			
Closing Shares	$ 1,500	$ —	$ 1,500
Note receivable	2,769	—	2,769
Interest receivable	200	—	200
Deposits	125	—	125
Restricted cash	498	—	498
Total unadjusted purchase price	5,092	—	5,092
Less: Cash acquired	(27)	—	(27)
Total purchase price	$ 5,065	$ —	$ 5,065

Included within the consideration was a convertible promissory note (the "Convertible Note") in the amount of $1,500. This Convertible Note was converted into shares of Company's common stock calculated by dividing the principal amount of the Convertible Note by the volume weighted average trading price of the

Company common stock on the NEO Exchange for the 5 days preceding the closing date of the transactions contemplated by the Corsa Verde Purchase Agreement.

The preliminary purchase price allocation is as follows:

	As previously reported	Measurement period adjustments	As adjusted
Purchase price allocation			
Assets acquired:			
Accounts receivable	$ 181	$ —	$ 181
Inventory	304	—	304
Property and equipment	1,250	—	1,250
Intangible assets	4,812	(1,158)	3,654
Accounts payable	(319)	—	(319)
Accrued expenses and other current liabilities	(5)	—	(5)
Deferred tax liabilities	(1,158)	1,158	—
Consideration transferred	$ 5,065	$ —	$ 5,065

Intangible assets consist of licenses which are determined to have a definite useful life of 10 years.

Revenues of $301 and a net loss of $835 of Corsa Verde were included in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2021.

7. PROPERTY AND EQUIPMENT

Details of the Company's property and equipment and related depreciation expense are summarized in the tables below:

	December 31, 2022	December 31, 2021
Land and buildings	$ 128,389	$ 113,736
Furniture and fixtures	8,773	8,564
Equipment	38,467	36,052
Computers and software	3,537	2,914
Leasehold improvements	193,454	145,259
Construction in process	56,398	86,326
Total property and equipment, gross	429,018	392,851
Less: Accumulated depreciation	(71,025)	(53,159)
Total property and equipment, net	$ 357,993	$ 339,692

	Year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Total depreciation expense for year ended	$ 32,059	$ 22,325	$ 14,891
Included in:			
Costs of sales related to inventory production	$ 18,565	$ 12,853	8,840
Selling, general and administrative expenses	$ 13,494	$ 9,472	6,051

A reconciliation of the beginning and ending balances of property and equipment are summarized in the tables below:

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 31, 2021	$ 113,736	$ 8,564	$ 36,052	$ 2,914	$ 145,259	$ 86,326	$ 392,851
Additions	14,909	657	3,436	622	22,338	18,914	60,876
Business acquisitions							—
Disposals	(36)	(286)	(650)	—	(86)	(757)	(1,815)
Transferred to assets held for sale	(220)	(2,170)	(5,708)	(273)	(14,256)	(267)	(22,894)
Other transfers	—	2,008	5,337	274	40,199	(47,818)	—
Balance, December 31, 2022	$ 128,389	$ 8,773	$ 38,467	$ 3,537	$ 193,454	$ 56,398	$ 429,018

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 31, 2021	$ (988)	$ (3,037)	$ (12,435)	$ (1,208)	$ (35,491)	$ —	$ (53,159)
Depreciation	(2,708)	(1,833)	(7,140)	(693)	(19,685)	—	(32,059)
Disposals	—	80	271	—	339	—	690
Transferred to assets held for sale	39	1,249	3,975	181	8,059	—	13,503
Balance, December 31, 2022	$ (3,657)	$ (3,541)	$ (15,329)	$ (1,720)	$ (46,778)	$ —	$ (71,025)

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 31, 2020	$ 3,757	$ 6,970	$ 22,955	$ 1,986	$ 98,380	$ 11,338	$ 145,386
Additions	62,122	839	8,449	603	32,864	80,032	184,909
Business acquisitions	47,857	194	3,586	233	11,161	1,360	64,391
Disposals	—	—	(695)	—	—	(100)	(795)
Transferred to assets held for sale	—	—	—	—	(1,040)	—	(1,040)
Other transfers	—	561	1,757	92	3,894	(6,304)	—
Balance, December 31, 2021	$ 113,736	$ 8,564	$ 36,052	$ 2,914	$ 145,259	$ 86,326	$ 392,851

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 31, 2020	$ (202)	$ (1,626)	$ (7,194)	$ (664)	$ (21,300)	$ —	$ (30,986)
Depreciation	(786)	(1,411)	(5,393)	(544)	(14,191)	—	(22,325)
Disposals	—	—	152	—	—	—	152
Transferred to assets held for sale	—	—	—	—	—	—	—
Balance, December 31, 2021	$ (988)	$ (3,037)	$ (12,435)	$ (1,208)	$ (35,491)	$ —	$ (53,159)

Asset Additions

During the year ended December 31, 2022, the Company exercised its option to acquire a 24-acre cultivation site in Vineland, New Jersey, referred to as Vineland 2, for approximately $9,750 and continued its capital expenditure into the facility.

During the year ended December 31, 2021, the Company began construction to expand the Saxton, Pennsylvania cultivation site and completed the majority of construction in the year ended December 31, 2022. During the year ended December 31, 2021, the Company also acquired two real estate properties in California and a cultivation site together with a greenhouse structure in New York as described below.

Greenhouse acquisition

In April 2021, the Company acquired a 34-acre cultivation site in eastern Long Island, New York. In November 2021, the Company acquired, upon closing of phase two of the transaction, approximately 740,000 square feet of operational greenhouse space, with 200,000 square feet of incremental grow capacity. The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

Consideration transferred:	
Cash	$ 15,792
Closing shares	23,853
Contingent consideration	400
Fair value of consideration exchanged	40,045
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Land	5,180
Building	40,425
Prepaid insurance	87
Deferred rent	(5,647)
Total net assets acquired	$ 40,045

The New York greenhouse became fully operational during the year ended December 31, 2022.

Sale-Leasebacks

During the third quarter of 2020, the Company closed on a sale leaseback transaction in which two properties located in New Jersey sold for $12,385, which was approximately the cost of the properties. Included in the agreement, the Company was expected to complete tenant improvements related to these properties, for which the landlord agreed to provide a tenant improvement allowance. The right-of-use assets

related to these properties were reduced by $360 which represents the unretained portion of the assets carrying amount. The remaining gain associated with this sale-leaseback was immaterial.

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Details of the Company's prepaid expenses and other current assets are summarized in the table below:

	December 31, 2022	December 31, 2021
Prepaid expenses	$ 7,151	15,362
Short term deposits	1,814	6,960
Other current assets	12,286	5,822
Excise and sales tax receivable	691	1,108
Prepaid expenses and other current assets	$ 21,942	$ 29,252

Other current assets includes amounts due under an indemnification claim made to the former shareholders of Green Leaf. Refer also to Note 17.

9. OTHER NON-CURRENT ASSETS

Details of the Company's other non-current assets are summarized in the table below:

	December 31, 2022	December 31, 2021
Long term deposits	$ 8,090	$ 5,602
Indemnification receivable	2,774	4,111
Investment in affiliates	775	776
Restricted cash	1,335	335
Notes receivable	2,148	2,211
Other non-current assets	$ 15,122	$ 13,035

10. PROMISSORY NOTES RECEIVABLES

During the year ended December 31, 2019, Focused Health LLC ("Focused Health"), a consolidated subsidiary of the Company, entered into a lease agreement with 9244 Balboa Blvd., LLC ("Balboa") and simultaneously issued a secured promissory note ("Balboa Note") with a principal amount of $2,420. The Balboa Note is secured by the land and building of the leased premises and bears interest at a rate of 4.5%. The Company's principal and interest repayments are offset by the Company's rent payment obligations under the lease agreement with Balboa. The Balboa Note matures in April 2029. The balance outstanding as of December 31, 2022 and 2021, is $2,211 and $2,272 respectively, of which $63 and $60, respectively, is recorded in prepaid expenses and other current assets, and $2,148 and $2,211, respectively, is recorded in notes receivable-long-term on the consolidated balance sheets.

11. SHAREHOLDERS' EQUITY

In addition to the issuance of equity in connection with conversion of 2023 Convertible Notes and Mortgage mentioned in Note 5, business acquisitions mentioned in Note 6, exercise of warrants mentioned in Note 12, and share-based payment arrangements mentioned in Note 13, during the year ended December 31, 2021, the Company closed a public offering that consisted of 18,572,500 Common Shares at a price of $8.05 (Canadian Dollars) per common share and sold, on a bought deal private placement basis, 3,220,000 Common Shares at a price of $9.00 (Canadian Dollars) per share sold for net proceeds of $133,151 to the Company in January and February 2021.

Issuance of equity in connection with business acquisitions mentioned in Note 6, exercise of warrants mentioned in Note 12, exercise of warrants mentioned in Note 12, share-based payment arrangements mentioned in Note 13, and non-controlling interest buyout mentioned in Note 24, constitute the activity in shareholders equity during the year ended December 31, 2022.

Authorized Capital

Authorized share capital of the Company consists of (i) an unlimited number of common shares without par (ii) an unlimited number of proportionate voting shares without par, and (iii) an unlimited number of preferred shares.

The Company's common shares and proportionate voting shares (together, the "Shares") have the same rights and are equal in all respects. The Company treats the Shares as if they were a single class.

Conversion Rights and Transfers

Issued and outstanding proportionate voting shares, including fractions thereof, may at any time, subject to certain conditions, at the option of the holder, be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate

voting shares convertible into common shares at the same ratio. Further, the Company's board of directors may determine in the future that it is no longer advisable to maintain the proportionate voting shares as a separate class of shares and may cause all of the issued and outstanding proportionate voting shares to be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate voting shares convertible into common shares at the same ratio and the Company shall not be entitled to issue any additional proportionate voting shares thereafter.

Rights

Holders of Shares are entitled to one vote on all matters submitted to a vote of the Company's shareholders. Holders of Shares are entitled to receive dividends, as may be declared by the Company's board of directors. As of December 31, 2022, and 2021, no cash dividends had been declared or paid.

12. WARRANTS

Outstanding equity-classified warrants to purchase common shares consisted of the following:

	December 31, 2022		December 31, 2021	
Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
May 8, 2021	—	5.71	—	5.71
October 1, 2025	648,783	8.12	648,783	8.12
April 26, 2024	5,394,945	10.35	5,394,945	10.35
May 14, 2023	1,723,250	3.10	1,723,250	3.10
May 14, 2023	1,818,788	2.95	1,998,788	2.95
May 14, 2023	—	4.53	—	4.53
May 14, 2023	1,897,000	5.84	1,897,000	5.84
	11,482,766	$ 7.22	11,662,766	$ 7.15

Warrant activity during the years ended December 31, 2022, and 2021 is summarized in the table below:

	Number of Warrants	Weighted average exercise price (Canadian Dollars)	Number of Warrants	Weighted average exercise price (U.S. Dollars)
Balance as of December 31, 2019	**20,055,424**	**$ 7.34**	**$ —**	**$ —**
Issued	6,356,438	3.93	—	—
Exercised	(4,019,023)	2.25	—	—
Expired	(9,244,920)	7.82	—	—
Balance as of December 31, 2020	**13,147,919**	6.91	—	—
Exercised	(1,485,153)	5.01	—	—
Balance as of December 31, 2021	**11,662,766**	7.15	—	—
Exercised	(180,000)	2.95	—	—
Balance as of December 31, 2022	11,482,766	**7.22**	—	—

In January 2022, 180,000 warrants with an exercise price of $2.95 were exercised, resulting in the issue of 180,000 common shares.

13. SHARE-BASED PAYMENT ARRANGEMENTS

Omnibus Long-Term Incentive Plan (equity settled)

On April 26, 2019, the Company adopted a long-term incentive plan ("LTIP") to allow for a variety of equity-based awards that provide different types of incentives to be granted to the Company's executive officers, directors, employees and consultants (options, stock appreciation rights ("SARs"), performance share units ("PSUs"), restricted stock units ("RSUs") and deferred share units ("DSUs")). Options, SARs, PSUs, RSUs and DSUs are collectively referred to herein as "Awards". Each Award represents the right to receive common shares and in the case of SARs, PSUs, RSUs and DSUs, common shares or cash, in each case in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Company's board of directors may grant Awards to the Chief Executive Officer and Executive Chairman of the Company and review and approve the grant of Awards recommended by the Chief Executive Officer to other eligible participants. Participation in the LTIP is voluntary and if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant

agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution. The plan has a stated term of ten years and provides that the exercise of stock options granted will not be less than the market price of the Company's common stock on the grant date. The plan does not specify grant dates or vesting schedules of awards as those determinations have been delegated to a committee of the Company's Board of Directors. Each grant agreement reflects the vesting schedule for that particular grant as determined by the Committee.

The maximum number of common shares reserved for issuance, in the aggregate, under the LTIP is 10% of the aggregate number of common shares (assuming the conversion of all proportionate voting shares to common shares) issued and outstanding from time to time.

Restricted stock units

RSU awards currently outstanding generally vest in equal annual installments over a four-year period or cliff after a three-year period in each case, from the grant date. Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. For RSU grants, the expense is measured at the grant date as the fair value of the Company's common stock and expensed as stock-based compensation over the vesting term.

A summary of RSU activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2020	11,995,751	$ 3.64
Granted	3,564,365	6.88
Vested	(3,473,235)	5.27
Forfeited	(1,310,433)	5.48
Unvested, December 31, 2021	10,776,448	3.96
Granted	10,242,081	2.79
Vested	(3,746,281)	6.75
Forfeited	(887,780)	1.84
Unvested, December 31, 2022	16,384,468	$ 2.71

The following table presents information about the Company's RSUs for the period presented:

	Year ended		
(Dollars in thousands)	December 31, 2022	December 31, 2021	December 31, 2020
Share-based compensation	$ 18,856	$ 14,500	$ 16,279

The following table presents information about the Company's RSUs as of the date presented:

	December 31, 2022	December 31, 2021
Unrecognized compensation costs	$ 22,118	$ 16,800
Weighted average period over which compensation cost will be recognized (in years)	2.7	2.7
Maximum term relating to outstanding RSUs (in years)	3.2	3.9
Obligation to issue shares for RSUs vested during the year (in shares)	—	1,402

Performance share units

On April 29, 2019, the Company granted total stockholder return awards ("TSR Awards") that include three-year and five-year market conditions, with corresponding performance measurement periods of three and five years. Vesting of the TSR Awards is based on the Company's level of attainment of specified TSR targets relative to the appreciation of the Company's common shares for the respective three-year and five-year periods and is also subject to the continued employment of the grantees.

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

The fair value of the TSR Awards was determined using a Monte Carlo Simulation valuation model with the following weighted average inputs:

Expected volatility	70.00%
Expected life (in years)	4.15
Expected dividends	0.00%
Risk-free interest rate	1.55%

During the years ended December 31, 2022, 2021 and 2020, the Company granted PSUs that will vest on the achievement of internal performance targets. The Company monitors the probability of achieving the performance targets on a quarterly basis and adjusts periodic compensation expense accordingly.

A summary of PSU and TSR activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2019	5,259,408	$ 5.66
Granted	2,980,751	2.43
Forfeited	(188,341)	7.44
Unvested, December 31, 2020	8,051,818	4.42
Granted	655,093	7.81
Vested	(114,957)	2.07
Forfeited	(765,662)	5.78
Unvested, December 31, 2021	7,826,292	$ 4.61
Granted	2,209,892	2.97
Vested	(518,029)	2.32
Forfeited	(2,209,892)	2.97
Unvested, December 31, 2022	7,308,263	4.77

The following table presents information about the Company's PSUs and TSR activity:

	Year ended		
(Dollars in thousands)	December 31, 2022	December 31, 2021	December 31, 2020
Share-based compensation	$ 8,812	$ 9,237	$ 8,944

The following table presents information about the Company's PSUs and TSR as of the date presented:

	December 31, 2022	December 31, 2021
Unrecognized compensation costs	$ 5,190	$ 12,480
Weighted average period over which compensation cost will be recognized (in years)	1.5	1.9
Maximum term relating to outstanding PSUs and TSRs (in years)	2.2	2.3

Stock Options

The fair value of each stock option is estimated using the Black-Scholes option pricing model. The weighted average of inputs used in the measurement of the grant date fair value of the stock options for the year ended December 31, 2020, are summarized in the table below:

Fair value at grant date (Canadian Dollars)	$10.90
Strike price at grant date (Canadian Dollars)	$10.90
Expected volatility	70.00%
Expected life (in years)	6.25
Expected dividends	0.00%
Risk-free interest rate	1.59%

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

Stock option awards under the LTIP are granted with an exercise price equal to the fair value of the Company's common stock at the date of grant.

All option awards have a ten-year contractual term and vest over four years.

A summary of option activity for the years ended December 31, 2022,2021 and 2020 is presented below:

	Stock Options	Weighted-Average Exercise Price (Canadian Dollars)	Weighted-Average Remaining Contractual Term (Years)
Outstanding, December 31, 2020	55,384	10.90	2.3
Forfeited	(27,692)	10.90	
Outstanding, December 31, 2021	27,692	10.90	1.3
Forfeited	(27,692)	10.90	—
Outstanding, December 31, 2022	—	—	—
Exercisable as of December 31, 2022	—	—	—

During the years ended December 31, 2022, and 2021, the Company recorded income of $0 and $64, respectively, related to equity-based compensation expense on the stock options.

Restricted Stock Awards ("RSA") and Unit programs (equity settled)

In May 2016, the Company adopted the Capital Accumulation Plan ("the CAP Plan"), which provided employees and operating partners with a mechanism to participate in increases in value of the Company. As of the Acquisition Date, holders of CAP units received replacement stock-based awards. The CAP units were converted into RSAs based on the intrinsic value of the Company if it was liquidated at the close of business. The value of the replacement stock-based awards was designed to generally preserve the intrinsic value of the replaced awards immediately prior to the merger. Such RSAs remain subject to the same continuing restrictions applicable to the original CAP units. The Company did not recognize any incremental expense in connection with the conversion of CAP units to RSAs.
The number of units outstanding under the CAP Plan were as follows:

	Units	Weighted-Average Threshold Amount
Unvested, December 31, 2020	—	—
Unvested, December 31, 2021	—	$ —
Unvested, December 31, 2022	—	$ —

A summary of RSA activity for the years ended December 31,2022, 2021 and 2020 is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2020	727,478	$ 7.19
Forfeited	(65,464)	12.12
Converted to common shares	(486,588)	6.46
Unvested, December 31, 2021	175,426	$ 7.38
Forfeited	(13,506)	8.33
Converted to common shares	(161,920)	$ 7.74
Unvested, December 31, 2022	—	—

The following table presents information about the Company's CAP and RSA activity as of the date presented:

	Year ended		
(Dollars in thousands)	December 31, 2022	December 31, 2021	December 31, 2020
Share-based compensation	$ 262	$ 1,345	$ 4,484

The following table presents information about the Company's CAP and RSA as of the date presented:

	December 31, 2022	December 31, 2021
Unrecognized compensation costs	-	$ 262
Weighted average period over which compensation cost will be recognized (in years)	-	0.5
Maximum term relating to outstanding CAP and RSAs (in years)	-	0.8

Unit programs (liability settled)

In May 2016, the Company adopted the Income Incentive Plan ("the IIP Plan"), which provides deferred compensation to designated employees and operating partners (the "IIP units").

In September 2019, holders of IIP units received replacement stock-based units ("RSU"). In September 2019, The IIP units were converted into RSUs based on the intrinsic value of the Company, as if it was liquidated at the Acquisition Date. The value of the RSUs was designed to generally preserve the intrinsic value of the replaced awards immediately prior to the conversion. Such RSUs remain subject to the same continuing restrictions applicable to the original IIP units. The Company did not recognize any incremental expense in connection with the conversion of IIP units to RSUs. Upon the conversion the Company reclassified deferred compensation of $15,308 into shareholders' equity.

Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests.

The number of units outstanding under the IIP Plan are summarized in the table below:

	Units	Weighted-Average Liquidation Value
Unvested, December 31, 2019	629,277	$ 51.29
Units forfeited	(23,612)	61.98
Units converted to RSUs	(605,665)	50.87
Unvested, December 31, 2020	—	—
Unvested, December 31, 2021	—	—
Unvested, December 31, 2022	—	—

Deferred compensation expense related to the Company's IIP units was $0, $0, and $0 for the years ended December 31, 2022, 2021 and 2020, respectively.

