



## Columbia Care Reports Second Quarter 2019 Results

August 6, 2019

*Second quarter 2019 revenue of \$19.3 million, an increase of 102% over prior year period*

*Expansion of US footprint with launches in California, Florida, Ohio and Puerto Rico, reinforcing organic growth strategy in key markets*

*Launch of the CNC Card, the nation's first credit card for the cannabis industry*

NEW YORK--(BUSINESS WIRE)-- Columbia Care Inc. (NEO: CCHW) (OTCQX: CCHWF) (FSE: 3LP) ("Columbia Care" or the "Company"), one of the largest fully integrated operators in the global medical cannabis industry with licenses across the US and EU, today reported financial and operating results for its second quarter ended June 30, 2019. All financial information is provided in US dollars unless otherwise indicated.

### Second Quarter 2019 Financial Highlights

- Revenue of \$19.3 million, an increase of 102% from the prior year period, and an increase of 50% from the first quarter of 2019
- Adjusted EBITDA of (\$11.4) million compared to (\$1.7) million for the prior year period, reflecting new market expansion, facility expenses, organizational growth and expenses related to the Company's go-public transaction <sup>1</sup>
- Net loss of \$33.7 million compared to \$4.2 million for the prior year period, reflecting increase in non-cash expenses as well as the Company's investment in its growth initiatives
- \$125.3 million cash on hand as of June 30, 2019, and no debt

Subsequent to the end of the second quarter 2019, Columbia Care launched operations in Florida, Ohio and Puerto Rico. The Company now has ongoing expansion activities in 12 of its 15 licensed jurisdictions.

"We are pleased to deliver revenue growth of over 100% year-over-year and over 50% sequentially. With the majority of our facilities and markets in development, as well as several important product and service launches anticipated in the third and fourth quarters, we look forward to the future," said Nicholas Vita, chief executive officer of Columbia Care. "The capital we raised through our going public transaction has enabled us to leverage our scale, innovation, differentiated strategy and diversified growth initiatives across all of our jurisdictions, including our four most recent market launches in Florida, California, Ohio and Puerto Rico. This quarter affirms Columbia Care's strong foundation, commitment to disciplined growth and reinforces our hard-earned reputation for being intensely execution focused."

### Discussion of Second Quarter 2019 and First Half 2019 Results

Revenue for the second quarter of 2019 totaled \$19.3 million, compared to \$9.6 million for the second quarter of 2018, representing an increase of 102%. Revenue for the six-month period ending June 30, 2019 was \$32.2 million, an increase of 75%, compared to \$18.4 million for the prior year period.

Revenue increased exclusively due to the Company's organic growth in its licensed jurisdictions coupled with higher consumer demand for Columbia Care's wide array of proprietary medical cannabis products and wholesale operations.

Excluding the impact of fair value adjustments for biological assets, gross profit in the second quarter of 2019 was \$5.4 million, relatively unchanged from the second quarter of 2018. For the six-month period ending June 30, 2019, gross profit, excluding the impact of fair value adjustments for biological assets was \$9.8 million, an increase of 12% compared to the prior year period.

The Company's gross profit for the second quarter of 2019 was \$5.2 million, relatively unchanged from the second quarter of 2018. For the six-month period ended June 30, 2019, gross profit was \$3.0 million, a decrease of \$3.4 million compared to the prior year period. The overall decrease reflects fair value adjustments related to decreased volume of unharvested plants.

Net loss for the second quarter of 2019 was \$33.7 million, compared to \$4.2 million, an increase of \$29.5 million compared to the prior year period, primarily due to recognition of listing fee and share-based compensation expense, as well as higher operating expenses related to the Company's expansion in both new and existing markets. Net loss for the six-month period ending June 30, 2019 was \$58.9 million, compared to \$13.9 million for the prior year period, primarily due to the recognition of non-cash charges related to listing fee expense and share-based compensation, as well as the Company's ongoing investment in its growth initiatives.

Adjusted EBITDA for the second quarter of 2019 was (\$11.4) million, compared to (\$1.7) million, a decrease of \$9.7 million compared to the prior year period. Adjusted EBITDA for the six-month period ending June 30, 2019 was (\$21.8) million, compared to Adjusted EBITDA of (\$4.0) million for the prior year period. Changes in Adjusted EBITDA were primarily driven by higher operating expenses related to the Company's expansion in both new and existing markets. See "Non-IFRS Financial Measures."

As of June 30, 2019, the Company had \$125.3 million cash on hand and carried no debt.

### Conference Call and Webcast Details

The Company will report complete financial results for the second quarter 2019 on Tuesday, August 6, 2019 at 4:30 p.m. EDT. To access the live conference call via telephone, please dial 1-877-407-8914 (U.S. callers) or 1-201-493-6795 (international callers), no passcode is required. A live audio webcast of the call will also be available in the Investor Relations section of the Company's website at <https://ir.col-care.com/>.

A replay of the audio webcast will be available in the Investor Relations section of the Company's website approximately 2 hours after completion of the call and will be archived for 30 days.

## Non-IFRS Financial Measures

In this press release, Columbia Care refers to certain non-IFRS financial measures, such as Adjusted EBITDA and gross profit excluding changes in fair value of biological assets. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Columbia Care considers certain non-IFRS measures to be meaningful indicators of the performance of its business. A reconciliation of such non-IFRS financial measures to their nearest comparable IFRS measure is included in this press release.

