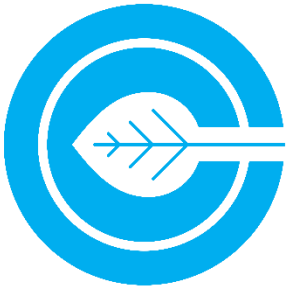

Columbia Care™

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020

MARCH 31, 2021

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EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form (the "**Annual Information Form**") is stated as at March 31, 2021. Unless otherwise noted or the context otherwise indicates, "Columbia Care", the "Company", "we", "us" and "our" refer to Columbia Care Inc., its direct and indirect subsidiaries and predecessors.

Forward-Looking Statements

Certain statements in this Annual Information Form are forward-looking within the meaning of applicable securities laws, including the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions.

Forward-looking statements are based on current estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that it believes are appropriate and reasonable in the circumstances including, but not limited to, there being: no unforeseen changes in the legislative and operating framework for Columbia Care's business; no unforeseen changes in the regulatory environment for Columbia Care's products; a stable competitive environment; and no significant event occurring, continuing or escalating outside the ordinary course of business such as a natural disaster, national or international outbreak of a contagious disease or other calamity. However, there can be no assurance that such estimates and assumptions will prove to be correct.

Many factors could cause the Company's actual results, level of activity, performance, achievements, future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the impact of the global COVID-19 pandemic on the Company's supply chain and its ability to deliver products due to travel restrictions, including the ability of people and goods to cross borders, timing of customer purchase decisions and health of employees; market demand for the Company's products; management's ability to execute the Company's strategic plans; the degree of competition in the geographic and business areas in which the Company operates; the Company's ability to attract and retain qualified employees; availability of financial resources to carry out the Company's strategy; the Company's ability to protect its intellectual and intangible properties; legal claims; and critical accounting and tax estimates; as well as the factors discussed in the "Risk Factors" section of this Annual Information Form, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time. These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully.

The purpose of the forward-looking statements is to provide the reader with a description of management's current expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this Annual Information Form are made as of the date of this Annual Information Form, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

Presentation of Financial Information

The Company presents its consolidated financial statements in United States dollars. In this Annual Information Form, all references to "$", "C$" or "dollars" are to Canadian dollars and references to "US$" are references to United States ("**U.S.**") dollars. Amounts are stated in Canadian dollars unless otherwise indicated. All of the financial data contained in this Annual Information Form relating to the Company has been prepared using International Financial Reporting Standards.

BACKGROUND AND CORPORATE STRUCTURE

Corporate Structure

Columbia Care Inc. ("**Columbia Care**" or 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.

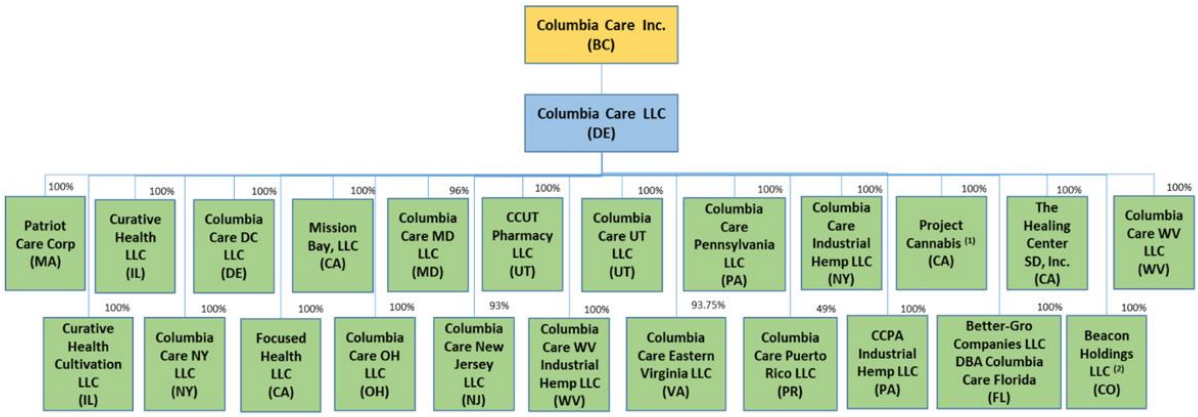
The Business Combination was completed on April 26, 2019, at which point Old Columbia Care became a 100% wholly-owned subsidiary of the Company. In connection with the closing of the Business Combination, the Company was continued out of the jurisdiction of Ontario under the OBCA and into the jurisdiction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

The head office of the Company is located at 680 Fifth Ave., 24th Floor, New York, New York, 10019 and the registered office is located at 666 Burrard St., #1700, Vancouver, BC V6C 2X8. The Company is a reporting issuer in all of the provinces and territories of Canada other than Quebec.

Inter-Corporate Relationships

The organizational chart below indicates the inter-corporate relationships of the Company and its material subsidiaries, including their jurisdiction of incorporation in parentheses.