14. INCOME TAXES

The components of tax expense (benefit) were as follows:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Current tax expense			
Federal	$ 48,273	$ 20,519	$ 3,979
State	9,797	5,732	822
Total current tax expense	58,070	26,251	4,801
Deferred tax expense (benefit)			
Foreign	(4,326)	(1,936)	(2,289)
Federal	(40,781)	(15,008)	(8,897)
State	(28,502)	(10,998)	(1,400)
Total deferred tax expense (benefit)	(73,609)	(27,942)	(12,586)
Change in Valuation Allowance - US		(106)	(10,701)
Change in Valuation Allowance - Foreign	4,326	1,936	2,289
Provision for income taxes	$ (11,213)	$ 139	$ (16,197)

The Company accounts for income taxes in accordance with ASC 740 – Income Taxes, under which deferred tax assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values and the tax bases for the respective items.

Columbia Care Inc is organized in Canada but operates inside the United States. Due to the Company's structure, the Company is subject to income tax both in the United States and Canada. The Company maintains full valuation allowances on its net operating losses at each of the foreign jurisdictions it operates in, resulting in a 0% effective tax rate for the foreign jurisdictions. The Company's domestic effective tax rate for the years ended December 31, 2022, 2021 and 2020 were 2.6%, (0.1%), and 11.9% respectively.

The reconciliation of the Company's income tax expense (benefit) on income (loss) before taxes at the U.S. federal statutory rate compared to the Company's effective tax rate was as follows:

	December 31, 2022		December 31, 2021		December 31, 2020	
Loss before provision for income taxes	$ (432,694)		$ (146,714)		$ (135,846)	
Tax using the company's domestic tax rate	(90,866)	21.0%	(30,810)	21.0%	(28,540)	21.0%

Tax effect of:						
State taxes, net of federal benefits	(20,744)	4.8%	(5,276)	3.6%	(273)	0.2%
280E	42,443	(9.8)%	24,293	(16.6)%	11,410	(8.4)%
Non-deductible partnership income	2,799	(0.6)%	1,141	(0.8)%	2,601	(1.9)%
Other Permanent Tax Differences	(3,956)	0.9%	(12,962)	8.8%	7,936	(5.8)%
Share-based compensation	8,710	(2.0)%	6,727	(4.6)%	2,125	(1.6)%
Change in tax status	—	—	(670)	0.5%	291	(0.2)%
Other items	741	(0.2)%	1,301	(0.9)%	(699)	0.5%
FIN 48	—	—	—	—	—	—
Provision to Return Adjustment	13,825	(3.2)%	1,207	(0.8)%	(336)	0.2%
Goodwill impairment	35,835	(8.3)%	15,189	(10.4)%	—	—
Other	—	—	—	—	(10,712)	7.9%
	$ (11,213)	2.6%	$ 139	(0.1)%	$ (16,197)	11.9%

The Company operates in the legal cannabis industry but is subject to Section 280E of the Internal Revenue Code ("IRC") which prohibits the Company from deducting non cost of goods sold related expenses. Section 280E was originally intended to penalize criminal market operators, but because cannabis remains a Schedule I controlled substance for Federal purposes, the IRS has subsequently applied Section 280E to state-legal cannabis businesses. Cannabis businesses operating in states that align their tax codes with the IRC are also unable to deduct normal business expenses from their state taxes. The result of Section 280E's application to the Company results in permanent disallowance of ordinary and necessary business expenses. As a result of 280E the Company's effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss. The non-deductible expenses shown in the effective rate reconciliation above is comprised primarily of the impact of applying IRC Sec. 280E to the Company's businesses that are involved in selling cannabis, along with other permanent tax adjustments as prescribed by relevant tax code.

The tax effects of the temporary differences giving rise to deferred tax assets and deferred tax liabilities as of December 31,2022, 2021, and 2020 are summarized in the table below:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Deferred Tax Assets			
Net Operating Loss Carryforwards	$ 14,066	$ 9,783	$ 3,244
Derivative liability	125	3,426	—
Inventory	1,275	788	—
Stock Based Compensation	3,288	7,815	12,695
Capitalized Expenses	20,769	3,742	2,381
Reserves	2,741	22,897	3,217
Right of Use Assets	37,652	41,999	25,995
Sale Leaseback	1,552	1,630	1,448
Other Assets	1,626	1,142	2,137
Gross Deferred Tax Assets	83,094	93,222	51,117
Valuation Allowance	(9,202)	(4,876)	(3,046)
Total Deferred Tax Assets, net	73,892	88,346	48,071
Deferred Tax Liabilities			
Property, Plant and Equipment	(2,427)	(2,399)	(1,664)
Intangibles	(32,661)	(115,621)	(21,742)
Accruals	(91)	(1,126)	—
Debt discount	(5,712)	(7,784)	—
Right of Use Liabilities	(35,904)	(40,893)	(25,644)
Other Liabilities	—	—	(1,368)
Gross Deferred Tax Liabilities	$ (76,795)	$ (167,823)	$ (50,418)
Net Deferred Tax Liabilities	$ 2,903	$ 79,477	$ 2,347
Net Deferred Tax Assets		—	—

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company's management assesses both positive and negative evidence regarding the Company's ability to realize its deferred tax assets and records a valuation allowance when it is more likely than not that deferred tax assets will not be realized. The valuation allowance as of December 31, 2022, 2021, and 2020 are $9,202, $4,876, and $3,046 respectively. The total change in the 2022 and 2021 valuation allowance, which was an increase of $4,326 and $1,830 respectively, is related to foreign activity and other activities.

During the year ended December 31, 2022 the company recorded a deferred tax asset pertaining to a deemed asset acquisition. The future tax benefit related to this acquisition is expected to be subject to 280E.

As of December 31, 2022, the Company has $1,453 of gross federal net operating loss carryforwards which will not expire. The Company has $33,599 of gross state net operating loss carryforwards which begin to expire in 2036. The company has $40,680 of gross foreign net operating loss carryforwards which begin to expire in 2027.

Under Internal Revenue Code Section 382, utilization of net operating losses may be subject to annual limitations in the event of any significant future changes in its ownership structure. These annual limitations could adversely affect the company and result in the expiration of net operating losses prior to utilization.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, and foreign jurisdictions, where applicable. Such examinations may result in future tax, penalty, and interest assessments by the respective taxing jurisdictions. For uncertain tax positions the Company believes does not meet the more likely that not threshold of being sustained upon examination by the relevant taxing authorities, the Company records a tax reserve in the period in which it arises. The company adjusts its unrecognized tax benefit liability and provision for income taxes in the period in which the uncertain tax position is settled, the statute of limitations expires for taxing authority to examine the position or when new information becomes available that requires a change in the recognition and/or measurement of the liability.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance as of December 31, 2019	$ —
Increases (Decreases) for current year	2,095
Increases (Decreases) for prior years	3,126
Settlements	—
Reductions for Expiration of Statute of Limitations	—
Balance as of December 31, 2020	5,221
Increases (Decreases) for current year	—
Increases (Decreases) for prior years	183
Settlements	—
Reductions for Expiration of Statute of Limitations	(1,293)
Balance as of December 31, 2021	$ 4,111
Increases (Decreases) for current year	—
Increases (Decreases) for prior years	—
Settlements	—
Reductions for Expiration of Statute of Limitations	(1,337)
Balance as of December 31, 2022	$ 2,774

As of December 31, 2022 and 2021, the company had $2,774 and $4,111 respectively of gross unrecognized tax benefits, $0 and $0 respectively of which would impact the effective income tax rate if recognized. As of December 31, 2022, 2021, and 2020 the Company recognized interest and penalties related to uncertain tax positions of $554, $800, and $903 respectively. The unrecognized tax benefits recorded by the company relate to historical tax positions taken by businesses previously acquired by the Company. The Company is subject to indemnification of any assessments related to these specific positions and has established a receivable for the same amount of the reserve. The US federal statute of limitations remains open for the tax year 2019 through the present. The state return statute of limitations generally remains open for the tax year 2019 through the present.

15. EARNINGS PER SHARE

Basic and diluted net loss per share attributable to the Company was calculated as follows:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Numerator:			
Net loss	$ (421,481)	$ (146,853)	$ (119,649)
Less: Net loss attributable to non-controlling interests	(5,476)	(3,756)	(23,862)
Net loss attributable to shareholders	$ (416,005)	$ (143,097)	$ (95,787)
Denominator:			
Weighted average shares outstanding - basic and diluted	392,571,102	338,754,694	232,576,117
Loss per share - basic and diluted	$ (1.06)	$ (0.42)	$ (0.41)

Certain share based equity awards were excluded from the computation of dilutive loss per share because inclusion of these awards would have had an anti-dilutive effect. The following table reflects the awards excluded.

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Warrants	—	1,115,902	13,147,919
Options	—	—	55,384
Convertible Debt	13,362,177	17,780,750	6,670,449
Share based payment	—	10,103,325	20,047,569
	13,362,177	28,999,977	39,921,321

16. LEASING ACTIVITIES

The Company leases its facilities under operating leases that provide for the payment of real estate taxes and other operating costs in addition to normal rent. The Company's real estate leases typically have terms of 1 to 15 years. Certain leases include extension options exercisable from one to five years before the end of the cancellable lease term. The Company typically leases equipment and vehicles with standard lease terms of 3 to 5 years. Expenses recognized relating to short-term leases and leases of low value during the years ended December 31, 2022 and 2021 were immaterial.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Weighted Average Remaining Lease Term		
Operating leases	15.4 years	15.0 years
Finance leases	9.5 years	13.5 years
Weighted Average Discount Rate		
Operating leases	7.01%	7.02%
Finance leases	7.74%	7.67%

The maturities of lease liabilities as of December 31, 2022 were as follows:

	Operating	Finance
Year Ending December 31:		
2023	$ 19,182	$ 10,757
2024	21,338	10,877
2025	19,858	8,673
2026	19,645	6,390
2027	18,990	6,529
Thereafter	214,014	37,587
Total lease payments	313,027	80,813
Less: interest	(131,953)	(23,675)
Present value of lease liabilities	$ 181,074	$ 57,138

The following summarizes the line items in the income statements which include the components of lease expense for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Operating lease expense	$ 27,598	$ 24,087
Included in	—	
Cost of sales	16,537	21,962
Selling, general and administrative expenses	11,061	2,125
Finance lease costs:	$ 13,746	$ 9,928
Amortization of lease assets included in cost of sales	6,753	3,836
Amortization of lease assets included in selling, general and administrative costs	1,445	812
Interest on lease liabilities included in interest (expense) income, net	5,548	5,280
Total lease costs	$ 41,344	$ 34,015

The following summarizes cash flow information related to leases for the year ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 24,614	$ 21,355
Operating cash flows from finance leases	$ 5,545	$ 5,273
Financing cash flows from finance leases	$ 5,815	$ 9,664
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ 30,040	$ 47,931
Finance leases	$ (11,589)	$ 19,024
Lease assets obtained in business acquisitions		
Operating leases	$ 973	$ 1,453
Finance leases	$ —	1,876

17. COMMITMENTS AND CONTINGENCIES

Defined contribution plan

In 2020, the Company instituted a qualified 401(k) plan (the "401(k) Plan") for its U.S. employees. The 401(k) Plan covers U.S. employees who meet certain eligibility requirements. Under the terms of the 401(k) Plan, the employees may elect to make contributions through payroll deductions within statutory and plan limits, and the Company may elect to make non-elective discretionary contributions. The Company may also make optional contributions to the 401(k) Plan for any plan year at its discretion.

Expense recognized by the Company for matching contributions made to the 401(k) Plan was $1,118 and $550 for the years ended December 31, 2022, December 31, 2021, respectively.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and senior management that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. Other than the accruals mentioned in this note, the Company has not accrued any liabilities related to any pending claims potentially subject to any indemnifications in its consolidated financial statements.

The Green Leaf Transaction closed on June 11, 2021. By letters dated April 22, 2022, June 1, 2022 and March 14, 2023, the Company notified the shareholder representative ("SRS") for the former Green Leaf shareholders, including a director of the Company, that the Company was seeking indemnification of approximately $11 million for certain preclosing taxes paid by the Company on behalf of the former Green Leaf shareholders. By letter dated July 14, 2022, SRS notified the Company that the former Green Leaf shareholders were making an indemnification claim to the Company for $17.6 million related to alleged damages arising out of certain alleged undisclosed and under-disclosed litigation matters. By letter dated October 6, 2022, SRS sent an updated demand letter seeking in excess of $75 million from the Company. In addition to the claims raised in SRS's July 14, 2022 letter, SRS demanded payment of at least $58 million for Green Leaf's purported achievement of a milestone payout contemplated in the Green Leaf Transaction for the time period July 1, 2021 to June 30, 2022. The Company, based on a third-party assessment, determined that the milestone was not achieved. The parties engaged in preliminary negotiations, including a non-binding mediation, about the possibility of entering into a global resolution of outstanding disputes. On March 2, 2023, SRS filed a complaint in the Circuit Court for Baltimore City, Maryland against the Company, a Company subsidiary, the Company's Chairman, CEO and CFO, as well as the third-party firm that prepared the aforementioned assessment, seeking in excess of $72 million in damages, in addition to punitive damages, based on asserted legal claims of breach of contract, fraud and intentional misrepresentation, negligent misrepresentation, tortious interference with a contract, breach of a fiduciary duty, aiding and abetting a breach of a fiduciary duty and civil conspiracy. The Company (and the other named parties) will assert defenses with respect to the claims in the complaint. However, there can be no assurance that such defenses will be successful and, if they are not successful, that the direct or indirect losses will not be material. Separately, the Company intends to continue to pursue legal recourse against the former Green Leaf shareholders with respect to the approximately $11 million owed to the Company for certain preclosing tax payments.

Additionally, the Company may be contingently liable with respect to other claims incidental to the ordinary course of its operations. In the opinion of management, and based on management's consultation with legal counsel, the ultimate outcome of such other matters will not have a materially adverse effect on the Company. Accordingly, no provision has been made in these consolidated financial statements for losses, if any, which might result from the ultimate disposition of these matters should they arise.

18. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurements

The following table presents the Company's financial instruments that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Derivative liability	$ —	$ —	$ (235)	$ (235)
Contingent consideration	—	—	—	—
	$ —	$ —	$ (235)	$ (235)
December 31, 2021				
Derivative liability	$ —	$ —	$ (6,795)	$ (6,795)
Contingent consideration	—	—	(40,941)	(40,941)
	$ —	$ —	$ (47,736)	$ (47,736)

During the period included in these financial statements, there were no transfers of amounts between levels. For fair value measurements of assets and liabilities that are done on a non-recurring basis, refer to Note 20.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of level 3 financial instruments:

Financial asset/financial liability	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Derivative liability	Market approach	Conversion Period	Increase or decrease in conversion period will result in an increase or decrease in fair value
Contingent Consideration	Discounted cash flow approach	Risk adjusted discount rate and forecasted EBITDA	Increase or decrease in risk adjusted discount rate and forecasted EBITDA will result in an increase or decrease in fair value

The carrying amounts of cash, accounts receivable, other current assets, accounts payable, accrued expenses and other current liabilities, current portion of long-term debt and lease liability as of December 31, 2022 and 2021 approximate their fair values because of the short-term nature of these items and are not included in the table above. The Company's other long-term payables, long-term debt and lease liabilities approximate fair value due to the market rate of interest used on initial recognition.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not presented at their fair value on the consolidated balance sheet. The fair values of financial instruments are estimates based upon market conditions and perceived risks as of December 31, 2022 and 2021. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, accounts receivable included within prepaid expenses and other assets, and accrued liabilities and other payables. Generally, these assets and liabilities are short term in duration and their carrying value approximates fair value on the consolidated balance sheets.

19. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2021	$ 184,018	$ 285,854	$ 59,694	$ 52,500	$ 582,066
Business acquisitions	$ 5,899	$ —	$ —	$ —	$ 5,899
PPA Adjustments	$ —	$ (7,331)	$ —	$ —	$ (7,331)
Impairment	$ (170,643)	$ (120,165)	$ (13,758)	$ (35,556)	$ (340,122)
Disposals	$ —	$ (1,447)	$ —	$ —	$ (1,447)
Balance of December 31, 2022	$ 19,274	$ 156,911	$ 45,936	$ 16,944	$ 239,065

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2021	$ —	$ (19,271)	$ (7,037)	$ (3,953)	$ (30,261)
Amortization	$ —	$ (27,300)	$ (8,564)	$ (8,666)	$ (44,530)
Disposals	$ —	$ 265	$ —	$ —	$ 265
Balance of December 31, 2022	$ —	$ (46,306)	$ (15,601)	$ (12,619)	$ (74,526)

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2020	$ 137,759	$ 68,193	$ 33,043	$ 3,286	$ 242,281
Business acquisitions	118,587	217,661	26,651	49,214	412,113
Impairment	(72,328)	—	—	—	(72,328)
Balance of December 31, 2021	$ 184,018	$ 285,854	$ 59,694	$ 52,500	$ 582,066

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2020	$ —	$ (3,096)	$ (1,028)	$ (56)	$ (4,180)
Amortization	—	(16,175)	(6,009)	(3,897)	(26,081)
Balance of December 31, 2021	$ —	$ (19,271)	$ (7,037)	$ (3,953)	$ (30,261)

The carrying value of goodwill in each reporting unit is indicative of the expected growth and development of the business. In the fourth quarter of fiscal 2022, the Company identified qualitative indicators of impairment as a result of a strategic reassessment of its business, including an evaluation of current operations and its future growth outlook due to changing consumer trends within certain markets. The decision to reduce the long-term growth outlook resulted in a downward adjustment of the future financial forecasts for the Company's Green Leaf Medical and Colorado businesses, which indicated that impairment of the goodwill asset was a more-likely-than-not outcome.

The following table outlines the key assumptions used in calculating the recoverable amount for each Reporting Unit used in the impairment analysis as at October 1, 2022:

	Goodwill impairment testing		
	gLeaf	Colorado	California
Significant estimates used by management			
Years of cash flows before terminal value	5	5	5
Discount rate	17.2%	13.75%	13.5 %
Terminal value multiple / rate	2%	3.0%	3.0 %

The recoverable amount of the reporting unit to which goodwill is allocated and the asset group to which intangibles are allocated were determined based on fair value using Level 3 inputs in a discounted cash flow analysis. Management tested the Colorado, California, and gLeaf (mostly Pennsylvania) asset groups for the definite lived assets impairment. The Company determined that the California reporting unit was not impaired and supported this assumption through use of revenue market multiples. In addition, the Company uses its market capitalization and comparative market multiples to corroborate discounted cash flow results. The significant assumptions applied in the determination of the recoverable amount are described below:

i. Cash flows: Estimated cash flows were projected based on actual operating results from internal sources as well as industry and market trends. Estimated cash flows are primarily driven by sales volumes, selling prices and operating costs. The forecasts are extended to a total of five years (and a terminal year thereafter);

ii. Terminal value growth rate: The terminal growth rate was based on historical and projected consumer price inflation, historical and projected economic indicators, and projected industry growth;

iii. Corporate overhead allocation and the eventual reappeal of Schedule 208E.

iv. Post-tax discount rate: The post-tax discount rate is reflective of the reporting unit's Weighted Average Cost of Capital ("WACC"). The WACC was estimated based on the risk-free rate, equity risk premium, beta adjustment to the equity risk premium based on a direct comparison approach, an unsystematic risk premium, and after-tax cost of debt based on corporate bond yields; and

v. Tax rate: The tax rates used in determining the future cash flows were those substantively enacted at the respective valuation date.

There was no impairment in the Company's California Reporting Unit and $340,121 recorded as impairment of its goodwill and intangible assets of its Green Leaf (primarily Pennsylvania) and Colorado Reporting Units.

The Company separately performed sensitivity analyses to evaluate the changes in the fair value of goodwill and intangibles that would result from changes in certain assumptions, including cash flows and discount rate.

- The Company performed the aforementioned sensitivity analyses as follows:
  - If revenues for all years were to decrease 10%
  - If EBITDA is reduced by 5% each year
  - If the discount rate changes +2 and +5%
- In addition, the Company ran a sensitivity on the terminal value multiple as well:
  - If the terminal value multiple is reduced -2 and -5%

These changes would result in material adjustments to the goodwill and intangible amounts for Colorado and Green Leaf in these scenarios.