## About Columbia Care Inc.

Columbia Care Inc. is one of the largest and most experienced multi-state operators in the medical cannabis industry, with licenses in 15 jurisdictions in the US and the EU. With over 1.2 million sales transactions since its inception, Columbia Care is a patient-centered organization setting the standard for compassion, professionalism, quality, caring and innovation, working in collaboration with some of the most renowned and innovative teaching hospitals and medical centers in the world. The Company is committed to providing the type of education and transparency patients deserve and quality of product that clinicians expect. For more information on Columbia Care, please visit [www.col-care.com](http://www.col-care.com).

## Caution Concerning Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Statements concerning Columbia Care Inc.'s ("Columbia Care" or the "Company") objectives, goals, strategies, priorities, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of Columbia Care are forward-looking statements. The words "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would", "could", "should", "continue", "plan", "goal", "objective", and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions including the following specific assumptions: the ability of Columbia Care to meet its dispensary targets including the ability to negotiate additional lease arrangements satisfactory to the company, receipt of necessary permits and regulatory approvals, timely completion of planned construction, and the ability to identify and attract qualified staff. Projections may be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Columbia Care has also made certain general industry assumptions in the preparation of such forward-looking statements. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect and may be above or below the forward-looking information presented in a material respect.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Columbia Care's actual results, performance or achievements, or developments in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. When considering these forward-looking statements, readers should keep in mind the risk factors and other cautionary statements in Columbia Care's final prospectus dated March 21, 2019 (the "Prospectus") and filed with the applicable Canadian securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com). The risk factors and other factors noted in the Prospectus could cause actual events or results to differ materially from those described in any forward-looking information. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and Columbia Care does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change except as required by applicable securities laws. All of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Columbia Care.

<sup>1</sup>See "Non-IFRS Financial Measures"

**TABLE 1 - CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in US \$ thousands, except share and per share figures, unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue	\$ 19,297	\$ 9,571	\$ 32,167	\$ 18,420
Production costs	(13,868)	(4,196)	(22,337)	(9,632)
Gross profit before fair value adjustments	5,429	5,375	9,830	8,788
Fair value adjustments biological assets, net	(195)	(185)	(6,799)	(2,381)
Gross profit	5,234	5,190	3,031	6,407
Operating expenses	(39,269)	(7,726)	(61,194)	(17,177)
Operating loss	(34,035)	(2,536)	(58,163)	(10,770)

Other income (expense), net	671	(1,177)	282	(1,921)
Provision for income taxes	(354)	(517)	(969)	(1,236)
Net loss	(33,718)	(4,230)	(58,850)	(13,927)
Net loss attributable to non-controlling interests	(76)	(206)	(348)	(467)
Net loss attributable to Columbia Care shareholders	\$ (33,642)	\$ (4,024)	\$ (58,502)	\$ (13,460)
Weighted average common shares outstanding - basic and diluted	210,339,867	161,230,378	203,353,542	159,983,159
Earnings per common share attributable to Columbia Care shareholders - basic and diluted	\$ (0.16)	\$ (0.02)	\$ (0.29)	\$ (0.08)

#### TABLE 2 - RECONCILIATION OF IFRS TO NON-IFRS MEASURES

(in US \$ thousands, unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net loss	\$ (33,718)	\$ (4,230)	\$ (58,850)	\$ (13,927)
Provision for income taxes	354	517	969	1,236
Depreciation and amortization	3,159	1,167	6,029	2,148
Net interest and debt amortization	378	846	825	1,565
EBITDA	\$ (29,827)	\$ (1,700)	\$ (51,027)	\$ (8,978)
Share-based compensation	7,157	(180)	11,389	2,608
Fair value adjustments biological assets, net	195	185	6,799	2,381
Listing fee expense	11,071	-	11,071	-
Adjusted EBITDA	\$ (11,404)	\$ (1,695)	\$ (21,768)	\$ (3,989)

#### TABLE 3 - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(in US \$ thousands, unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	March 31, 2019	March 31, 2018
Net cash used in operating activities	\$ (27,221)	\$ (7,903)	\$ (42,294)	\$ (14,115)	\$ (15,073)	\$ (6,212)
Net cash used in investment activities	(19,006)	(5,291)	(31,405)	(5,933)	(12,399)	(642)
Net cash provided by financing activities	112,473	13,771	152,768	21,356	40,295	7,585
Net increase in cash	66,246	577	79,069	1,308	12,823	731
Cash balance - beginning of period	59,064	14,028	46,241	13,297	46,241	13,297
Cash balance - end of period	125,310	14,605	125,310	14,605	59,064	14,028

#### TABLE 4 - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (SELECT ITEMS)

(in US \$ thousands, unaudited)

	June 30, 2019	December 29, 2018
Cash	\$ 125,310	\$ 46,241
Total current assets	203,006	160,122
Property and equipment, net	70,350	39,794
Right of use assets	35,869	-
Total assets	352,618	233,927
Total current liabilities	22,742	15,309
Total liabilities	72,762	30,238
Total equity	279,856	203,689

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190806005873/en/>

Investor:

Gary F. Santo, Jr.  
Investor Relations  
+1.212.271.0915  
[ir@col-care.com](mailto:ir@col-care.com)

**Media:**

Josephine Belluardo, Ph.D.  
LifeSci Public Relations  
+1.646.751.4361  
[jo@lifescipublicrelations.com](mailto:jo@lifescipublicrelations.com)

Source: Columbia Care Inc.

*Released August 6, 2019*