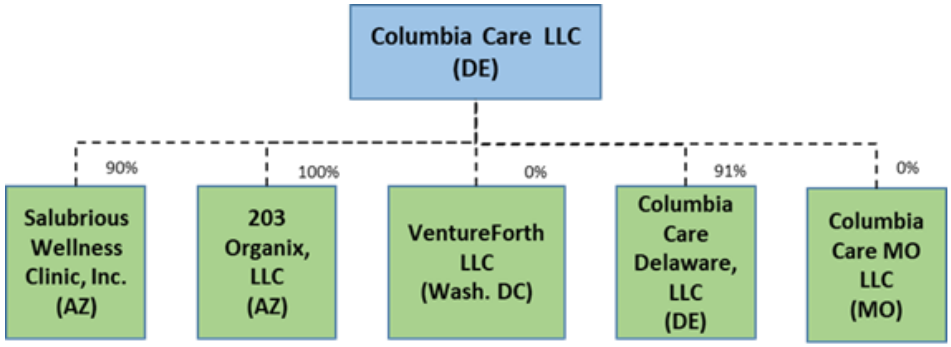
All of the Company's subsidiaries listed in the organizational chart have directors and/or managers and officers that are directors, officers or employees of the Company, except for: (i) Columbia Care Delaware LLC, (ii) Salubrious Wellness Clinic, Inc., and (iii) Columbia Care Puerto Rico, LLC, of which a majority are directors, officers or employees of Columbia Care.



Notes:

1. As a result of the Project Cannabis Transaction, Columbia Care owns 100% of PHC Facilities, Inc., Resource Referral Services, Inc., and Wellness Earth Energy Dispensary, Inc. Columba 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, Infuzionz, LLC.

Columbia Care operates in certain jurisdictions for regulatory purposes through entities controlled by management services arrangements. Salubrious Wellness Clinic, Inc.; 203 Organix, LLC; and Columbia Care Delaware LLC are non-profit entities that are managed by management companies that either are wholly or partially owned by Columbia Care. VentureForth LLC, a for-profit entity wholly owned by third parties, has entered into a management services agreement with Columbia Care, which provides management services for a fee. Columbia Care MO LLC, a for-profit entity wholly owned by third parties, has entered into a management services agreement with Columbia Care, which provides management services for a fee.



GENERAL DEVELOPMENT OF THE BUSINESS

Columbia Care has grown primarily by submitting responses to state-issued requests for proposals and obtaining licenses pursuant to such processes throughout the United States, where such activity is legal at the state-level. In 2020, Columbia Care also grew significantly from acquiring other leading cannabis operations. The Company also provides management services to licensed entities. As of the date hereof, Columbia Care holds, directly or indirectly, 111 licenses with 114 discrete facilities that are operational or in development.

2013-2021 Growth

	2013	2014	2015	2016	2017	2018	2019	2020	2021[(1)]
Employees	10	19	59	219	279	418	697	1775	1781
Facilities	6	10	18	21	25	54	70	107	114
Jurisdictions	3	4	7	10	11	15	16	16	18

Notes:
(1) As of March 1, 2021

Columbia Care estimates that its U.S. licenses permit it to reach approximately 53% of the U.S. adult population. Excluding industrial hemp products, Columbia Care's license portfolio allows for an aggregate of approximately 960,000 square feet of cultivation and manufacturing space within its currently leased or owned facilities and the potential to produce over 165,000 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 clinics, 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.

Development of Columbia Care's Portfolio of Licenses

The following is a summary of the material developments of Columbia Care's growing portfolio of licenses since its inception. Columbia Care, through its respective subsidiaries, primarily entered these markets after being selected by state governments through competitive processes. The disclosure set out below is presented in chronological order based on Columbia Care's involvement in the jurisdictions listed. Further details regarding Columbia Care's licenses and regulatory framework are set out under "*United States Regulatory Environment*."

2012

Washington D.C.

Columbia Care entered the Washington, D.C. market in 2012. It operates in this market primarily through its wholly-owned subsidiary, Columbia Care DC LLC ("**Columbia Care DC**") and through a management services arrangement with VentureForth LLC ("**VentureForth**"), which, in turn, wholly owns Capital City Care LLC and Capital City Cultivation LLC. Pursuant to this arrangement, Columbia Care has agreed to provide management services to VentureForth for a fee. VentureForth, through Capital City Care LLC and Capital City Cultivation LLC, holds two (2) licenses from the Washington D.C. Department of Health, one (1) license to cultivate and manufacture medical cannabis and one (1) license to dispense medical cannabis. Since July 2015, Columbia Care operates a separate cultivation facility through Columbia Care DC, pursuant to a license from the Washington D.C. Department of Health to cultivate medical cannabis.

Arizona

Columbia Care entered the Arizona market in 2012. The Company operates in this market through management services arrangements with Salubrious Wellness Clinic, Inc. ("**SWC**") and 203 Organix, LLC ("**Organix**"). Columbia Care formed Columbia Care – Arizona, Tempe, LLC, and Columbia Care Arizona, Prescott, LLC, in 2013 to provide management services to SWC and Organix, respectively. SWC was awarded its approval to operate in June 2013 and Organix was awarded its approval to operate in February 2014. Adult-use cannabis sales launched at both SWC and Organix dispensaries in January 2021.