Impairment – 2021

In the fourth quarter of fiscal 2021, the Company identified qualitative indicators of impairment as a result of a strategic reassessment of its business, including an evaluation of current operations and its future growth outlook due to changing consumer trends within certain markets. This resulted in a downward adjustment of the future financial forecasts for the Company's Colorado, California and Pennsylvania businesses, which indicated that impairment of the goodwill asset was a more-likely-than-not outcome.

The recoverable amount of the reporting unit to which goodwill is allocated and the asset group to which intangibles are allocated were determined based on fair value using Level 3 inputs in a discounted cash flow analysis. Management tested the Colorado, California, and Pennsylvania asset groups for the definite lived assets impairment. Where applicable, the Company uses its market capitalization and comparative market multiples to corroborate discounted cash flow results.

The following table outlines the key assumptions used in calculating the recoverable amount for each Reporting Unit used in the impairment analysis as at October 1, 2021:

	Goodwill impairment testing	
	Colorado	California
Significant estimates used by management		
Years of cash flows before terminal value	5	5
Discount rate	15.5%	18.0 %
Terminal value multiple / rate	3.0%	3.0 %

The below table summarizes the estimated aggregate amortization expense expected to be recognized on the intangible assets:

Selling, general and administrative expenses included the following:

	Year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Goodwill impairment	$ 170,643	$ 72,328	$ —
Amortization expenses	44,530	26,081	3,640

Future estimated amortization expense:	Amount
2023	$ 19,212
2024	19,212
2025	19,082
2026	17,385
2027	16,635
2028 and thereafter	53,739
Total	$ 145,265

The Company will continue to monitor the impact of the goodwill associated with this reporting unit, and should it suffer additional declines in actual or forecasted financial results, the risk of goodwill impairment would increase.

20. NET ASSETS HELD FOR SALE

During 2022, in conjunction with the proposed transaction with Cresco Labs, the Company committed to a plan to sell parts of its operations in Florida, Illinois, Massachusetts, Ohio and New York. The divestiture of the Assets is required for Cresco to close its previously announced acquisition of Columbia Care. On November 4, 2022 the Company and Cresco jointly announced the signing of definitive agreements to divest certain New York, Illinois, and Massachusetts assets to an entity owned and controlled by Sean “Diddy” Combs (the "Combs Transaction"). Accordingly, certain of the Company's long-lived assets and liabilities held in these three markets were presented as a disposal group held for sale on the consolidated balance sheet as of December 31, 2022. During the year ended December 31, 2022, the Company reassessed the fair value of these net assets held for sale and deemed that no adjustment was necessary.

An assessment was separately made by the Company on the treatment of short-lived assets and liabilities in these three markets. On the basis the current assets and liabilities associated with the Combs Transaction are likely to turn over prior to consummation and that the final purchase price is dependent on net working capital balances as at the date of closing of the transaction, and as such undeterminable as at year end, it was determined these should not be reclassified to assets and liabilities held for sale.

During the second quarter of 2020, the Company committed to a plan to sell its Puerto Rico operations. Accordingly, certain of the assets and liabilities held by the Company’s Puerto Rico subsidiary were presented as a disposal group held for sale on the consolidated balance sheet as of December 31, 2020. During the year ended December 31, 2021, the Company reassessed the fair value of the net assets held for sale and deemed that the same was negligible. Accordingly, the Company wrote down to zero, the fair value of the net assets held for sale.

Additionally, as of December 31, 2021, certain of the Company’s assets were classified as held for sale. See Note 6 for further details.

Impairment losses of $2,000 and $1,969 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in other (expense) income, net in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2021 and 2020.

These planned disposals did not represent a strategic shift of the Company that had or will have a major effect on the Company’s operations and financial results. Accordingly, the operations were not segregated and were presented as continuing operations in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2021 and 2020. The disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 9,392	$ 1,040
Right-of-use assets	19,001	1,080
Prepaid expenses and other current assets	696	—
Assets held for sale	$ 29,089	$ 2,120
Lease liabilities	$ (20,179)	$ (1,122)
Liabilities held for sale	$ (20,179)	$ (1,122)

The non-recurring fair value measurement for the disposal group has been categorized as a Level 3 fair value utilizing Level 3 inputs and using a market approach, based on available data for transactions in the region and discussions with potential acquirers.

21. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Details of the Company’s accrued expenses and other current liabilities are summarized in the table below:

	December 31, 2022	December 31, 2021
Accrued acquisition and settlement of pre-existing relationships	$ 100	$ 86,596
Taxes - property and other	9,306	14,062
Other accrued expenses	29,021	6,035
Payroll liabilities	14,516	12,799
Other current liabilities	10,011	4,673
Construction in progress	1,620	2,789
Accrued expenses and other current liabilities	$ 64,574	$ 126,954

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Details of the Company’s selling, general and administrative expenses are summarized in the table below:

	December 31, 2022	Year ended December 31, 2021	December 31, 2020
Salaries and benefits	$ 125,702	$ 107,081	$ 73,762
Professional fees	19,208	21,440	17,887
Depreciation and amortization	59,470	36,321	6,053
Operating facilities costs	42,631	31,562	19,332
Operating office and general expenses	9,879	14,691	10,157
Advertising and promotion	14,173	16,255	6,083
Other fees and expenses	6,267	4,702	9,081
Total selling, general and administrative expenses	$ 277,330	$ 232,052	$ 142,355

23. OTHER (EXPENSE) INCOME, NET

Details of the Company's other (expense) income, net is summarized in the table below:

	December 31, 2022	Year ended December 31, 2021	December 31, 2020
Change in fair value of the derivative liability	$ (6,560)	(13,286)	11,745
Acquisition and settlement of pre-existing relationships	—	75,655	14,195
(Gain) loss on remeasurement of contingent consideration	(37,362)	(59,362)	21,757
Impairment of disposal group	—	2,000	1,969
Earnout adjustment	349	—	—
Loss on Restructuring	3,089	—	—
Loss on conversion of Convertible Notes	—	1,580	—
Other (income) expense, net	6,605	(252)	(368)
Rental income	(3,564)	—	—
Total other expense, net	$ (37,443)	$ 6,335	$ 49,298

24. NON-CONTROLLING INTERESTS

The non-controlling interests of the Company for each affiliate before intercompany elimination are summarized in the tables below:

	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Columbia Care Ohio	Columbia Care Missouri	Other	Green Leaf Medical Inc.	Total
Summarized balance sheet							December 31, 2022							
Current assets	$ 1,490	$ 2,731	$ 3,669	$ 159	$ 596	$ 6,129	$ 271	$ 14,108	$ 494	$ 9,150	$ 1,299	$ 797	$ 10,526	$ 51,419
Current liabilities	(1,977)	(50)	(1,136)	(106)	(445)	(5,503)	(358)	(3,946)	(1,174)	(742)	(311)	(418)	(6,194)	(22,360)
Current net assets (liabilities)	(487)	2,681	2,533	53	151	626	(87)	10,162	(680)	8,408	988	379	4,332	29,059
Non-current assets	1,075	896	10,162	-	422	32,895	5,118	58,486	427	26,097	5,352	799	1,668	143,397
Non-current liabilities	(18,956)	(1,662)	(12,633)	(11,034)	(3,542)	(31,458)	(4,631)	(69,409)	(1,236)	(39,142)	(11,275)	(1,611)	(2,863)	(209,452)
Non-current net assets (liabilities)	(17,881)	(766)	(2,471)	(11,034)	(3,120)	1,437	487	(10,923)	(809)	(13,045)	(5,923)	(812)	(1,195)	(66,055)
Accumulated NCI	$ —	$ 291	$ —	$ —	$ (117)	$ 165	$ —	$ 25	$ (876)	$ —	$ (4,934)	$ (16)	$ (919)	$ (6,381)

	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Columbia Care Ohio	Columbia Care Missouri	Other	Leafy Greens Medical Inc.	Total
Summarized balance sheet							December 31, 2021							
Current assets	$ 2,224	$ 2,731	$ 4,140	$ 169	$ 875	$ 4,029	$ 544	$ 8,149	$ 768	$ 2,937	$ 328	$ 922	$ 4,116	$ 31,932
Current liabilities	(1,643)	(50)	(1,938)	(66)	(300)	(3,679)	(644)	(7,022)	(799)	(1,285)	(323)	(382)	(2,301)	(20,432)
Current net assets (liabilities)	581	2,681	2,202	103	575	350	(100)	1,127	(31)	1,652	5	540	1,815	11,500
Non-current assets	1,638	796	11,918	—	850	27,279	5,323	50,788	603	27,000	5,785	1,105	1,837	134,922
Non-current liabilities	(18,740)	(1,658)	(14,674)	(9,951)	(3,431)	(29,889)	(3,166)	(56,989)	(408)	(32,107)	(7,148)	(1,821)	(779)	(180,761)
Non-current net assets (liabilities)	(17,102)	(862)	(2,756)	(9,951)	(2,581)	(2,610)	2,157	(6,201)	195	(5,107)	(1,363)	(716)	1,058	(45,839)
Accumulated NCI	$ (19,114)	$ 283	$ —	$ —	$ (80)	$ (105)	$ —	$ (277)	$ (50)	$ 1	$ (1,360)	$ 5	$ 129	$ (20,568)

The net change in the non-controlling interests is summarized in the table below:

	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Florida	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Leafy Greens	Columbia Care Ohio	Columbia Care Missouri	Green Leaf Medical Inc.	Other	Total
Balance, December 31, 2019	**$ (2,659)**	**$ 563**	**$ (221)**	**$ (1,507)**	**$ (27)**	**$ 1,479**	**$ (32)**	**$ —**	**$ —**	**$ —**	**$ (99)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ (2,503)**
Net income (loss) attributable to NCI	(15,029)	(290)	221	(2,099)	(29)	(2,240)	(102)	(37)	(177)	(2)	(121)	(3,880)	(77)	—	—	(23,862)
Other adjustments	—	—	—	—	—	761	—	5,509	—	—	220	—	—	—	—	6,490
Balance, December 31, 2020	**$ (17,688)**	**$ 273**	**$ —**	**$ (3,606)**	**$ (56)**	**$ —**	**$ (134)**	**$ 5,472**	**$ (177)**	**$ (2)**	**$ —**	**$ (3,880)**	**$ (77)**	**$ —**	**$ —**	**$ (19,875)**
Net income (loss) attributable to NCI	(1,426)	10	—	(1,416)	(24)	—	29	(21)	(100)	(48)	—	389	(1,283)	129	5	(3,756)
Other adjustments	—	—	—	5,022	—	—	—	(5,451)	—	—	—	3,492	—	—	—	$ 3,063
Balance, December 31, 2021	**$ (19,114)**	**$ 283**	**$ —**	**$ —**	**$ (80)**	**$ —**	**$ (105)**	**$ —**	**$ (277)**	**$ (50)**	**$ —**	**$ 1**	**$ (1,360)**	**$ 129**	**$ 5**	**$ (20,568)**
Net income (loss) attributable to NCI	(550)	8	0	-	(37)	0	270	0	302	(826)			-3,574	-1,048	(21)	(5,476)
Other adjustments	19,664											(1)				19,663
Balance, December 31, 2022	**$ —**	**$ 291**	**$ —**	**$ —**	**$ (117)**	**$ —**	**$ 165**	**$ —**	**$ 25**	**$ (876)**	**$ —**	**$ —**	**$ (4,934)**	**$ (919)**	**$ (16)**	**$ (6,381)**

* Represents non-controlling interests acquired as a result of the Green Leaf Transaction.

During the year ended December 31, 2021, in connection with the Company's plan to sell its Puerto Rico operations, the Company reclassified its outstanding non-controlling interest balance to equity. Additionally, during the year ended December 31, 2021, the Company acquired the outstanding non-controlling interests in Columbia Care Ohio LLC. Post this acquisition, Columbia Care Ohio LLC became a wholly owned subsidiary of the Company.

During the year ended December 31, 2020, Columbia Care International Holdco LLC, a consolidated subsidiary of the Company, issued membership interests of five percent to an unrelated party in consideration for $5,509. In April 2021, the Company issued 783,805 common shares to the unrelated party to buyout their non-controlling interest in Columbia Care International Holdco LLC.

During the year ended December 31, 2020, Leafy Greens Inc, a subsidiary that was consolidated by the Company as of December 31, 2019, issued membership interests to an unrelated party for a consideration of $1,000, resulting in loss of control by the Company. Refer to Note 2 for details of the transaction.

During the year ended December 31, 2022, VentureForth Holdings, LLC, a consolidated subsidiary which previously had a management services agreement with the company, was acquired by merger. The Company issued 18,755,082 common shares and issued approximately $26,000,000 to buyout the non-controlling interest in VentureForth LLC.

25. VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Charged to income	Acquired through business combinations	Deductions from reserve	Other adjustments	Balance at end of Year
Allowance for doubtful accounts, including credit card reserves						
Year ended December 31, 2022	$2,542	$1,424	$—	$(824)	$—	$3,142
Year Ended December 31, 2021	$2,053	$746	$—	$(257)	$—	$2,542

26. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after December 31, 2022 through the filing of these audited annual financial statements. Certain subsequent events noted in these audited annual financial statements include the following:

1. Implementation of efficiency initiatives to close four unprofitable dispensaries, consolidate cultivation operations and decrease corporate overhead by approximately 25%, as announced on January 19, 2023;
2. Mutually agreed extension of the Outside Date to complete the proposed acquisition by Cresco Labs to June 30, 2023, as announced on February 27, 2023;
3. Signing of a Definitive Agreement, dated March 13, 2023, to sell the Company's Missouri assets which are considered non-core. These assets comprise one dispensary and one processing facility and are being divested for gross proceeds of approximately $7 million;
4. Transition of Michael Abbott, Co-Founder of Columbia Care, from Executive Chairman to Chairman of the Board of Directors, as announced on March 16, 2023; and
5. Extension of the Term date of the Company's 13% Notes, to now May 14, 2024, as permitted under the terms of the Notes and as announced on March 28, 2023.

With the exception of these events, no events have occurred that would require adjustment to the disclosures in these audited annual consolidated financial statements.

EXHIBIT 4.14

COLUMBIA CARE INC.
(the "Company")

EXTENSION NOTICE

TO: Odyssey Trust Company (the "**Trustee**")

AND TO: Registered Holders of 2023 Notes

RE: Section 4.5 of the trust indenture between the Company and the Trustee dated May 14, 2020, as amended and supplemented (the "**Indenture**") and the issuance of an Extension Notice extending the maturity date of the 2023 Notes to May 14, 2024

DATE: March 28, 2023

All capitalized terms used herein have the meaning ascribed thereto in the Indenture, unless otherwise indicated. This Extension Notice is delivered pursuant to Section 4.5 of the Indenture.

The Company hereby notifies the Trustee and all Holders of 2023 Notes that the 2023 Note Maturity Date is hereby extended to May 14, 2024. In accordance with Section 4.5 of the Indenture, the 2023 Note Maturity Date shall be deemed to be May 14, 2024 without any further action on the part of the Company or the Trustee. Concurrently with the issuance of this Extension Notice, the Company delivered an Officer's Certificate to the Trustee certifying that the Company is not in Default of the agreements and covenants in the Indenture.

If you have any questions regarding the foregoing, please contact Lee Ann Evans at lee.evans@columbiacare.com.

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DATED as of the date first written above.

COLUMBIA CARE INC.

/s/ Derek Watson
Name: Derek Watson
Title: Chief Financial Officer

TRANSITION AND RELEASE OF CLAIMS AGREEMENT

This Transition and Release of Claims Agreement ("Agreement") is entered into as of March 15, 2023, hereinafter "Effective Date," by and between Michael Abbott, Michael Abbott's marital community (if any), heirs, and assigns (hereinafter "Abbott"), and Columbia Care LLC, a Delaware Corporation, its affiliates (including, without limitation, any parent, subsidiary companies, or related companies such as Columbia Care Inc.), its successors and assigns (hereinafter the "Company"). Abbott and the Company are sometimes collectively referred to as the "Parties."

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Abbott's employment with the Company as its Executive Chairman shall terminate on March 15, 2023 (hereinafter "Separation Date"), on which date Abbott shall cease being an employee of the Company and continue as the Chairman of the Board of Directors of Columbia Care Inc., a non-employee position. Except as specifically set forth below, the Company expressly disclaims any liability to Abbott. In exchange for the consideration described herein, Abbott hereby represents and warrants the following:

(a) Abbott has authority to enter into this Agreement.

(b) Abbott has not transferred, in whole or in part, any rights related to Abbott's employment with the Company.

(c) Abbott hereby settles any and all claims that Abbott may have against the Company as a result of the Company's hiring Abbott, Abbott's employment with the Company and the termination of Abbott's employment with the Company, as and to the extent set forth in Paragraph 4 below.

(d) Abbott has not and will not transfer any of the Company's confidential information.

(e) Abbott acknowledges and agrees that, upon receipt of the consideration described in Paragraph 2 below, Abbott will have been paid for all severance or other obligations owing to Abbott under the terms of Abbott's April 26, 2019 Employment Agreement ("Employment Agreement") upon the termination of Abbott's employment, including but not limited to, any accrued but unused paid time off.

2. The Company agrees to provide Abbott the following consideration, after Abbott executes this Agreement, provided Abbott has not revoked Abbott's agreement as described in Paragraph 13 below:

(a) Starting on the next regular payroll date after the expiration of the revocation period described in Paragraph 13 below, the Company will pay

Abbott severance at a rate of $56,666.67 per month, less applicable taxes and withholdings, for 36 months. This amount constitutes "an amount equal to thirty-six (36) months of Executive's then current Base Salary and bonus, less all applicable withholdings and deductions, paid over such 36-month period" as described in Paragraph 6.4 of Abbott's Employment Agreement.

(b) the Company shall pay its share of the COBRA premiums necessary to continue Abbott's health insurance coverage in effect for Abbott and Abbott's eligible dependents (as of the date of this Agreement) for thirty-six (36) months from the date of this Agreement; Abbott hereby elects continued coverage under COBRA following the date hereof;

(c) All of Abbott's unvested Restricted Share Units ("RSUs" or "RSU Awards") and all of Abbott's earned, but unvested Performance Share Units ("PSUs" or "PSU Awards"), other than SPAC-RSU-025, issued pursuant to the Award Notices identified in Exhibit A (the "Award Notices"), shall immediately vest upon the expiration of the revocation period described in Paragraph 13 below. For purposes of clarity, a description of Abbott's equity in the Company as of the Effective Date and a description of the additional shares vesting upon the expiration of the revocation period described in Paragraph 13 below is attached as Exhibit A. Accordingly, upon expiration of the revocation period, 1,008,357 RSUs and 633,051 PSUs will vest. Following the expiration of the revocation period, shares earned in the future, if any, with respect to SPAC-PSU-002 will vest according to the terms specific to that award. Notwithstanding Section 3(a) and (b) of the Restricted Stock Unit Award Agreement pursuant to which the Award Notices were issued, the Company agrees that, for purposes of the PSU Awards, the Company will treat the PSU Awards the same as other similar outstanding performance-based awards, and the Company agrees that neither it nor the Compensation Committee will hereafter make any contrary determination. Without limiting the foregoing, the Company shall not treat the PSU Awards any less favorable than if the Company had terminated Abbott's employment without Cause. Nothing in this paragraph concerning the PSU Awards shall limit or be binding upon any successor in interest to the Company.

(d) Abbott acknowledges and agrees that Abbott's Discretionary Bonus for 2022, as described in Paragraph 5.2 of Abbott's Employment Agreement, shall be included as severance and shall be $100,000.00 in cash, payment of which amount is wholly contingent upon this Agreement being fully executed, and that Abbott shall receive such amount within two (2) weeks of the Separation Date.

Abbott specifically acknowledges and agrees that this consideration exceeds the amount Abbott would otherwise be entitled to receive upon termination of Abbott's employment, and that it is in exchange for entering into this Agreement. Abbott will not at any time seek additional

consideration in any form from the Company except as expressly set forth in this Agreement. Abbott specifically acknowledges and agrees that the Company has made no representations to Abbott regarding the tax consequences of any amounts received by Abbott or for Abbott's benefits pursuant to this Agreement. Abbott agrees to pay all taxes and/or tax assessments due to be paid by Abbott, and to indemnify the Company for any claims, costs and/or penalties caused by Abbott's failure to pay such taxes and/or tax assessments. In the event of Abbott's death, any payments or benefits payable under this Paragraph 2 will be made to the estate or legal representative of Abbott.

3. Abbott represents that Abbott has not filed, and will not file, any complaints, lawsuits, or charges relating to Abbott's employment with, or termination from, the Company.

4. Abbott agrees to release the Company, its Board of Directors, officers, employees, agents and assigns, from any and all claims, charges, complaints, causes of action or demands of whatever kind or nature that Abbott now has or has ever had against the Company, whether known or unknown, arising from or relating to Abbott's employment with or discharge from the Company. This release includes but is not limited to: wrongful or tortious termination; constructive discharge; implied or express employment contracts and/or estoppel; discrimination and/or retaliation under any federal, state or local statute or regulation, specifically including any claims Abbott may have under the Fair Labor Standards Act, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq., as amended, the Genetic Information Nondiscrimination Act of 2008; the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, 29 U.S.C. § 621, et seq., Section 1981 of U.S.C. Title 42, the Equal Pay Act, the Family and Medical Leave Act, the Corporate and Criminal Fraud Accountability Act of 2002, 18 U.S.C. § 1514A, also known as the Sarbanes-Oxley Act, the Rehabilitation Act of 1973, 29 U.S.C. § 703, et seq., Executive Orders 11246 or 11141, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, et seq., the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq., and COBRA, 29 U.S.C. 1161, et seq.; New York State Human Rights Law, N.Y. Exec. Law §§ 290–301; Rights of Persons with Disabilities Law, N.Y. Civ. Rights Law § 47-a–47-c (disability discrimination); N.Y. Civ. Rights Law §§ 48–48-b (genetic disorder employment protection); N.Y. Civ. Rights Law §§ 40–45 (equal rights); N.Y. Lab. Law §§ 194–199-a (equal pay); N.Y. Lab. Law §§ 740–741, 215 (whistleblower protection for private employees); N.Y. Civ. Serv. Law § 75-b (whistleblower protection for public employees); N.Y. Jud. Law § 519 (jury duty); N.Y. Elec. Law § 3-110 (voter leave up to 2 hours); Disability Benefits Law and the Paid Family Leave Benefits Law, N.Y. Workers' Comp. Law §§ 200–242; any claims brought under any federal, state, or local statute or regulation for non-payment of wages or other compensation, including expense reimbursements and/or bonuses due after the Separation Date, stock grants or stock options; ownership interests in Company subsidiaries and libel, slander, or breach of contract other than the breach of this Agreement. This release specifically excludes claims, charges, complaints, causes of action or demand that post-date the Separation Date or the Effective Date of this Agreement, whichever is later, and that are based on factual allegations that do not arise from or relate to Abbott's present employment with or termination from the Company.

5. Notwithstanding Paragraphs 3 and 4, Abbott does not release any rights he has under Sections 9 and 10 of the Employment Agreement and under the Company's constituent documents, and the Company hereby reaffirms its obligations under such Sections and

documents. Simultaneous with the execution of this Agreement, Columbia Care, Inc. and Abbott agree to execute the Indemnification Agreement, substantially in the form attached as Exhibit B.

6. The Company represents that to its knowledge it does not have any claims, charges, complaints, causes of action or demands of whatever kind or nature against Abbott.

7. Abbott agrees that Abbott will keep the terms and amount of this Agreement completely confidential, and that Abbott will not hereafter disclose such information to anyone except Abbott's spouse or current significant other, Abbott's attorneys and their current law firm employees, Abbott's accountant, or as may be required by law, court order or in proceedings relating to the parties' rights or obligations under this Agreement. Abbott agrees to provide reasonable written notice within 7 days to the Company in the event that a person or entity not a party hereto attempts to compel from Abbott the production of this Agreement or the contents thereof, so that the Company may contest such disclosure at its discretion. Nothing in this Agreement shall be interpreted to prohibit Abbott from disclosing or discussing conduct that Abbott reasonably believes to be illegal harassment, illegal discrimination, illegal retaliation, wage and hour violations, or sexual assault, that is recognized as illegal under state, federal, or common law, or that is recognized as against a clear mandate of public policy, occurring in the workplace, at work-related events coordinated by or through the employer, between employees, or between an employer and an employee, whether on or off the employment premises. Nothing in this Agreement shall be deemed to prohibit Abbott from reporting possible violations of federal securities law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, Securities and Exchange Commission, Congress, Inspector General and any federal agency, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Abbott does not need the prior authorization of the Company to make any such reports or disclosures, and Abbott is not required to notify the Company that he has made such reports or disclosures.

8. Abbott acknowledges and affirms that Abbott's continuing non-solicitation, non-competition, confidentiality and non-disclosure obligations, as described in Exhibit A to Abbott's Employment Agreement survive and are not affected by this Transition and Release of Claims Agreement.

9. Abbott warrants that no promise or inducement has been offered for this Agreement other than as set forth herein and that this Agreement is executed without reliance upon any other promises or representations, oral or written. Any modification of this Agreement must be made in writing and be signed by Abbott and the Company. This Agreement supersedes all prior understandings between the Parties and represents the entire Agreement between the Parties with respect to all matters involving Abbott's employment with or termination from the Company, except as set forth in Paragraphs 5 and 8 above and Paragraph 12 below. No oral representations have been made or relied upon by the Parties.

10. Abbott will direct all employment verification inquires to the Company's Chief People and Administrative Officer.

11. If any provision of this Agreement or compliance by Abbott or the Company with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void,

will be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, will be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on both Abbott and the Company. This Agreement is governed by the laws of the State of New York without regard to principles of conflicts of law.

12. The Parties agree that Sections 7 and 14 of the Employment Agreement shall apply to any disputes, controversies or claims arising under, relating to or in connection with this Agreement that the Parties cannot resolve themselves.

13. Abbott specifically agrees and acknowledges: (A) that Abbott's waiver of rights under this Agreement is knowing and voluntary as required under the Older Workers Benefit Protection Act; (B) that Abbott understands the terms of this Agreement; (C) that Abbott is hereby advised by the Company to consult with an attorney prior to executing this Agreement; (D) that the Company has given Abbott a period of up to twenty-one (21) days within which to consider this Agreement; and (E) that, following Abbott's execution of this Agreement Abbott has seven (7) days in which to revoke Abbott's agreement to this Agreement and that, if Abbott chooses not to so revoke, this Agreement shall then become effective and enforceable and the payment listed above shall then be made to Abbott in accordance with the terms of this Agreement; and (F) nothing in this Agreement shall be construed to prohibit Abbott from filing a charge or complaint, including a challenge to the validity of the waiver provision of this Agreement, with the Equal Employment Opportunity Commission or participating in any investigation conducted by the Equal Employment Opportunity Commission. However, Abbott has waived any right to monetary relief, except for awards pursuant to Section 21F of the Securities Act, which Abbott remains entitled to pursue under this Agreement. To cancel this Agreement, Abbott understands that Abbott must give a written revocation to Company headquarters either by hand delivery, email or certified mail within the seven-day period. If Abbott rescinds this Agreement, it will not become effective or enforceable and Abbott will not be entitled to any of the benefits set forth within.

14. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given: (i) when hand-delivered if delivered by personal delivery or by Federal Express or similar courier service; (ii) on the date of receipt, refusal or non-delivery indicated on the return receipt if deposited in the United States mail, registered or certified, return receipt requested and with proper postage prepaid; or (iii) when acknowledged, if sent by email, and if not acknowledged, the date of delivery by one of the methods in clauses (i) and (ii). All notices shall be addressed to the Company or Abbott at their respective addresses set forth below, or to such other address as either party may designate for itself or himself/herself by written notice to the other given from time to time in accordance with the provisions of this Agreement:

To Executive: Michael Abbott
17 East 80th Street, #PH
New York, NY 10075

Email: abbotm@mac.com
and
Fred P. Boy
Lehman & Eilen LLP
50 Charles Lindbergh Blvd., Suite 505
Uniondale, NY 11553
Email: fboy@lehmaneilen.com

To Company: Bryan Olson
Chief People and Administrative Officer
Columbia Care LLC
321 Billerica Road, Suite 204
Chelmsford, MA 01824
Email: bryan.olson@columbia.care

15. Abbott understands and agrees that Abbott's employment with the Company is terminated effective on the Separation Date and that Abbott is not entitled to any reinstatement or reemployment with the Company following the Separation Date.

16. The Parties agree that, in conjunction with Abbott's transition from employee/Executive Chairman to non-employee Chairman of the Board of Columbia Care Inc., the Company will issue a public disclosure substantially in the form attached as Exhibit C promptly following the Separation Date. The Company shall be allowed to deviate from Exhibit C if necessary to comply with any applicable law, based upon the Company's good faith determination, provided the Company will give Abbott at least two business days' notice of any proposed deviation, however such notice requirement shall not create a right of approval or veto over the Company's public disclosure.

17. Abbott agrees not to disparage the Company and its current and former officers, directors, managers, members, partners, employees, shareholders, investors, affiliates and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation. The Company covenants and agrees that the current directors and executive officers of Columbia Care, Inc. will not disparage Abbott, in any manner likely to be harmful to him or his business reputation or personal reputation.

18. The provisions of this Agreement shall be binding upon and shall inure to the benefit of Abbott, his heirs, executors, and administrators, and the Company, its successors and assigns (other than as expressly provided in Paragraph 2(c)), except that Abbott may not assign any of his rights or duties hereunder without the prior written consent of the Company, which consent may be withheld by the Company in its sole discretion. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; provided, however, that any such assignee assumes the Company's obligations hereunder.

19. This Agreement may be executed via electronic mail and in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument, binding on the parties.

20. So long as Abbott remains a director of Columbia Care Inc., Abbott shall be allowed to continue using Abbott's Company email address and shall be allowed to continue using office space in the Company's New York office, but only so long as the Company has the space. Such office space will not be a reserved space for Abbott's sole use, but the Company will make a space available when Abbott requests it so long as the Company has the Space.

21. The Company agrees to pay Abbott's commercially reasonable legal fees and expenses incurred in connection with the negotiation, execution and delivery of this Agreement and related matters.

22. Abbott's continued service as a director of Columbia Care Inc., shall be at the discretion of the shareholders of Columbia Care Inc. Abbott's continued service as Chairman of the Board of Columbia Care Inc., shall be at the discretion of the directors of Columbia Care Inc. Nothing in the Agreement shall prevent the Company, in its discretion, from removing Abbott or changing Abbott's status as an officer, director, manager or other corporate official of subsidiaries or corporate entities below Columbia Care Inc.

23. **ABBOTT ACKNOWLEDGES AND AGREES THAT ABBOTT HAS CAREFULLY READ AND VOLUNTARILY SIGNED THIS AGREEMENT, THAT ABBOTT HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ABBOTT'S CHOICE, AND THAT ABBOTT SIGNS THIS AGREEMENT WITH THE INTENT OF RELEASING COMPANY AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS.**

ACCEPTED AND AGREED TO:

COMPANY

_____	_____
By: Nicholas Vita Its: Chief Executive Officer	Michael Abbott
Dated: March 15, 2023	Dated: March 15, 2023

EXHIBIT A

Restricted Share Units (RSUs):

AWARD DATE	AWARD NOTICE NUMBER	SHARES AWARDED AS OF EFFECTIVE DATE	SHARES ALREADY VESTED AS OF EFFECTIVE DATE	ADDITIONAL SHARES VESTING UPON EXPIRATION OF REVOCATION PERIOD
4/29/2019	SPAC-RSU-025	870,691	870,691	0
9/30/2019	LTIP-RSU-038	204,955	153,716	51,239
3/31/2020	LTIP-RSU-124	639,045	319,522	319,523
3/23/2021	LTIP-RSU-236	225,320	56,330	168,990
3/31/2022	LTIP-RSU-916	468,605	468,605	468,605
		2,408,616	1,868,864	1,008,357

Performance Share Units (PSUs):

AWARD DATE	VEST DATE	AWARD NOTICE NUMBER	POTENTIAL SHARES IF TARGET ACHIEVED	SHARES EARNED AS OF EFFECTIVE DATE*	SHARES ALREADY VESTED AS OF EFFECTIVE DATE	ADDITIONAL EARNED SHARES VESTING UPON EXPIRATION OF REVOCATION PERIOD
4/29/2019	4/29/2024	SPAC-PSU-002	870,691	0	0	0
9/30/2019	4/29/2022	LTIP-PSU-020	110,361	62,133	62,133	0
3/31/2020	3/31/2023	LTIP-PSU-031	344,102	516,153	0	516,153
3/23/2021	4/23/2024	LTIP-PSU-039	121,326	116,898	0	116,898
3/31/2022	3/31/2025	LTIP-PSU-048	252,326	0	0	0
				695,184	62,133	633,051

* Number of shares earned based on PSU performance versus metrics, additional time-based vesting may apply.

EXHIBIT B
Indemnification Agreement

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT is made effective on the 15th day of March, 2023.

BETWEEN:

Columbia Care Inc., a company continued under the laws of British Columbia and having its registered office at 666 Burrard St #1700, Vancouver, BC V6C 2X8;

(the "**Company**")

AND:

Michael Abbott, a resident of the State of New York

(the "**Indemnified Party**")

WHEREAS:

A. The Indemnified Party is willing to serve or to continue to serve for and on behalf of the Company;

B. The board of directors of the Company (the "**Board**") has determined that the Company should act to assure the Indemnified Party of reasonable protection through indemnification against certain risks arising out of service to, and activities on behalf of, the Company to the extent permitted by the Business Corporations Act (as defined below) and the Company's Articles; and

C. It is reasonable and prudent for the Company to obligate itself contractually to indemnify such persons (including the Indemnified Party) to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company.

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, and in consideration of the Indemnified Party's service or continued service as a director and/or an officer of the Company or any Affiliate (as defined below), the receipt and sufficiency of which consideration is hereby acknowledged, the Company and the Indemnified Party do hereby covenant and agree as follows.

ARTICLE 1 : DEFINITIONS

1.1 In this Agreement:

(a)"**Affiliate**" means any corporation, partnership, trust, joint venture or other unincorporated entity (i) in the case of a corporation, which is an affiliate (as defined in the Business Corporations Act) of the Company, or (ii) in which the Indemnified Party is a director or an officer at the request of the Company;

(b) being a "**director**" or an "**officer**" of an Affiliate includes holding an equivalent position to a director or an officer of an Affiliate that is not a corporation;

(c) "**Business Corporations Act**" means the *Business Corporations Act* (British Columbia) and its regulations;

(d) "**Business Day**" means a day excluding Saturday, Sunday and any other day which is a statutory holiday in the jurisdiction of the person to whom a notice or other communication is mailed;

(e) "**Court**" means the Supreme Court of British Columbia;

(f) "**Expenses**" means all losses, liabilities, claims, damages, costs, charges, statutory obligations, professional fees, Taxes and other expenses of whatever nature or kind, provided that any costs, expenses and professional fees included as Expenses under this Agreement must be reasonable;

(g) "**Indemnitees**" means the Indemnified Party and his/her heirs and personal or other legal representatives;

(h) "**Postal Interruption**" means a cessation of normal public postal service in Canada or the United States of America or in any part of Canada or the United States of America affecting the Company or the Indemnitees that is or may reasonably be expected to be of more than forty-eight (48) hours duration;

(i) "**proceeding**" includes any legal proceeding (including a civil, arbitral**,** criminal, quasi-criminal, administrative or regulatory action or proceeding) or investigative action, whether current, threatened, pending or completed; and

(j) "**Taxes**" includes any assessment, reassessment, claim or other amount for taxes, charges, duties, levies, imposts or similar amounts, including any interest and penalties in respect thereof.

ARTICLE 2 : AGREEMENT TO SERVE

2.1 The Indemnified Party agrees to become and serve as or continue to be and serve as, as the case may be, a director and/or an officer of the Company and, if requested by the Company and provided it is agreeable to the Indemnified Party, the Indemnified Party also agrees to become and serve as or continue to be and serve as, as the case may be, a director and/or an officer of any Affiliate designated by the Company.

ARTICLE 3 : INDEMNIFICATION

3.1 Except as otherwise provided herein, the Company agrees to indemnify and save harmless the Indemnitees to the fullest extent authorized and permitted by the Business Corporations Act against all judgments, penalties and fines awarded or imposed in, and all amounts paid in settlement (collectively, "**settlement amounts**") of, any proceeding in which any of the Indemnitees:

(a) is or may be joined as a party, or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or Expenses related to, such proceeding,

by reason of the Indemnified Party being or having been a director or an officer of the Company or an Affiliate, and all Expenses actually and reasonably incurred by the Indemnitees in respect of a proceeding identified in this Section 3.1, provided that:

(c) in relation to the subject matter of the proceeding the Indemnified Party acted honestly and in good faith with a view to the best interests of the Company or the Affiliate, as applicable; and

(d) in the case of a proceeding other than a civil proceeding, the Indemnified Party had reasonable grounds for believing that his/her conduct in respect of which the proceeding was brought was lawful.

3.2 For greater certainty, a settlement amount subject to indemnification pursuant to Section 3.1 shall include any Taxes which the Indemnitees may be subject to or suffer or incur as a result of, in respect of, arising out of or referable to any indemnification of the Indemnitees by the Company pursuant to this Agreement.

3.3 To the extent permitted by the Business Corporations Act, at the request of the Indemnitees, the Company will pay all Expenses actually and reasonably incurred by the Indemnitees in respect of a proceeding identified in Section 3.1 as they are incurred from time to time in advance of the final disposition of that proceeding, on receipt of the following:

(a) a written undertaking, in form and on terms satisfactory to the Company acting reasonably, by or on behalf of the Indemnitees to repay such amount(s) if it is ultimately determined by the Court or another tribunal of competent jurisdiction that the Company is prohibited under the Business Corporations Act from paying such Expenses; and

(b) satisfactory evidence as to the amount of such Expenses.

For greater certainty, subject as hereinafter provided in Article 4, it shall not be necessary for the Indemnitees to pay such Expenses and then seek reimbursement; the Indemnitees shall provide satisfactory evidence to the Company for direct payment by the Company. The Company shall make payment to the Indemnitees (or as the Indemnitees may direct) within ten (10) days after the Company has received the foregoing information from the Indemnitees. If any portion of the Expenses is subject to dispute in accordance with Article 4, the Company shall promptly pay to the Indemnitees the undisputed portion of any disputed Expenses.

3.4 The written certification of any of the Indemnitees, together with a copy of a receipt, or a statement indicating the amount paid or to be paid by the Indemnitees, will constitute satisfactory evidence of any Expenses for the purposes of Section 3.3.

3.5 Notwithstanding any other provision herein to the contrary, the Company will not be obligated under this Agreement to indemnify the Indemnitees:

(a) in respect of any matters for which the Indemnified Party must not be indemnified under the Business Corporations Act, or in respect of any liability that the Indemnitees may not be relieved from under the Business Corporations Act or otherwise at law, unless in any of those cases the Court has made an order authorizing the indemnification;

(b) with respect to any proceeding initiated or brought voluntarily by the Indemnitees (including against the Company or any Affiliate) or in which the Indemnified Party is joined as a plaintiff without the written agreement of the Company, except for any proceeding brought to establish or enforce a right to indemnification under this Agreement;

(c) for any Expenses or settlement amounts which have been paid to, or on behalf of, the Indemnitees under any applicable policy of insurance or any other arrangements maintained or made available by the Company or any Affiliate for the benefit of its respective directors or officers and, for greater certainty, the indemnity provided hereunder will only apply with respect to any Expenses or settlement amounts which the Indemnitees may suffer or incur which would not otherwise be paid or satisfied under such insurance or other arrangements maintained or made available by the Company or such Affiliate; or

(d) in respect of claims by the Company or any Affiliate for the forfeiture and recovery by the Company or any Affiliate of bonuses or other compensation received by the Indemnified Party from the Company or any Affiliate due to the Indemnified Party's violation of applicable laws, the Company's policies and/or terms of the Indemnified Party's employment agreement.

3.6 It is the intent of the parties hereto that (i) in the event of any change, after the date of this Agreement, in any applicable law which expands the right of the Company or an Affiliate to indemnify or make Expense advances to a director or officer to a greater degree than would be afforded currently under the Company's Articles and this Agreement at the date hereof, the Indemnified Party shall receive the greater benefits afforded by such change, and (ii) this Agreement be interpreted and enforced so as to provide obligatory indemnification and expense advances under such circumstances as set forth in this Agreement, if any, in which the providing of indemnification or Expense advances would otherwise be discretionary. It is acknowledged that the Company or an Affiliate may enter into indemnity agreements with other directors and officers of the Company or an Affiliate. In the event that the terms or conditions of any other indemnity agreement include or are amended after the date hereof to include broader protections than those which are provided under this Agreement, the Indemnified Party, to the extent he/she is still a director or officer of the Company or any Affiliates, shall be notified promptly of such development and he/she shall have at his/her option, the opportunity to have this Agreement amended so as to ensure that this Agreement, as amended, includes such broader protections.

3.7 Notwithstanding any other provision of this Agreement, to the extent that the Indemnified Party is, by reason of the fact that the Indemnified Party is or was a director or an officer of the Company or any Affiliate, a witness or participant other than as a named party in a proceeding, the Company shall pay to the Indemnified Party all out-of-pocket Expenses actually and

reasonably incurred by the Indemnified Party or on the Indemnified Party's behalf in connection therewith.

3.8 The Company shall have the burden of establishing that any Expense it wishes to challenge is not reasonable.

3.9 Notwithstanding anything to the contrary contained herein, the Company hereby acknowledges that the Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by or on behalf of an Affiliated Entity. The Company hereby agrees that, with respect to the Indemnitee, the Company, on behalf of itself and its subsidiaries, their respective successors and assigns and persons claiming through any of them, (i) is, relative to each Affiliated Entity, the indemnitor of first resort (i.e., its obligations to the Indemnitee under this Agreement are primary and any duplicative, overlapping or corresponding obligations of an Affiliated Entity are secondary), (ii) shall be required to make all advances and other payments under this Agreement, and shall be fully liable therefor, without regard to any rights the Indemnitee may have against his or her Affiliated Entity, and (iii) irrevocably waives, relinquishes and releases any such Affiliated Entity from any and all claims against such Affiliated Entity for contribution, subrogation or any other recovery of any kind in respect of any claim by the Indemnitee under this Agreement, the Company's certificate of incorporation or its bylaws. The Company further agrees, on behalf of itself and its subsidiaries, their respective successors and assigns and persons claiming through any of them, that (i) no advancement or payment by an Affiliated Entity on behalf of the Indemnitee with respect to any claim for which the Indemnitee has sought indemnification from the Company shall affect the foregoing, (ii) any such Affiliated Entity shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnitee against the Company and (iii) Indemnitee will not be obligated to seek indemnification from or expense advancement or reimbursement by any Affiliated Entity with respect to any claim. The Company agrees that each Affiliated Entity is an express third party beneficiary of the terms of this Section 3.9. For purposes of this Agreement, "Affiliated Entity" means, with respect to the Indemnitee, any investment fund, institutional investor, management company, managed account or other financial intermediary which employs or engages, or is affiliated with, the Indemnitee, to whom Indemnitee provides services, or in whom Indemnitee has a direct or indirect equity or similar interest.

ARTICLE 4 : DENIAL OF INDEMNIFICATION

4.1 If indemnification under this Agreement is not paid in full by the Company within thirty (30) days after a written claim therefor has been received by it and the applicable approval of the Court has been obtained where required, whichever is later, the Indemnitees may any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if wholly successful on the merits or otherwise or substantially successful on the merits, the Indemnitees will also be entitled to be paid all Expenses incurred in connection with the prosecution of such claim including, for greater certainty, legal fees (including reasonable disbursements) as between solicitor and own client on a full indemnity basis. It will be a defence to any such action that the Indemnified Party has not met the standards of conduct which make it permissible under this Agreement, the Business Corporations Act or applicable law for the

Company to indemnify the Indemnitees for the amount claimed, but the burden of proving such defence will be on the Company.

ARTICLE 5 : CONDUCT OF DEFENCE

5.1 Promptly after receiving notice from any of the Indemnitees of any proceeding identified in Section 3.1, the Company may, and upon the written request of the Indemnitees will, promptly assume conduct of the defence thereof and, at the Company's expense, retain counsel on behalf of the Indemnitees who is satisfactory to the Indemnitees, acting reasonably, to represent the Indemnitees in respect of the proceeding. If the Company assumes conduct of the defence on behalf of the Indemnitees, the Indemnified Party hereby consents to the conduct thereof and to any action taken by the Company, in good faith, in connection therewith and the Indemnified Party will fully cooperate in such defence including, without limitation, providing documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Company all information reasonably required to defend or prosecute the proceeding.

5.2 In connection with any proceeding in respect of which the Indemnitees may be entitled to be indemnified hereunder, the Indemnitees will have the right to employ separate counsel of their choosing and to participate in the defence thereof but the legal fees and disbursements of such counsel will be at the sole expense of the Indemnitees unless:

(a) the Indemnitees reasonably determine that there are legal defences available to the Indemnitees that are different from or in addition to those available to the Company or any Affiliate, as the case may be, or that a conflict of interest exists which makes representation by counsel chosen by the Company not advisable;

(b) the Company has not assumed the defence of the proceeding and employed counsel therefor satisfactory to the Indemnitees, acting reasonably, within a reasonable period of time after receiving notice thereof; or

(c) employment of such other counsel has been authorized in writing by the Company;

in which event the reasonable legal fees and disbursements of such counsel will be paid by the Company, subject to the terms hereof. In any such proceeding, the Company will fully cooperate in the defence of the Indemnitees including, without limitation, providing documents and causing its representatives to attend examinations for discovery, make affidavits, meet with counsel and testify and divulge all information in the Company’s possession reasonably required to defend or prosecute the proceeding.

ARTICLE 6 : SETTLEMENT

6.1 The Company may, with the prior written consent of the Indemnitees (which consent shall not be unreasonably withheld, conditioned or delayed), enter into a settlement or other agreement to settle or compromise a proceeding. In seeking such consent, the Company will provide the Indemnitees with a reasonable period of time, in light of the circumstances, to consider the terms of a proposed settlement.

6.2 If the Indemnitees refuse after being requested by the Company to give consent to the terms of a proposed settlement which is otherwise acceptable to the Company, acting reasonably, the Company cannot settle but may require the Indemnitees to negotiate or defend the proceeding independently of the Company at the Indemnitees' expense. In such event any amount recovered by the claimant in excess of the amount for which settlement could have been made by the Company shall not be recoverable under this Agreement or otherwise, it being further agreed by the parties that in such event the Company shall only be responsible for Expenses up to the time at which such settlement could have been made.

6.3 The Company shall not be liable for any settlement of any proceeding effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

6.4 The Indemnitees shall have the right to negotiate a settlement in respect of any proceeding, provided, however, that in such circumstances, unless the Company approves such settlement, the Indemnitees shall pay any compensation, Expenses or other payment to be made under the settlement and the Expenses of negotiating and implementing the settlement, and shall not seek indemnity from the Company in respect of such compensation, Expenses or other payment.

ARTICLE 7 : COURT APPROVAL

7.1 In the event of any claim for indemnification or payment of Expenses with respect to a proceeding brought against an Indemnitee by or on behalf of the Company or an Affiliate, provided that the Indemnified Party has fulfilled the conditions set forth in paragraphs 3.1(c) and 3.1(d) of Section 3.1, the Company will with best efforts apply to the Court for an order approving the indemnification of, or payment of Expenses to, the Indemnitees.

ARTICLE 8 : NO PRESUMPTIONS AS TO ABSENCE OF GOOD FAITH

8.1 Termination of any proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, or similar or other result, will not, of itself, create any presumption for the purposes of this Agreement that the Indemnified Party did not act honestly and in good faith with a view to the best interests of the Company or an Affiliate, as the case may be, or, in the case of a proceeding other than a civil proceeding, that he/she did not have reasonable grounds for believing that his/her conduct was lawful (unless the judgment or order of a court or another tribunal of competent jurisdiction specifically finds otherwise). Neither the failure of the Company (including the Board, its independent legal counsel or its shareholders) to have made a determination that indemnification of the Indemnitees is proper in the circumstances because the Indemnified Party has met the applicable standard of conduct, nor an actual determination by the Company (including the Board, its independent legal counsel or its shareholders) that the Indemnified Party has not met such applicable standard of conduct, will be a defence to any action brought by the Indemnitees against the Company to recover the amount of any indemnification claim, nor create a presumption that the Indemnified Party has not met the applicable standard of conduct.

8.2 For purposes of any determination under this Agreement, the Indemnified Party will be deemed, subject to compelling evidence to the contrary, to have acted in good faith and in the

best interests of the Company or any Affiliate. The Company will have the burden of establishing the absence of good faith.

8.3 The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company or any Affiliate will not be imputed to the Indemnified Party for purposes of determining the right to indemnification under this Agreement.

ARTICLE 9 : RESIGNATION

9.1 Nothing in this Agreement will prevent or restrict the Indemnified Party from, at any time, changing his/her title or position within the Company or any Affiliate or from resigning as a director or an officer of the Company or any Affiliate. The Company and any Affiliate will have no obligation under this Agreement to continue the Indemnified Party as a director or an officer.

ARTICLE 10 : DEATH

10.1 For greater certainty, if the Indemnified Party is deceased and is or becomes entitled to indemnification under any of the provisions of this Agreement, the Company agrees to indemnify and hold harmless the Indemnified Party's estate and the Indemnitees to the same extent as it would indemnify the Indemnified Party, if alive, hereunder.

ARTICLE 11 : OTHER RIGHTS AND REMEDIES

11.1 The indemnification provided for in this Agreement will not derogate from, exclude or reduce any other rights or remedies, in law or in equity, to which the Indemnitees may be entitled by operation of law or under any statute, rule, regulation or ordinance or by virtue of any available insurance coverage, including, but not limited to, the following:

(a) the Business Corporations Act;

(b) the constating documents of the Company or an Affiliate;

(c) any vote of the shareholders or disinterested directors of the Company or an Affiliate; or

(d) any applicable insurance policies of the Company,

both as to matters arising out of the capacity of the Indemnified Party as a director or an officer of the Company or an Affiliate or as to matters arising out of another capacity with the Company or an Affiliate, while being a director or an officer of the Company or an Affiliate, or as to matters arising by reason of his/her being or having been at the request of the Company, a director, officer or employee of any other legal entity of which the Company is or was an equity owner or creditor.

ARTICLE 12 : NOTICE OF PROCEEDING

12.1 The Indemnitees agree to give written notice to the Company as soon as reasonably practicable after being served with any statement of claim, writ, notice of motion, indictment or other document commencing or continuing any proceedings against the Indemnitees as a party. Any failure of the Indemnitees to give notice as herein provided shall not derogate from, exclude

or reduce any of the rights or remedies, to which the Indemnitees are entitled to pursuant to any of the provisions of this Agreement, provided the Company has not suffered any actual damage from the failure of the Indemnitees to give notice as herein provided.

12.2 If the Company receives notice from any other source of any matter of which the Indemnitees would otherwise be obligated hereunder to give notice to the Company, then the Indemnitees will be relieved of the obligation hereunder to give notice to the Company, provided that the Company has not suffered any actual damage from the failure of the Indemnitees to give notice as herein provided. The Company will give notice of such matter to the Indemnitees as soon as reasonably practicable.

ARTICLE 13 : CO-OPERATION AND INVESTIGATION

13.1 The Company shall forthwith conduct such investigation of each proceeding of which it receives written notice pursuant to Article 12 as it deems is reasonably necessary or appropriate in the circumstances and shall pay all costs of such investigation. The Indemnified Party will cooperate fully with the investigation provided that the Indemnified Party shall not be required to provide assistance that would materially prejudice his/her defence or infringe any constitutional or other right he/she may be entitled to assert under law.

ARTICLE 14 : EFFECTIVE DATE

14.1 The right to be indemnified or to the reimbursement or advancement of Expenses pursuant to this Agreement is intended to be retroactive and shall be available with respect to events occurring prior to the execution hereof. For greater certainty, this Agreement shall be effective as and from the first day that the Indemnified Party became or becomes a director or an officer of the Company or an Affiliate or began serving in a capacity similar thereto for the Company or an Affiliate.

ARTICLE 15 : INSOLVENCY

15.1 It is the intention of the parties hereto that this Agreement and the obligations of the Company will not be affected, discharged, impaired, mitigated or released by reason of any bankruptcy, insolvency, receivership or other similar proceeding of creditors of the Company and that in such event any amount owing to the Indemnitees hereunder will be treated in the same manner as the other fees or expenses of the directors and officers of the Company.

ARTICLE 16 : SURVIVAL

16.1 Notwithstanding any merger, amalgamation, business combination, reorganization, sale of assets, insolvency proceeding or other corporate change, the obligations of the Company under this Agreement, other than Article 17, shall continue until the later of:

(a) fifteen (15) years after the Indemnified Party ceases to be a director or an officer of the Company or any Affiliate; and

(b) one year after the final termination of all proceedings with respect to which the Indemnitees are entitled to claim indemnification under this Agreement.

16.2 The obligations of the Company under Article 17 of this Agreement shall continue for six (6) years after the Indemnified Party ceases to be a director or an officer of the Company or any Affiliate.

ARTICLE 17 : INSURANCE

17.1 The Company shall use its reasonable best efforts to obtain and maintain a policy of insurance that has been approved by the Board with respect to liability relating to its directors or officers, which policy shall pursuant to its terms extend to the Indemnified Party in his/her capacity as a director or an officer of the Company. The Company will use its reasonable best efforts to include the Indemnified Party as an insured under such policy to the maximum extent reasonably possible and will provide the Indemnified Party with a copy of such policy upon the Indemnified Party being so included as an insured**.** In the event the Indemnified Party is not named under such policy, the Company shall immediately provide written notice of such fact to the Indemnified Party. Further, the Company shall advise the Indemnified Party promptly after it becomes aware of any material change in, cancellation, termination or lapse in coverage of the aforementioned insurance policy. In the event an insurable event occurs, the Indemnitees will be indemnified promptly as provided in this Agreement regardless of whether the Company has received the insurance proceeds. The Indemnitees are entitled to full indemnification as provided in this Agreement notwithstanding any deductible amounts or policy limits contained in any such insurance policy.

17.2 In the event the Company is sold or enters into any business combination as a result of which the directors' and officers' liability insurance policy is terminated and not replaced with a substantially similar policy equally applicable to the Indemnified Party, the Company shall use its reasonable best efforts to cause run off "tail" insurance to be purchased for the benefit of the Indemnified Party with substantially the same coverage for the balance of the six (6) year term set out in Section 16.2.

ARTICLE 18 : TAX ADJUSTMENT

18.1 Should any payment made pursuant to this Agreement, including the payment of insurance premiums or any payment made by an insurer under an insurance policy, be deemed to constitute a taxable benefit or otherwise be or become subject to any Taxes or levy, then the Company shall pay any amount necessary to ensure that the amount received by or on behalf of the Indemnitees, after the payment of or withholding for Taxes, fully reimburses the Indemnitees for the actual cost, expense or liability incurred by or on behalf of the Indemnitees.

ARTICLE 19 : SUBROGATION

19.1 To the extent permitted by law, the Company shall be subrogated to all rights which the Indemnitees may have under all policies of insurance or other contracts pursuant to which the Indemnitees may be entitled to reimbursement of, or indemnification in respect of any Expenses borne by the Company pursuant to this Agreement. Nothing in this Agreement shall be deemed to diminish or otherwise restrict the right of the Company or the Indemnitees to proceed or collect against any insurers or be deemed to give such insurers any rights against the Company under or with respect to this Agreement, including without limitation any right to be subrogated to the Indemnitees' rights hereunder, unless otherwise expressly agreed to by the Company in writing,

and the obligation of such insurers to the Company and the Indemnified Party shall not be deemed to be reduced or impaired in any respect by virtue of the provisions of this Agreement.

ARTICLE 20 : NOTICE

20.1 Any notice or other communication required or permitted to be given hereunder will be in writing and will be either hand delivered, or will be sent by registered mail, all charges prepaid, to the address set out on the first page hereof.

20.2 In the case of registered mail, any notice or other communication will be deemed to be received on the fourth (4th) Business Day following the day of mailing, provided there is no Postal Interruption at the time of mailing or at any time during the five (5) days either preceding or following the day of mailing, in which case any such notice or communication will be deemed to be received only upon actual receipt thereof.

20.3 Any party hereto may, from time to time, modify or change its address by providing written notice to the other party, and thereafter the address as modified or changed will be deemed to be the address of the person specified above.

ARTICLE 21 : SEVERABILITY

21.1 If any portion of a provision of this Agreement is held to be invalid, illegal or unenforceable, in whole or in part, for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, with limitation, all portions of any sections of this Agreement containing any such provision held to be invalid, illegal or unenforceable that are not of themselves in the whole invalid, illegal or unenforceable) will not in any way be affected or impaired thereby; and

(b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any sections of this Agreement containing any such provisions held to be invalid, illegal or unenforceable) will be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

ARTICLE 22 : SUBMISSION TO JURISDICTION

22.1 Each party to this Agreement submits to the non-exclusive jurisdiction of any British Columbia courts sitting in Vancouver in any action, application, reference or other proceeding arising out of or relating to this Agreement and consents to all claims in respect of any such action, application, reference or other proceeding being heard and determined in such British Columbia courts.

ARTICLE 23 : MODIFICATIONS AND WAIVERS

23.1 No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the parties hereto.

23.2 This Agreement and the obligations of the Company hereunder will not be affected, discharged, impaired, mitigated or released by reason of any waiver, extension of time or indulgence by the Indemnitees of any breach or default in performance by the Company of any terms, covenants or conditions of this Agreement, nor will any waiver, indulgence or extension of time constitute a waiver of:

(a) any other provisions hereof (whether or not similar); or

(b) any subsequent or continuing breach or non-performance,

nor will the failure by the Indemnitees to assert any of their rights or remedies hereunder in a timely fashion be construed as a waiver or acquiescence or affect the Indemnitees' right to assert any such right or remedy thereafter.

ARTICLE 24 : ENTIRE AGREEMENT

24.1 This Agreement will supersede and replace any and all prior or contemporaneous agreements between the parties (except any written agreement of employment or consulting between the Company or an Affiliate and the Indemnified Party, which agreement of employment or consulting, if in existence, will remain in full effect except to the extent augmented or amended herein) and discussions between the parties hereto respecting the matters set forth herein, and will constitute the entire agreement between the parties hereto with respect to the matters set forth herein.

ARTICLE 25 : SUCCESSORS AND ASSIGNS

25.1 This Agreement will be binding upon and enure to the benefit of the Company, its successors and assigns, and also the Indemnitees.

ARTICLE 26 : FURTHER ASSURANCES

26.1 Each of the parties hereto will at all times and from time to time hereafter and upon every reasonable written request so to do, make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, documents, assurances and things as may be reasonably required for more effectually implementing and carrying out the provisions and the intent of this Agreement.

26.2 The Company hereby covenants to the Indemnified Party that it shall not take any action, including through an amendment of its Articles or otherwise, that would diminish the rights of the Indemnified Party under this Agreement. No amendment of this Agreement, the Articles of the Company or any Affiliate, or other constating documents of the Company or any Affiliate shall limit or eliminate the right of Indemnified Party to the benefits, including indemnification and advancement of Expenses set forth in this Agreement.

ARTICLE 27 : INTERPRETATION

27.1 Headings will not be used in any way in construing or interpreting any provision hereof.

27.2 Whenever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning plural or feminine or body politic or corporate or vice versa, as the context so requires.

27.3 Words such as herein, therefrom and hereinafter reference and refer to the whole Agreement and are not restricted to the clause in which they appear.

ARTICLE 28 : COUNTERPARTS

28.1 This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[*Remainder of page left intentionally blank. Signature page follows.*]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

COLUMBIA CARE INC.

Per:_____
Name: Nicholas Vita
Title: Chief Executive Officer

_____
Michael Abbott

EXHIBIT C
Public Disclosure

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 15, 2023

COLUMBIA CARE INC.
(Exact Name of Registrant as specified in its charter)

British Columbia	**000-56294**	**98-1488978**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

680 Fifth Ave., 24th Floor New York, New York	**10019**
(Address of principal executive offices)	**(Zip Code)**

(212) 634-7100
(Registrant's telephone number, including area code)

Not Applicable
(Registrant's name or former address, if change since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 15, 2023, Columbia Care Inc. (the "Company") announced the transition of Michael Abbott, Executive Chairman and Co-Founder, from the role of Executive Chairman to Chairman of the Board of Directors (the "Board"), effective immediately.

In connection therewith, the Company entered into a transition and release of claims agreement (the "Transition Agreement") on March 15, 2023. The Transition Agreement provides that, in lieu of severance benefits that Mr. Abbott would otherwise be entitled to receive under his current employment agreement with the Company, Mr. Abbott will be entitled to the following benefits: (1) cash severance payments in an amount equal to thirty-six (36) months of Mr. Abbott's current base salary and target bonus, less all applicable withholdings and deductions, paid over such thirty-six month period, (2) immediate vesting of Mr. Abbott's outstanding Company equity or equity-based awards in accordance with their terms (including any applicable performance conditions), and (3) as additional severance, an annual cash incentive bonus for fiscal year 2022. The Transition Agreement further provides that Mr. Abbott will continue to be subject to the restrictive covenants set forth in his current employment agreement and that Mr. Abbott releases all claims relating to his employment with the Company.

The foregoing summary contains only a brief description of the material terms of the Transition Agreement and does not purport to be a complete description of the rights and obligations of the parties to the Transition Agreement, and such description is qualified in its entirety by reference to the full text of the Transition Agreement, which will be filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: Chief Executive Officer

Date: March 15, 2023

Columbia Care Announces Co-Founder Michael Abbott's Transition to Chairman

March 15, 2023 – NEW YORK– 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 retailers of cannabis products in the U.S., announced today the transition of Michael Abbott, Executive Chairman and Co-Founder of Columbia Care, to Chairman of the Board of Directors, effective immediately.

Michael Abbott co-founded Columbia Care with Chief Executive Officer Nicholas Vita in 2012, and helped to build the Company into one of the largest US multi-state medical and adult-use cannabis providers. In his continuing role as Chairman, Abbott will remain integrally involved in company oversight and governance. Abbott, noted, "It has been an honor and a privilege to work with Nick and the extraordinary team he has built around him over the past decade. I am deeply grateful for Nick's friendship and partnership."

Vita commented, "I am very grateful that my partnership with Mike will continue, with Mike remaining the Chairman of our Board, which he has already been ably leading since we became a public company in 2019. I look forward to my continued collaboration with Mike and the rest of our Directors and Mike's ongoing involvement with the Company that will continue to benefit our shareholders."

Jon May, the Lead Independent Director of the Board, also expressed his thanks for Abbott's contributions, "Mike has played a critical role in the Company's historical development and growth. In particular, he has been there for us at times of great difficulty, such as during the onset of the COVID pandemic, and for all of his contributions, I express my sincere thanks. I too look forward to continuing our work together on the Board."

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 17 U.S. jurisdictions. Columbia Care operates 128 facilities including 95 dispensaries and 33 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 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, 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. Forward-looking statements or

information contained in this release include, but are not limited to, statements or information with respect to the executive management transition. 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. These risks, uncertainties and other factors include, among others, favorable operating and economic conditions; obtaining and maintaining all required licenses and permits; favorable production levels and sustainable costs from the Company's operations; and the level of demand for cannabis products, including the Company's products sold by third parties. In addition, securityholders should review the risk factors discussed under "Risk Factors" in Columbia Care's Form 10 dated May 9, 2022, filed with the applicable securities regulatory authorities and described from time to time in documents filed by the Company with Canadian and U.S. securities regulatory authorities.

Investor Contact
Lee Ann Evans
Capital Markets
ir@col-care.com

Media Contact
Lindsay Wilson
Communications
+1.978.662.2038
media@col-care.com

TRANSITION AND RELEASE OF CLAIMS AGREEMENT

This Transition and Release of Claims Agreement ("Agreement") is entered into as of March 15, 2023, hereinafter "Effective Date," by and between Michael Abbott, Michael Abbott's marital community (if any), heirs, and assigns (hereinafter "Abbott"), and Columbia Care LLC, a Delaware Corporation, its affiliates (including, without limitation, any parent, subsidiary companies, or related companies such as Columbia Care Inc.), its successors and assigns (hereinafter the "Company"). Abbott and the Company are sometimes collectively referred to as the "Parties."

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Abbott's employment with the Company as its Executive Chairman shall terminate on March 15, 2023 (hereinafter "Separation Date"), on which date Abbott shall cease being an employee of the Company and continue as the Chairman of the Board of Directors of Columbia Care Inc., a non-employee position. Except as specifically set forth below, the Company expressly disclaims any liability to Abbott. In exchange for the consideration described herein, Abbott hereby represents and warrants the following:

(a) Abbott has authority to enter into this Agreement.

(b) Abbott has not transferred, in whole or in part, any rights related to Abbott's employment with the Company.

(c) Abbott hereby settles any and all claims that Abbott may have against the Company as a result of the Company's hiring Abbott, Abbott's employment with the Company and the termination of Abbott's employment with the Company, as and to the extent set forth in Paragraph 4 below.

(d) Abbott has not and will not transfer any of the Company's confidential information.

(e) Abbott acknowledges and agrees that, upon receipt of the consideration described in Paragraph 2 below, Abbott will have been paid for all severance or other obligations owing to Abbott under the terms of Abbott's April 26, 2019 Employment Agreement ("Employment Agreement") upon the termination of Abbott's employment, including but not limited to, any accrued but unused paid time off.

2. The Company agrees to provide Abbott the following consideration, after Abbott executes this Agreement, provided Abbott has not revoked Abbott's agreement as described in Paragraph 13 below:

(a) Starting on the next regular payroll date after the expiration of the revocation period described in Paragraph 13 below, the Company will pay

Abbott severance at a rate of $56,666.67 per month, less applicable taxes and withholdings, for 36 months. This amount constitutes "an amount equal to thirty-six (36) months of Executive's then current Base Salary and bonus, less all applicable withholdings and deductions, paid over such 36-month period" as described in Paragraph 6.4 of Abbott's Employment Agreement.

(b) the Company shall pay its share of the COBRA premiums necessary to continue Abbott's health insurance coverage in effect for Abbott and Abbott's eligible dependents (as of the date of this Agreement) for thirty-six (36) months from the date of this Agreement; Abbott hereby elects continued coverage under COBRA following the date hereof;

(c) All of Abbott's unvested Restricted Share Units ("RSUs" or "RSU Awards") and all of Abbott's earned, but unvested Performance Share Units ("PSUs" or "PSU Awards"), other than SPAC-RSU-025, issued pursuant to the Award Notices identified in Exhibit A (the "Award Notices"), shall immediately vest upon the expiration of the revocation period described in Paragraph 13 below. For purposes of clarity, a description of Abbott's equity in the Company as of the Effective Date and a description of the additional shares vesting upon the expiration of the revocation period described in Paragraph 13 below is attached as Exhibit A. Accordingly, upon expiration of the revocation period, 1,008,357 RSUs and 633,051 PSUs will vest. Following the expiration of the revocation period, shares earned in the future, if any, with respect to SPAC-PSU-002 will vest according to the terms specific to that award. Notwithstanding Section 3(a) and (b) of the Restricted Stock Unit Award Agreement pursuant to which the Award Notices were issued, the Company agrees that, for purposes of the PSU Awards, the Company will treat the PSU Awards the same as other similar outstanding performance-based awards, and the Company agrees that neither it nor the Compensation Committee will hereafter make any contrary determination. Without limiting the foregoing, the Company shall not treat the PSU Awards any less favorable than if the Company had terminated Abbott's employment without Cause. Nothing in this paragraph concerning the PSU Awards shall limit or be binding upon any successor in interest to the Company.

(d) Abbott acknowledges and agrees that Abbott's Discretionary Bonus for 2022, as described in Paragraph 5.2 of Abbott's Employment Agreement, shall be included as severance and shall be $100,000.00 in cash, payment of which amount is wholly contingent upon this Agreement being fully executed, and that Abbott shall receive such amount within two (2) weeks of the Separation Date.

Abbott specifically acknowledges and agrees that this consideration exceeds the amount Abbott would otherwise be entitled to receive upon termination of Abbott's employment, and that it is in exchange for entering into this Agreement. Abbott will not at any time seek additional

consideration in any form from the Company except as expressly set forth in this Agreement. Abbott specifically acknowledges and agrees that the Company has made no representations to Abbott regarding the tax consequences of any amounts received by Abbott or for Abbott's benefits pursuant to this Agreement. Abbott agrees to pay all taxes and/or tax assessments due to be paid by Abbott, and to indemnify the Company for any claims, costs and/or penalties caused by Abbott's failure to pay such taxes and/or tax assessments. In the event of Abbott's death, any payments or benefits payable under this Paragraph 2 will be made to the estate or legal representative of Abbott.

3. Abbott represents that Abbott has not filed, and will not file, any complaints, lawsuits, or charges relating to Abbott's employment with, or termination from, the Company.

4. Abbott agrees to release the Company, its Board of Directors, officers, employees, agents and assigns, from any and all claims, charges, complaints, causes of action or demands of whatever kind or nature that Abbott now has or has ever had against the Company, whether known or unknown, arising from or relating to Abbott's employment with or discharge from the Company. This release includes but is not limited to: wrongful or tortious termination; constructive discharge; implied or express employment contracts and/or estoppel; discrimination and/or retaliation under any federal, state or local statute or regulation, specifically including any claims Abbott may have under the Fair Labor Standards Act, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq., as amended, the Genetic Information Nondiscrimination Act of 2008; the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, 29 U.S.C. § 621, et seq., Section 1981 of U.S.C. Title 42, the Equal Pay Act, the Family and Medical Leave Act, the Corporate and Criminal Fraud Accountability Act of 2002, 18 U.S.C. § 1514A, also known as the Sarbanes-Oxley Act, the Rehabilitation Act of 1973, 29 U.S.C. § 703, et seq., Executive Orders 11246 or 11141, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, et seq., the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq., and COBRA, 29 U.S.C. 1161, et seq.; New York State Human Rights Law, N.Y. Exec. Law §§ 290–301; Rights of Persons with Disabilities Law, N.Y. Civ. Rights Law § 47-a–47-c (disability discrimination); N.Y. Civ. Rights Law §§ 48–48-b (genetic disorder employment protection); N.Y. Civ. Rights Law §§ 40–45 (equal rights); N.Y. Lab. Law §§ 194–199-a (equal pay); N.Y. Lab. Law §§ 740–741, 215 (whistleblower protection for private employees); N.Y. Civ. Serv. Law § 75-b (whistleblower protection for public employees); N.Y. Jud. Law § 519 (jury duty); N.Y. Elec. Law § 3-110 (voter leave up to 2 hours); Disability Benefits Law and the Paid Family Leave Benefits Law, N.Y. Workers' Comp. Law §§ 200–242; any claims brought under any federal, state, or local statute or regulation for non-payment of wages or other compensation, including expense reimbursements and/or bonuses due after the Separation Date, stock grants or stock options; ownership interests in Company subsidiaries and libel, slander, or breach of contract other than the breach of this Agreement. This release specifically excludes claims, charges, complaints, causes of action or demand that post-date the Separation Date or the Effective Date of this Agreement, whichever is later, and that are based on factual allegations that do not arise from or relate to Abbott's present employment with or termination from the Company.

5. Notwithstanding Paragraphs 3 and 4, Abbott does not release any rights he has under Sections 9 and 10 of the Employment Agreement and under the Company's constituent documents, and the Company hereby reaffirms its obligations under such Sections and

documents. Simultaneous with the execution of this Agreement, Columbia Care, Inc. and Abbott agree to execute the Indemnification Agreement, substantially in the form attached as Exhibit B.

6. The Company represents that to its knowledge it does not have any claims, charges, complaints, causes of action or demands of whatever kind or nature against Abbott.

7. Abbott agrees that Abbott will keep the terms and amount of this Agreement completely confidential, and that Abbott will not hereafter disclose such information to anyone except Abbott's spouse or current significant other, Abbott's attorneys and their current law firm employees, Abbott's accountant, or as may be required by law, court order or in proceedings relating to the parties' rights or obligations under this Agreement. Abbott agrees to provide reasonable written notice within 7 days to the Company in the event that a person or entity not a party hereto attempts to compel from Abbott the production of this Agreement or the contents thereof, so that the Company may contest such disclosure at its discretion. Nothing in this Agreement shall be interpreted to prohibit Abbott from disclosing or discussing conduct that Abbott reasonably believes to be illegal harassment, illegal discrimination, illegal retaliation, wage and hour violations, or sexual assault, that is recognized as illegal under state, federal, or common law, or that is recognized as against a clear mandate of public policy, occurring in the workplace, at work-related events coordinated by or through the employer, between employees, or between an employer and an employee, whether on or off the employment premises. Nothing in this Agreement shall be deemed to prohibit Abbott from reporting possible violations of federal securities law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, Securities and Exchange Commission, Congress, Inspector General and any federal agency, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Abbott does not need the prior authorization of the Company to make any such reports or disclosures, and Abbott is not required to notify the Company that he has made such reports or disclosures.

8. Abbott acknowledges and affirms that Abbott's continuing non-solicitation, non-competition, confidentiality and non-disclosure obligations, as described in Exhibit A to Abbott's Employment Agreement survive and are not affected by this Transition and Release of Claims Agreement.

9. Abbott warrants that no promise or inducement has been offered for this Agreement other than as set forth herein and that this Agreement is executed without reliance upon any other promises or representations, oral or written. Any modification of this Agreement must be made in writing and be signed by Abbott and the Company. This Agreement supersedes all prior understandings between the Parties and represents the entire Agreement between the Parties with respect to all matters involving Abbott's employment with or termination from the Company, except as set forth in Paragraphs 5 and 8 above and Paragraph 12 below. No oral representations have been made or relied upon by the Parties.

10. Abbott will direct all employment verification inquires to the Company's Chief People and Administrative Officer.

11. If any provision of this Agreement or compliance by Abbott or the Company with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void,

will be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, will be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on both Abbott and the Company. This Agreement is governed by the laws of the State of New York without regard to principles of conflicts of law.

12. The Parties agree that Sections 7 and 14 of the Employment Agreement shall apply to any disputes, controversies or claims arising under, relating to or in connection with this Agreement that the Parties cannot resolve themselves.

13. Abbott specifically agrees and acknowledges: (A) that Abbott's waiver of rights under this Agreement is knowing and voluntary as required under the Older Workers Benefit Protection Act; (B) that Abbott understands the terms of this Agreement; (C) that Abbott is hereby advised by the Company to consult with an attorney prior to executing this Agreement; (D) that the Company has given Abbott a period of up to twenty-one (21) days within which to consider this Agreement; and (E) that, following Abbott's execution of this Agreement Abbott has seven (7) days in which to revoke Abbott's agreement to this Agreement and that, if Abbott chooses not to so revoke, this Agreement shall then become effective and enforceable and the payment listed above shall then be made to Abbott in accordance with the terms of this Agreement; and (F) nothing in this Agreement shall be construed to prohibit Abbott from filing a charge or complaint, including a challenge to the validity of the waiver provision of this Agreement, with the Equal Employment Opportunity Commission or participating in any investigation conducted by the Equal Employment Opportunity Commission. However, Abbott has waived any right to monetary relief, except for awards pursuant to Section 21F of the Securities Act, which Abbott remains entitled to pursue under this Agreement. To cancel this Agreement, Abbott understands that Abbott must give a written revocation to Company headquarters either by hand delivery, email or certified mail within the seven-day period. If Abbott rescinds this Agreement, it will not become effective or enforceable and Abbott will not be entitled to any of the benefits set forth within.

14. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given: (i) when hand-delivered if delivered by personal delivery or by Federal Express or similar courier service; (ii) on the date of receipt, refusal or non-delivery indicated on the return receipt if deposited in the United States mail, registered or certified, return receipt requested and with proper postage prepaid; or (iii) when acknowledged, if sent by email, and if not acknowledged, the date of delivery by one of the methods in clauses (i) and (ii). All notices shall be addressed to the Company or Abbott at their respective addresses set forth below, or to such other address as either party may designate for itself or himself/herself by written notice to the other given from time to time in accordance with the provisions of this Agreement:

To Executive: Michael Abbott
17 East 80th Street, #PH
New York, NY 10075

Email: abbotm@mac.com
and
Fred P. Boy
Lehman & Eilen LLP
50 Charles Lindbergh Blvd., Suite 505
Uniondale, NY 11553
Email: fboy@lehmaneilen.com

To Company: Bryan Olson
Chief People and Administrative Officer
Columbia Care LLC
321 Billerica Road, Suite 204
Chelmsford, MA 01824
Email: bryan.olson@columbia.care

15. Abbott understands and agrees that Abbott's employment with the Company is terminated effective on the Separation Date and that Abbott is not entitled to any reinstatement or reemployment with the Company following the Separation Date.

16. The Parties agree that, in conjunction with Abbott's transition from employee/Executive Chairman to non-employee Chairman of the Board of Columbia Care Inc., the Company will issue a public disclosure substantially in the form attached as Exhibit C promptly following the Separation Date. The Company shall be allowed to deviate from Exhibit C if necessary to comply with any applicable law, based upon the Company's good faith determination, provided the Company will give Abbott at least two business days' notice of any proposed deviation, however such notice requirement shall not create a right of approval or veto over the Company's public disclosure.

17. Abbott agrees not to disparage the Company and its current and former officers, directors, managers, members, partners, employees, shareholders, investors, affiliates and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation. The Company covenants and agrees that the current directors and executive officers of Columbia Care, Inc. will not disparage Abbott, in any manner likely to be harmful to him or his business reputation or personal reputation.

18. The provisions of this Agreement shall be binding upon and shall inure to the benefit of Abbott, his heirs, executors, and administrators, and the Company, its successors and assigns (other than as expressly provided in Paragraph 2(c)), except that Abbott may not assign any of his rights or duties hereunder without the prior written consent of the Company, which consent may be withheld by the Company in its sole discretion. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; provided, however, that any such assignee assumes the Company's obligations hereunder.

19. This Agreement may be executed via electronic mail and in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument, binding on the parties.

20. So long as Abbott remains a director of Columbia Care Inc., Abbott shall be allowed to continue using Abbott's Company email address and shall be allowed to continue using office space in the Company's New York office, but only so long as the Company has the space. Such office space will not be a reserved space for Abbott's sole use, but the Company will make a space available when Abbott requests it so long as the Company has the Space.

21. The Company agrees to pay Abbott's commercially reasonable legal fees and expenses incurred in connection with the negotiation, execution and delivery of this Agreement and related matters.

22. Abbott's continued service as a director of Columbia Care Inc., shall be at the discretion of the shareholders of Columbia Care Inc. Abbott's continued service as Chairman of the Board of Columbia Care Inc., shall be at the discretion of the directors of Columbia Care Inc. Nothing in the Agreement shall prevent the Company, in its discretion, from removing Abbott or changing Abbott's status as an officer, director, manager or other corporate official of subsidiaries or corporate entities below Columbia Care Inc.

23. **ABBOTT ACKNOWLEDGES AND AGREES THAT ABBOTT HAS CAREFULLY READ AND VOLUNTARILY SIGNED THIS AGREEMENT, THAT ABBOTT HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF ABBOTT'S CHOICE, AND THAT ABBOTT SIGNS THIS AGREEMENT WITH THE INTENT OF RELEASING COMPANY AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS.**

ACCEPTED AND AGREED TO:

COMPANY

By: Nicholas Vita	Michael Abbott
Its: Chief Executive Officer	
Dated: March 15, 2023	Dated: March 15, 2023

EXHIBIT A

Restricted Share Units (RSUs):

AWARD DATE	AWARD NOTICE NUMBER	SHARES AWARDED AS OF EFFECTIVE DATE	SHARES ALREADY VESTED AS OF EFFECTIVE DATE	ADDITIONAL SHARES VESTING UPON EXPIRATION OF REVOCATION PERIOD
4/29/2019	SPAC-RSU-025	870,691	870,691	0
9/30/2019	LTIP-RSU-038	204,955	153,716	51,239
3/31/2020	LTIP-RSU-124	639,045	319,522	319,523
3/23/2021	LTIP-RSU-236	225,320	56,330	168,990
3/31/2022	LTIP-RSU-916	468,605	468,605	468,605
		2,408,616	1,868,864	1,008,357

Performance Share Units (PSUs):

AWARD DATE	VEST DATE	AWARD NOTICE NUMBER	POTENTIAL SHARES IF TARGET ACHIEVED	SHARES EARNED AS OF EFFECTIVE DATE*	SHARES ALREADY VESTED AS OF EFFECTIVE DATE	ADDITIONAL EARNED SHARES VESTING UPON EXPIRATION OF REVOCATION PERIOD
4/29/2019	4/29/2024	SPAC-PSU-002	870,691	0	0	0
9/30/2019	4/29/2022	LTIP-PSU-020	110,361	62,133	62,133	0
3/31/2020	3/31/2023	LTIP-PSU-031	344,102	516,153	0	516,153
3/23/2021	4/23/2024	LTIP-PSU-039	121,326	116,898	0	116,898
3/31/2022	3/31/2025	LTIP-PSU-048	252,326	0	0	0
				695,184	62,133	633,051

* Number of shares earned based on PSU performance versus metrics, additional time-based vesting may apply.

EXHIBIT B

Indemnification Agreement

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT is made effective on the 15th day of March, 2023.

BETWEEN:

Columbia Care Inc., a company continued under the laws of British Columbia and having its registered office at 666 Burrard St #1700, Vancouver, BC V6C 2X8;

(the "**Company**")

AND:

Michael Abbott, a resident of the State of New York

(the "**Indemnified Party**")

WHEREAS:

A. The Indemnified Party is willing to serve or to continue to serve for and on behalf of the Company;

B. The board of directors of the Company (the "**Board**") has determined that the Company should act to assure the Indemnified Party of reasonable protection through indemnification against certain risks arising out of service to, and activities on behalf of, the Company to the extent permitted by the Business Corporations Act (as defined below) and the Company's Articles; and

C. It is reasonable and prudent for the Company to obligate itself contractually to indemnify such persons (including the Indemnified Party) to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company.

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, and in consideration of the Indemnified Party's service or continued service as a director and/or an officer of the Company or any Affiliate (as defined below), the receipt and sufficiency of which consideration is hereby acknowledged, the Company and the Indemnified Party do hereby covenant and agree as follows.

ARTICLE 1 : DEFINITIONS

1.1 In this Agreement:

(a)"**Affiliate**" means any corporation, partnership, trust, joint venture or other unincorporated entity (i) in the case of a corporation, which is an affiliate (as defined in the Business Corporations Act) of the Company, or (ii) in which the Indemnified Party is a director or an officer at the request of the Company;

(b) being a "**director**" or an "**officer**" of an Affiliate includes holding an equivalent position to a director or an officer of an Affiliate that is not a corporation;

(c) "**Business Corporations Act**" means the *Business Corporations Act* (British Columbia) and its regulations;

(d) "**Business Day**" means a day excluding Saturday, Sunday and any other day which is a statutory holiday in the jurisdiction of the person to whom a notice or other communication is mailed;

(e) "**Court**" means the Supreme Court of British Columbia;

(f) "**Expenses**" means all losses, liabilities, claims, damages, costs, charges, statutory obligations, professional fees, Taxes and other expenses of whatever nature or kind, provided that any costs, expenses and professional fees included as Expenses under this Agreement must be reasonable;

(g) "**Indemnitees**" means the Indemnified Party and his/her heirs and personal or other legal representatives;

(h) "**Postal Interruption**" means a cessation of normal public postal service in Canada or the United States of America or in any part of Canada or the United States of America affecting the Company or the Indemnitees that is or may reasonably be expected to be of more than forty-eight (48) hours duration;

(i) "**proceeding**" includes any legal proceeding (including a civil, arbitral**,** criminal, quasi-criminal, administrative or regulatory action or proceeding) or investigative action, whether current, threatened, pending or completed; and

(j) "**Taxes**" includes any assessment, reassessment, claim or other amount for taxes, charges, duties, levies, imposts or similar amounts, including any interest and penalties in respect thereof.

ARTICLE 2 : AGREEMENT TO SERVE

2.1 The Indemnified Party agrees to become and serve as or continue to be and serve as, as the case may be, a director and/or an officer of the Company and, if requested by the Company and provided it is agreeable to the Indemnified Party, the Indemnified Party also agrees to become and serve as or continue to be and serve as, as the case may be, a director and/or an officer of any Affiliate designated by the Company.

ARTICLE 3 : INDEMNIFICATION

3.1 Except as otherwise provided herein, the Company agrees to indemnify and save harmless the Indemnitees to the fullest extent authorized and permitted by the Business Corporations Act against all judgments, penalties and fines awarded or imposed in, and all amounts paid in settlement (collectively, "**settlement amounts**") of, any proceeding in which any of the Indemnitees:

(a) is or may be joined as a party, or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or Expenses related to, such proceeding,

by reason of the Indemnified Party being or having been a director or an officer of the Company or an Affiliate, and all Expenses actually and reasonably incurred by the Indemnitees in respect of a proceeding identified in this Section 3.1, provided that:

(c) in relation to the subject matter of the proceeding the Indemnified Party acted honestly and in good faith with a view to the best interests of the Company or the Affiliate, as applicable; and

(d) in the case of a proceeding other than a civil proceeding, the Indemnified Party had reasonable grounds for believing that his/her conduct in respect of which the proceeding was brought was lawful.

3.2 For greater certainty, a settlement amount subject to indemnification pursuant to Section 3.1 shall include any Taxes which the Indemnitees may be subject to or suffer or incur as a result of, in respect of, arising out of or referable to any indemnification of the Indemnitees by the Company pursuant to this Agreement.

3.3 To the extent permitted by the Business Corporations Act, at the request of the Indemnitees, the Company will pay all Expenses actually and reasonably incurred by the Indemnitees in respect of a proceeding identified in Section 3.1 as they are incurred from time to time in advance of the final disposition of that proceeding, on receipt of the following:

(a) a written undertaking, in form and on terms satisfactory to the Company acting reasonably, by or on behalf of the Indemnitees to repay such amount(s) if it is ultimately determined by the Court or another tribunal of competent jurisdiction that the Company is prohibited under the Business Corporations Act from paying such Expenses; and

(b) satisfactory evidence as to the amount of such Expenses.

For greater certainty, subject as hereinafter provided in Article 4, it shall not be necessary for the Indemnitees to pay such Expenses and then seek reimbursement; the Indemnitees shall provide satisfactory evidence to the Company for direct payment by the Company. The Company shall make payment to the Indemnitees (or as the Indemnitees may direct) within ten (10) days after the Company has received the foregoing information from the Indemnitees. If any portion of the Expenses is subject to dispute in accordance with Article 4, the Company shall promptly pay to the Indemnitees the undisputed portion of any disputed Expenses.

3.4 The written certification of any of the Indemnitees, together with a copy of a receipt, or a statement indicating the amount paid or to be paid by the Indemnitees, will constitute satisfactory evidence of any Expenses for the purposes of Section 3.3.

3.5 Notwithstanding any other provision herein to the contrary, the Company will not be obligated under this Agreement to indemnify the Indemnitees:

(a) in respect of any matters for which the Indemnified Party must not be indemnified under the Business Corporations Act, or in respect of any liability that the Indemnitees may not be relieved from under the Business Corporations Act or otherwise at law, unless in any of those cases the Court has made an order authorizing the indemnification;

(b) with respect to any proceeding initiated or brought voluntarily by the Indemnitees (including against the Company or any Affiliate) or in which the Indemnified Party is joined as a plaintiff without the written agreement of the Company, except for any proceeding brought to establish or enforce a right to indemnification under this Agreement;

(c) for any Expenses or settlement amounts which have been paid to, or on behalf of, the Indemnitees under any applicable policy of insurance or any other arrangements maintained or made available by the Company or any Affiliate for the benefit of its respective directors or officers and, for greater certainty, the indemnity provided hereunder will only apply with respect to any Expenses or settlement amounts which the Indemnitees may suffer or incur which would not otherwise be paid or satisfied under such insurance or other arrangements maintained or made available by the Company or such Affiliate; or

(d) in respect of claims by the Company or any Affiliate for the forfeiture and recovery by the Company or any Affiliate of bonuses or other compensation received by the Indemnified Party from the Company or any Affiliate due to the Indemnified Party's violation of applicable laws, the Company's policies and/or terms of the Indemnified Party's employment agreement.

3.6 It is the intent of the parties hereto that (i) in the event of any change, after the date of this Agreement, in any applicable law which expands the right of the Company or an Affiliate to indemnify or make Expense advances to a director or officer to a greater degree than would be afforded currently under the Company's Articles and this Agreement at the date hereof, the Indemnified Party shall receive the greater benefits afforded by such change, and (ii) this Agreement be interpreted and enforced so as to provide obligatory indemnification and expense advances under such circumstances as set forth in this Agreement, if any, in which the providing of indemnification or Expense advances would otherwise be discretionary. It is acknowledged that the Company or an Affiliate may enter into indemnity agreements with other directors and officers of the Company or an Affiliate. In the event that the terms or conditions of any other indemnity agreement include or are amended after the date hereof to include broader protections than those which are provided under this Agreement, the Indemnified Party, to the extent he/she is still a director or officer of the Company or any Affiliates, shall be notified promptly of such development and he/she shall have at his/her option, the opportunity to have this Agreement amended so as to ensure that this Agreement, as amended, includes such broader protections.

3.7 Notwithstanding any other provision of this Agreement, to the extent that the Indemnified Party is, by reason of the fact that the Indemnified Party is or was a director or an officer of the

Company or any Affiliate, a witness or participant other than as a named party in a proceeding, the Company shall pay to the Indemnified Party all out-of-pocket Expenses actually and reasonably incurred by the Indemnified Party or on the Indemnified Party's behalf in connection therewith.

3.8 The Company shall have the burden of establishing that any Expense it wishes to challenge is not reasonable.

3.9 Notwithstanding anything to the contrary contained herein, the Company hereby acknowledges that the Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by or on behalf of an Affiliated Entity. The Company hereby agrees that, with respect to the Indemnitee, the Company, on behalf of itself and its subsidiaries, their respective successors and assigns and persons claiming through any of them, (i) is, relative to each Affiliated Entity, the indemnitor of first resort (i.e., its obligations to the Indemnitee under this Agreement are primary and any duplicative, overlapping or corresponding obligations of an Affiliated Entity are secondary), (ii) shall be required to make all advances and other payments under this Agreement, and shall be fully liable therefor, without regard to any rights the Indemnitee may have against his or her Affiliated Entity, and (iii) irrevocably waives, relinquishes and releases any such Affiliated Entity from any and all claims against such Affiliated Entity for contribution, subrogation or any other recovery of any kind in respect of any claim by the Indemnitee under this Agreement, the Company's certificate of incorporation or its bylaws. The Company further agrees, on behalf of itself and its subsidiaries, their respective successors and assigns and persons claiming through any of them, that (i) no advancement or payment by an Affiliated Entity on behalf of the Indemnitee with respect to any claim for which the Indemnitee has sought indemnification from the Company shall affect the foregoing, (ii) any such Affiliated Entity shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnitee against the Company and (iii) Indemnitee will not be obligated to seek indemnification from or expense advancement or reimbursement by any Affiliated Entity with respect to any claim. The Company agrees that each Affiliated Entity is an express third party beneficiary of the terms of this Section 3.9. For purposes of this Agreement, "Affiliated Entity" means, with respect to the Indemnitee, any investment fund, institutional investor, management company, managed account or other financial intermediary which employs or engages, or is affiliated with, the Indemnitee, to whom Indemnitee provides services, or in whom Indemnitee has a direct or indirect equity or similar interest.

ARTICLE 4 : DENIAL OF INDEMNIFICATION

4.1 If indemnification under this Agreement is not paid in full by the Company within thirty (30) days after a written claim therefor has been received by it and the applicable approval of the Court has been obtained where required, whichever is later, the Indemnitees may any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if wholly successful on the merits or otherwise or substantially successful on the merits, the Indemnitees will also be entitled to be paid all Expenses incurred in connection with the prosecution of such claim including, for greater certainty, legal fees (including reasonable disbursements) as between solicitor and own client on a full indemnity basis. It will be a defence to any such action that the Indemnified Party has not met the standards of conduct which make

it permissible under this Agreement, the Business Corporations Act or applicable law for the Company to indemnify the Indemnitees for the amount claimed, but the burden of proving such defence will be on the Company.

ARTICLE 5 : CONDUCT OF DEFENCE

5.1 Promptly after receiving notice from any of the Indemnitees of any proceeding identified in Section 3.1, the Company may, and upon the written request of the Indemnitees will, promptly assume conduct of the defence thereof and, at the Company's expense, retain counsel on behalf of the Indemnitees who is satisfactory to the Indemnitees, acting reasonably, to represent the Indemnitees in respect of the proceeding. If the Company assumes conduct of the defence on behalf of the Indemnitees, the Indemnified Party hereby consents to the conduct thereof and to any action taken by the Company, in good faith, in connection therewith and the Indemnified Party will fully cooperate in such defence including, without limitation, providing documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Company all information reasonably required to defend or prosecute the proceeding.

5.2 In connection with any proceeding in respect of which the Indemnitees may be entitled to be indemnified hereunder, the Indemnitees will have the right to employ separate counsel of their choosing and to participate in the defence thereof but the legal fees and disbursements of such counsel will be at the sole expense of the Indemnitees unless:

(a) the Indemnitees reasonably determine that there are legal defences available to the Indemnitees that are different from or in addition to those available to the Company or any Affiliate, as the case may be, or that a conflict of interest exists which makes representation by counsel chosen by the Company not advisable;

(b) the Company has not assumed the defence of the proceeding and employed counsel therefor satisfactory to the Indemnitees, acting reasonably, within a reasonable period of time after receiving notice thereof; or

(c) employment of such other counsel has been authorized in writing by the Company;

in which event the reasonable legal fees and disbursements of such counsel will be paid by the Company, subject to the terms hereof. In any such proceeding, the Company will fully cooperate in the defence of the Indemnitees including, without limitation, providing documents and causing its representatives to attend examinations for discovery, make affidavits, meet with counsel and testify and divulge all information in the Company’s possession reasonably required to defend or prosecute the proceeding.

ARTICLE 6 : SETTLEMENT

6.1 The Company may, with the prior written consent of the Indemnitees (which consent shall not be unreasonably withheld, conditioned or delayed), enter into a settlement or other agreement to settle or compromise a proceeding. In seeking such consent, the Company will

provide the Indemnitees with a reasonable period of time, in light of the circumstances, to consider the terms of a proposed settlement.

6.2 If the Indemnitees refuse after being requested by the Company to give consent to the terms of a proposed settlement which is otherwise acceptable to the Company, acting reasonably, the Company cannot settle but may require the Indemnitees to negotiate or defend the proceeding independently of the Company at the Indemnitees' expense. In such event any amount recovered by the claimant in excess of the amount for which settlement could have been made by the Company shall not be recoverable under this Agreement or otherwise, it being further agreed by the parties that in such event the Company shall only be responsible for Expenses up to the time at which such settlement could have been made.

6.3 The Company shall not be liable for any settlement of any proceeding effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

6.4 The Indemnitees shall have the right to negotiate a settlement in respect of any proceeding, provided, however, that in such circumstances, unless the Company approves such settlement, the Indemnitees shall pay any compensation, Expenses or other payment to be made under the settlement and the Expenses of negotiating and implementing the settlement, and shall not seek indemnity from the Company in respect of such compensation, Expenses or other payment.

ARTICLE 7 : COURT APPROVAL

7.1 In the event of any claim for indemnification or payment of Expenses with respect to a proceeding brought against an Indemnitee by or on behalf of the Company or an Affiliate, provided that the Indemnified Party has fulfilled the conditions set forth in paragraphs 3.1(c) and 3.1(d) of Section 3.1, the Company will with best efforts apply to the Court for an order approving the indemnification of, or payment of Expenses to, the Indemnitees.

ARTICLE 8 : NO PRESUMPTIONS AS TO ABSENCE OF GOOD FAITH

8.1 Termination of any proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, or similar or other result, will not, of itself, create any presumption for the purposes of this Agreement that the Indemnified Party did not act honestly and in good faith with a view to the best interests of the Company or an Affiliate, as the case may be, or, in the case of a proceeding other than a civil proceeding, that he/she did not have reasonable grounds for believing that his/her conduct was lawful (unless the judgment or order of a court or another tribunal of competent jurisdiction specifically finds otherwise). Neither the failure of the Company (including the Board, its independent legal counsel or its shareholders) to have made a determination that indemnification of the Indemnitees is proper in the circumstances because the Indemnified Party has met the applicable standard of conduct, nor an actual determination by the Company (including the Board, its independent legal counsel or its shareholders) that the Indemnified Party has not met such applicable standard of conduct, will be a defence to any action brought by the Indemnitees against the Company to recover the amount of any indemnification claim, nor create a presumption that the Indemnified Party has not met the applicable standard of conduct.

8.2 For purposes of any determination under this Agreement, the Indemnified Party will be deemed, subject to compelling evidence to the contrary, to have acted in good faith and in the best interests of the Company or any Affiliate. The Company will have the burden of establishing the absence of good faith.

8.3 The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company or any Affiliate will not be imputed to the Indemnified Party for purposes of determining the right to indemnification under this Agreement.

ARTICLE 9 : RESIGNATION

9.1 Nothing in this Agreement will prevent or restrict the Indemnified Party from, at any time, changing his/her title or position within the Company or any Affiliate or from resigning as a director or an officer of the Company or any Affiliate. The Company and any Affiliate will have no obligation under this Agreement to continue the Indemnified Party as a director or an officer.

ARTICLE 10 : DEATH

10.1 For greater certainty, if the Indemnified Party is deceased and is or becomes entitled to indemnification under any of the provisions of this Agreement, the Company agrees to indemnify and hold harmless the Indemnified Party's estate and the Indemnitees to the same extent as it would indemnify the Indemnified Party, if alive, hereunder.

ARTICLE 11 : OTHER RIGHTS AND REMEDIES

11.1 The indemnification provided for in this Agreement will not derogate from, exclude or reduce any other rights or remedies, in law or in equity, to which the Indemnitees may be entitled by operation of law or under any statute, rule, regulation or ordinance or by virtue of any available insurance coverage, including, but not limited to, the following:

(a) the Business Corporations Act;

(b) the constating documents of the Company or an Affiliate;

(c) any vote of the shareholders or disinterested directors of the Company or an Affiliate; or

(d) any applicable insurance policies of the Company,

both as to matters arising out of the capacity of the Indemnified Party as a director or an officer of the Company or an Affiliate or as to matters arising out of another capacity with the Company or an Affiliate, while being a director or an officer of the Company or an Affiliate, or as to matters arising by reason of his/her being or having been at the request of the Company, a director, officer or employee of any other legal entity of which the Company is or was an equity owner or creditor.

ARTICLE 12 : NOTICE OF PROCEEDING

12.1 The Indemnitees agree to give written notice to the Company as soon as reasonably practicable after being served with any statement of claim, writ, notice of motion, indictment or

other document commencing or continuing any proceedings against the Indemnitees as a party. Any failure of the Indemnitees to give notice as herein provided shall not derogate from, exclude or reduce any of the rights or remedies, to which the Indemnitees are entitled to pursuant to any of the provisions of this Agreement, provided the Company has not suffered any actual damage from the failure of the Indemnitees to give notice as herein provided.

12.2 If the Company receives notice from any other source of any matter of which the Indemnitees would otherwise be obligated hereunder to give notice to the Company, then the Indemnitees will be relieved of the obligation hereunder to give notice to the Company, provided that the Company has not suffered any actual damage from the failure of the Indemnitees to give notice as herein provided. The Company will give notice of such matter to the Indemnitees as soon as reasonably practicable.

ARTICLE 13 : CO-OPERATION AND INVESTIGATION

13.1 The Company shall forthwith conduct such investigation of each proceeding of which it receives written notice pursuant to Article 12 as it deems is reasonably necessary or appropriate in the circumstances and shall pay all costs of such investigation. The Indemnified Party will cooperate fully with the investigation provided that the Indemnified Party shall not be required to provide assistance that would materially prejudice his/her defence or infringe any constitutional or other right he/she may be entitled to assert under law.

ARTICLE 14 : EFFECTIVE DATE

14.1 The right to be indemnified or to the reimbursement or advancement of Expenses pursuant to this Agreement is intended to be retroactive and shall be available with respect to events occurring prior to the execution hereof. For greater certainty, this Agreement shall be effective as and from the first day that the Indemnified Party became or becomes a director or an officer of the Company or an Affiliate or began serving in a capacity similar thereto for the Company or an Affiliate.

ARTICLE 15 : INSOLVENCY

15.1 It is the intention of the parties hereto that this Agreement and the obligations of the Company will not be affected, discharged, impaired, mitigated or released by reason of any bankruptcy, insolvency, receivership or other similar proceeding of creditors of the Company and that in such event any amount owing to the Indemnitees hereunder will be treated in the same manner as the other fees or expenses of the directors and officers of the Company.

ARTICLE 16 : SURVIVAL

16.1 Notwithstanding any merger, amalgamation, business combination, reorganization, sale of assets, insolvency proceeding or other corporate change, the obligations of the Company under this Agreement, other than Article 17, shall continue until the later of:

(a) fifteen (15) years after the Indemnified Party ceases to be a director or an officer of the Company or any Affiliate; and

(b) one year after the final termination of all proceedings with respect to which the Indemnitees are entitled to claim indemnification under this Agreement.

16.2 The obligations of the Company under Article 17 of this Agreement shall continue for six (6) years after the Indemnified Party ceases to be a director or an officer of the Company or any Affiliate.

ARTICLE 17 : INSURANCE

17.1 The Company shall use its reasonable best efforts to obtain and maintain a policy of insurance that has been approved by the Board with respect to liability relating to its directors or officers, which policy shall pursuant to its terms extend to the Indemnified Party in his/her capacity as a director or an officer of the Company. The Company will use its reasonable best efforts to include the Indemnified Party as an insured under such policy to the maximum extent reasonably possible and will provide the Indemnified Party with a copy of such policy upon the Indemnified Party being so included as an insured**.** In the event the Indemnified Party is not named under such policy, the Company shall immediately provide written notice of such fact to the Indemnified Party. Further, the Company shall advise the Indemnified Party promptly after it becomes aware of any material change in, cancellation, termination or lapse in coverage of the aforementioned insurance policy. In the event an insurable event occurs, the Indemnitees will be indemnified promptly as provided in this Agreement regardless of whether the Company has received the insurance proceeds. The Indemnitees are entitled to full indemnification as provided in this Agreement notwithstanding any deductible amounts or policy limits contained in any such insurance policy.

17.2 In the event the Company is sold or enters into any business combination as a result of which the directors' and officers' liability insurance policy is terminated and not replaced with a substantially similar policy equally applicable to the Indemnified Party, the Company shall use its reasonable best efforts to cause run off "tail" insurance to be purchased for the benefit of the Indemnified Party with substantially the same coverage for the balance of the six (6) year term set out in Section 16.2.

ARTICLE 18 : TAX ADJUSTMENT

18.1 Should any payment made pursuant to this Agreement, including the payment of insurance premiums or any payment made by an insurer under an insurance policy, be deemed to constitute a taxable benefit or otherwise be or become subject to any Taxes or levy, then the Company shall pay any amount necessary to ensure that the amount received by or on behalf of the Indemnitees, after the payment of or withholding for Taxes, fully reimburses the Indemnitees for the actual cost, expense or liability incurred by or on behalf of the Indemnitees.

ARTICLE 19 : SUBROGATION

19.1 To the extent permitted by law, the Company shall be subrogated to all rights which the Indemnitees may have under all policies of insurance or other contracts pursuant to which the Indemnitees may be entitled to reimbursement of, or indemnification in respect of any Expenses borne by the Company pursuant to this Agreement. Nothing in this Agreement shall be deemed to diminish or otherwise restrict the right of the Company or the Indemnitees to proceed or collect

against any insurers or be deemed to give such insurers any rights against the Company under or with respect to this Agreement, including without limitation any right to be subrogated to the Indemnitees' rights hereunder, unless otherwise expressly agreed to by the Company in writing, and the obligation of such insurers to the Company and the Indemnified Party shall not be deemed to be reduced or impaired in any respect by virtue of the provisions of this Agreement.

ARTICLE 20 : NOTICE

20.1 Any notice or other communication required or permitted to be given hereunder will be in writing and will be either hand delivered, or will be sent by registered mail, all charges prepaid, to the address set out on the first page hereof.

20.2 In the case of registered mail, any notice or other communication will be deemed to be received on the fourth (4th) Business Day following the day of mailing, provided there is no Postal Interruption at the time of mailing or at any time during the five (5) days either preceding or following the day of mailing, in which case any such notice or communication will be deemed to be received only upon actual receipt thereof.

20.3 Any party hereto may, from time to time, modify or change its address by providing written notice to the other party, and thereafter the address as modified or changed will be deemed to be the address of the person specified above.

ARTICLE 21 : SEVERABILITY

21.1 If any portion of a provision of this Agreement is held to be invalid, illegal or unenforceable, in whole or in part, for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, with limitation, all portions of any sections of this Agreement containing any such provision held to be invalid, illegal or unenforceable that are not of themselves in the whole invalid, illegal or unenforceable) will not in any way be affected or impaired thereby; and

(b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any sections of this Agreement containing any such provisions held to be invalid, illegal or unenforceable) will be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

ARTICLE 22 : SUBMISSION TO JURISDICTION

22.1 Each party to this Agreement submits to the non-exclusive jurisdiction of any British Columbia courts sitting in Vancouver in any action, application, reference or other proceeding arising out of or relating to this Agreement and consents to all claims in respect of any such action, application, reference or other proceeding being heard and determined in such British Columbia courts.

ARTICLE 23 : MODIFICATIONS AND WAIVERS

23.1 No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the parties hereto.

23.2 This Agreement and the obligations of the Company hereunder will not be affected, discharged, impaired, mitigated or released by reason of any waiver, extension of time or indulgence by the Indemnitees of any breach or default in performance by the Company of any terms, covenants or conditions of this Agreement, nor will any waiver, indulgence or extension of time constitute a waiver of:

(a) any other provisions hereof (whether or not similar); or

(b) any subsequent or continuing breach or non-performance,

nor will the failure by the Indemnitees to assert any of their rights or remedies hereunder in a timely fashion be construed as a waiver or acquiescence or affect the Indemnitees' right to assert any such right or remedy thereafter.

ARTICLE 24 : ENTIRE AGREEMENT

24.1 This Agreement will supersede and replace any and all prior or contemporaneous agreements between the parties (except any written agreement of employment or consulting between the Company or an Affiliate and the Indemnified Party, which agreement of employment or consulting, if in existence, will remain in full effect except to the extent augmented or amended herein) and discussions between the parties hereto respecting the matters set forth herein, and will constitute the entire agreement between the parties hereto with respect to the matters set forth herein.

ARTICLE 25 : SUCCESSORS AND ASSIGNS

25.1 This Agreement will be binding upon and enure to the benefit of the Company, its successors and assigns, and also the Indemnitees.

ARTICLE 26 : FURTHER ASSURANCES

26.1 Each of the parties hereto will at all times and from time to time hereafter and upon every reasonable written request so to do, make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, documents, assurances and things as may be reasonably required for more effectually implementing and carrying out the provisions and the intent of this Agreement.

26.2 The Company hereby covenants to the Indemnified Party that it shall not take any action, including through an amendment of its Articles or otherwise, that would diminish the rights of the Indemnified Party under this Agreement. No amendment of this Agreement, the Articles of the Company or any Affiliate, or other constating documents of the Company or any Affiliate shall limit or eliminate the right of Indemnified Party to the benefits, including indemnification and advancement of Expenses set forth in this Agreement.

ARTICLE 27 : INTERPRETATION

27.1 Headings will not be used in any way in construing or interpreting any provision hereof.

27.2 Whenever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning plural or feminine or body politic or corporate or vice versa, as the context so requires.

27.3 Words such as herein, therefrom and hereinafter reference and refer to the whole Agreement and are not restricted to the clause in which they appear.

ARTICLE 28 : COUNTERPARTS

28.1 This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[*Remainder of page left intentionally blank. Signature page follows.*]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

COLUMBIA CARE INC.

Per:_____
Name: Nicholas Vita
Title: Chief Executive Officer

_____
Michael Abbott

EXHIBIT C
Public Disclosure

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 15, 2023

COLUMBIA CARE INC.

(Exact Name of Registrant as specified in its charter)

British Columbia	**000-56294**	**98-1488978**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

680 Fifth Ave., 24th Floor New York, New York	**10019**
(Address of principal executive offices)	**(Zip Code)**

(212) 634-7100
(Registrant's telephone number, including area code)

Not Applicable
(Registrant's name or former address, if change since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 15, 2023, Columbia Care Inc. (the "Company") announced the transition of Michael Abbott, Executive Chairman and Co-Founder, from the role of Executive Chairman to Chairman of the Board of Directors (the "Board"), effective immediately.

In connection therewith, the Company entered into a transition and release of claims agreement (the "Transition Agreement") on March 15, 2023. The Transition Agreement provides that, in lieu of severance benefits that Mr. Abbott would otherwise be entitled to receive under his current employment agreement with the Company, Mr. Abbott will be entitled to the following benefits: (1) cash severance payments in an amount equal to thirty-six (36) months of Mr. Abbott's current base salary and target bonus, less all applicable withholdings and deductions, paid over such thirty-six month period, (2) immediate vesting of Mr. Abbott's outstanding Company equity or equity-based awards in accordance with their terms (including any applicable performance conditions), and (3) as additional severance, an annual cash incentive bonus for fiscal year 2022. The Transition Agreement further provides that Mr. Abbott will continue to be subject to the restrictive covenants set forth in his current employment agreement and that Mr. Abbott releases all claims relating to his employment with the Company.

The foregoing summary contains only a brief description of the material terms of the Transition Agreement and does not purport to be a complete description of the rights and obligations of the parties to the Transition Agreement, and such description is qualified in its entirety by reference to the full text of the Transition Agreement, which will be filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: Chief Executive Officer

Date: March 15, 2023

Columbia Care Announces
Co-Founder Michael Abbott's Transition to Chairman

March 15, 2023 – NEW YORK– 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 retailers of cannabis products in the U.S., announced today the transition of Michael Abbott, Executive Chairman and Co-Founder of Columbia Care, to Chairman of the Board of Directors, effective immediately.

Michael Abbott co-founded Columbia Care with Chief Executive Officer Nicholas Vita in 2012, and helped to build the Company into one of the largest US multi-state medical and adult-use cannabis providers. In his continuing role as Chairman, Abbott will remain integrally involved in company oversight and governance. Abbott, noted, "It has been an honor and a privilege to work with Nick and the extraordinary team he has built around him over the past decade. I am deeply grateful for Nick's friendship and partnership."

Vita commented, "I am very grateful that my partnership with Mike will continue, with Mike remaining the Chairman of our Board, which he has already been ably leading since we became a public company in 2019. I look forward to my continued collaboration with Mike and the rest of our Directors and Mike's ongoing involvement with the Company that will continue to benefit our shareholders."

Jon May, the Lead Independent Director of the Board, also expressed his thanks for Abbott's contributions, "Mike has played a critical role in the Company's historical development and growth. In particular, he has been there for us at times of great difficulty, such as during the onset of the COVID pandemic, and for all of his contributions, I express my sincere thanks. I too look forward to continuing our work together on the Board."

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 17 U.S. jurisdictions. Columbia Care operates 128 facilities including 95 dispensaries and 33 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 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, 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. Forward-looking statements or

information contained in this release include, but are not limited to, statements or information with respect to the executive management transition. 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. These risks, uncertainties and other factors include, among others, favorable operating and economic conditions; obtaining and maintaining all required licenses and permits; favorable production levels and sustainable costs from the Company's operations; and the level of demand for cannabis products, including the Company's products sold by third parties. In addition, securityholders should review the risk factors discussed under "Risk Factors" in Columbia Care's Form 10 dated May 9, 2022, filed with the applicable securities regulatory authorities and described from time to time in documents filed by the Company with Canadian and U.S. securities regulatory authorities.

Investor Contact
Lee Ann Evans
Capital Markets
ir@col-care.com

Media Contact
Lindsay Wilson
Communications
+1.978.662.2038
media@col-care.com

Exhibit 21.1

Subsidiaries of the Registrant
as of December 31, 2022

Name of Company	State of Organization
203 Organix, L.L.C.	Arizona
Columbia Care - Arizona, Tempe, L.L.C.	Arizona
Columbia Care-Arizona, Prescott, L.L.C.	Arizona
Salubrious Wellness Clinic, Inc.	Arizona
Access Bryant SPC	California
CA Care LLC	California
CC CA Realty LLC	California
CC California LLC	California
Focused Health LLC	California
Mission Bay, LLC	California
PHC Facilities, Inc.	California
Resource Referral Services, Inc.	California
The Healing Center Of San Diego	California
The Wellness Earth Energy Dispensary, Inc.	California
Beacon Holdings, LLC	Colorado
Columbia Care Thornton LLC	Colorado
Dellock Digital, LLC	Colorado
Future Vision Brain Bank, LLC	Colorado
Futurevision, Ltd.	Colorado
High Rise Media, LLC	Colorado

Name of Company	State of Organization
Infuzionz, LLC	Colorado
MJ Brain Bank, LLC	Colorado
Rocky Mountain Tillage, LLC	Colorado
TGS Colorado Management, LLC	Colorado
TGS Global, LLC	Colorado
The Green Solution, LLC	Colorado
The Launch Pad LLC	Colorado
Columbia Care CT LLC	Connecticut
14 Street Health, LLC	Delaware
Avum, LLC	Delaware
Apelles Realty, LLC	Delaware
Bist Merch LLC	Delaware
Capital City Care LLC	Delaware
Capital City Cultivation LLC	Delaware
CC MergerSub, LLC	Delaware
CC Procurement LLC	Delaware
CC VA HoldCo LLC	Delaware
Col. Care (Delaware) LLC	Delaware
Columbia Care - Arizona, Prescott DE, L.L.C.	Delaware
Columbia Care - Arizona, Tempe DE, L.L.C.	Delaware
Columbia Care CO Inc.	Delaware
Columbia Care DC LLC	Delaware
Columbia Care DE Management, LLC	Delaware
Columbia Care DE Realty LLC	Delaware

Name of Company	State of Organization
Columbia Care Delaware, LLC	Delaware
Columbia Care Illinois LLC	Delaware
Columbia Care International HoldCo LLC	Delaware
Columbia Care LLC	Delaware
Columbia Care Maine Holding Company LLC	Delaware
Columbia Care Maryland LLC	Delaware
Columbia Care Partners LLC	Delaware
Columbia Care PR LLC	Delaware
Columbia Care-Arizona LLC	Delaware
Equity Health Partners DE LLC	Delaware
Green Leaf Medical, LLC	Delaware
La Yerba Buena LLC	Delaware
Oveom LLC	Delaware
Peach Blossom Partners LLC	Delaware
Tetra FinCo LLC	Delaware
Tetra Holdings LLC	Delaware
Tetra OpCo LLC	Delaware
Columbia Care CA LLC	Delaware
CCF HoldCo, LLC	Delaware
VF DC Realty, LLC	Delaware
Columbia Care Florida LLC	Florida
The Supergroup Creative Omnimedia, Inc.	Georgia
Curative Health Cultivation LLC	Illinois
Curative Health LLC	Illinois

Name of Company	State of Organization
The Green Room Social Equity Partners LLC	Illinois
Columbia Care Adopt-A-Family Corp.	Massachusetts
Patriot Care Corp.	Massachusetts
Columbia Care MD, LLC	Maryland
Green Leaf Extracts, LLC	Maryland
Green Leaf Management, LLC	Maryland
Time For Healing, LLC	Maryland
Wellness Institute Of Maryland, LLC	Maryland
Columbia Care ME LLC	Maine
Columbia Care Michigan LLC	Michigan
Columbia Care MO LLC	Missouri
Columbia Care New Jersey LLC	New Jersey
Columbia Care NJ Realty LLC	New Jersey
Columbia Care NM LLC	New Mexico
CC Logistics Services LLC	New York
Columbia Care Industrial Hemp LLC	New York
Columbia Care NY LLC	New York
Columbia Care NY Realty LLC	New York
Columbia Care NY RO LLC	New York
Cannascend Alternative Logan, L.L.C.	Ohio
Cannascend Alternative, LLC	Ohio
CC OH Realty LLC	Ohio
Columbia Care OH LLC	Ohio
Corsa Verde LLC	Ohio

Name of Company	State of Organization
Green Leaf Medical of Ohio II, LLC	Ohio
Green Leaf Medical of Ohio III, LLC	Ohio
CC PA Realty LLC	Pennsylvania
CCPA Industrial Hemp LLC	Pennsylvania
Columbia Care Pennsylvania LLC	Pennsylvania
Green Leaf Medicals LLC	Pennsylvania
Columbia Care Puerto Rico LLC	Puerto Rico
CCUT Pharmacy LLC	Utah
Columbia Care UT LLC	Utah
Columbia Care Eastern Virginia LLC	Virginia
Green Leaf Medical Of Virginia, LLC	Virginia
Columbia Care WV Industrial Hemp LLC	West Virginia
Columbia Care WV LLC	West Virginia
VentureForth Holdings LLC	Washington, D.C.
VentureForth LLC	Washington, D.C.
Columbia Care UK Ltd	United Kingdom

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CC California LLC	California
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Mission Bay, LLC	California
PHC Facilities, Inc.	California
Resource Referral Services, Inc.	California
The Healing Center Of San Diego	California
The Wellness Earth Energy Dispensary, Inc.	California
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Columbia Care Thornton LLC	Colorado
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Futurevision, Ltd.	Colorado
High Rise Media, LLC	Colorado

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Columbia Care DE Realty LLC	Delaware

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Tetra OpCo LLC	Delaware
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CCF HoldCo, LLC	Delaware
VF DC Realty, LLC	Delaware
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Time For Healing, LLC	Maryland
Wellness Institute Of Maryland, LLC	Maryland
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Columbia Care MO LLC	Missouri
Columbia Care New Jersey LLC	New Jersey
Columbia Care NJ Realty LLC	New Jersey
Columbia Care NM LLC	New Mexico
CC Logistics Services LLC	New York
Columbia Care Industrial Hemp LLC	New York
Columbia Care NY LLC	New York
Columbia Care NY Realty LLC	New York
Columbia Care NY RO LLC	New York
Cannascend Alternative Logan, L.L.C.	Ohio
Cannascend Alternative, LLC	Ohio
CC OH Realty LLC	Ohio
Columbia Care OH LLC	Ohio

Name of Company	State of Organization
Corsa Verde LLC	Ohio
Green Leaf Medical of Ohio II, LLC	Ohio
Green Leaf Medical of Ohio III, LLC	Ohio
CC PA Realty LLC	Pennsylvania
CCPA Industrial Hemp LLC	Pennsylvania
Columbia Care Pennsylvania LLC	Pennsylvania
Green Leaf Medicals LLC	Pennsylvania
Columbia Care Puerto Rico LLC	Puerto Rico
CCUT Pharmacy LLC	Utah
Columbia Care UT LLC	Utah
Columbia Care Eastern Virginia LLC	Virginia
Green Leaf Medical Of Virginia, LLC	Virginia
Columbia Care WV Industrial Hemp LLC	West Virginia
Columbia Care WV LLC	West Virginia
VentureForth Holdings LLC	Washington, D.C.
VentureForth LLC	Washington, D.C.
Columbia Care UK Ltd	United Kingdom

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Nicholas Vita, certify that:

1. I have reviewed this Annual Report on Form 10-K of Columbia Care Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 29, 2023

/s/ Nicholas Vita
Nicholas Vita
Chief Executive Officer and Director

Exhibit 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Derek Watson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Columbia Care Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 29, 2023

/s/ Derek Watson
Derek Watson
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Nicholas Vita, the Chief Executive Officer and Director of Columbia Care Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2022 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas Vita
Nicholas Vita
Chief Executive Officer and Director
March 29, 2023

Exhibit 32.2

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Derek Watson, the Chief Financial Officer of Columbia Care Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K for the year ended December 31, 2022 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Derek Watson
Derek Watson
Chief Financial Officer
March 29, 2023