2013

Massachusetts

Columbia Care entered the Massachusetts market in 2013 and operates through its wholly-owned subsidiary Patriot Care Corp. ("**Patriot Care**"). Patriot Care operates a medical and adult-use cannabis dispensary and a medical and adult-use cultivation facility and manufacturing facility in Lowell, Massachusetts. Patriot Care received final approval to sell medical cannabis products at its Lowell dispensary in February 2016 and it received approval to sell cannabis products for adult use in January 2019. Patriot Care also operates dispensaries in Boston and Greenfield, which received final approval to sell medical cannabis products in 2016 and 2018, respectively. The dispensary in Greenfield

also sells adult-use cannabis under a license received in January 2019. On January 1, 2021, the dispensary in Boston received a Provisional Marijuana Retailer License for adult-use sales from the Cannabis Control Commission.

2014

California

Columbia Care entered the California market in 2014 and operates through its wholly-owned subsidiary Mission Bay, LLC ("**Mission Bay**"). Mission Bay received a conditional use permit in May 2015 to operate a co-located medical and adult-use dispensary in San Diego which became operational in July 2019. In April 2019, Mission Bay received its provisional license to operate as a cannabis retailer. Additionally, Columbia Care operates in California through its wholly-owned subsidiary, Focused Health LLC ("**Focused Health**"). Focused Health operates a medical and adult-use cultivation, manufacturing and distribution facility and was awarded a conditional use permit in 2018 and an annual manufacturing license in July 2019. On December 2, 2020, Columbia Care acquired Project Cannabis, a leading cannabis cultivator, wholesaler and retailer based in Los Angeles. The acquisition includes: 1) a dispensary in Studio City operated by The Wellness Earth Energy Dispensary, Inc.; 2) a dispensary in North Hollywood operated by Resource Referral Services, Inc.; 3) a dispensary in San Francisco operated by Access Bryant SPC; and 4) a co-located dispensary, cultivation and distribution facility in Los Angeles operated by PHC Facilities, Inc. On January 7, 2021, Columbia Care further expanded its footprint in California by acquiring The Healing Center San Diego, a leading adult-use dispensary in San Diego.

2015

Illinois

Columbia Care entered the Illinois market in 2015 through an initial 75% ownership interest in each of Curative Health LLC ("**Curative Health**") and Curative Health Cultivation LLC ("**Curative Health Cultivation**"). Curative Health Cultivation received an operating permit to operate a medical cannabis cultivation facility in December 2015 and an adult use cultivation license in 2019. Curative Health Cultivation completed initial construction of its cultivation facility in Aurora in mid-2017 and began cultivation operations in the third quarter of 2017. Curative Health was awarded a Dispensing Organization Registration Authorization in February 2015 and following completion of construction in Chicago, it received a license to begin operations in August 2016 for the dispensing of medical cannabis. On August 6, 2019, Columbia Care acquired the remaining minority ownership interests of both Curative Health and Curative Health Cultivation and both entities are now wholly owned by Columbia Care. On November 25, 2019, Curative Health received its Early Approval Adult-Use Dispensing Organization license for the Chicago dispensary. Curative Health began selling to adult-use customers on January 1, 2020. In 2020, Columbia Care received an Adult-Use Dispensing Organization license for a dispensary in Villa Park. The Villa Park dispensary began operations on September 21, 2020. Also, in January of 2020, Curative Health Cultivation received an Industrial Hemp Processor License.

New York

Columbia Care entered the New York market in 2015 and operates in this market through its wholly-owned subsidiary, Columbia Care NY LLC ("**Columbia Care NY**"). Columbia Care NY is licensed to cultivate, process and distribute medical cannabis. Columbia Care NY operates one (1) cultivation and processing facility in Rochester and four (4) dispensary locations in Riverhead, Rochester, Brooklyn and Manhattan. On March 6, 2017, Columbia Care NY received a Class 1 Schedule I Controlled Substance Bulk Manufacturing license from the New York Department of Health and Bureau of Narcotics Enforcement. In April 2019, the Company received Hemp Cultivator and Hemp Processor licenses and entered into a Research Partner Agreement with the State of New York to engage in CBD research in connection with industrial hemp products. On May 17, 2019, Columbia Care NY received its Class 10 Exporter license from the Department of Health.

Maryland

Columbia Care entered the Maryland market in 2015 and operates in this market through its 96%-owned subsidiary Columbia Care MD LLC ("**Columbia Care MD**"). In December 2016, Columbia Care MD was selected for pre-approval to pursue a medical cannabis dispensary license from the Maryland Department of Health and Mental Hygiene. Columbia Care MD received its final medical cannabis license in September 2019.

2016

Delaware

Columbia Care entered the Delaware market in 2016 and operates in this market through a management services arrangement with Columbia Care Delaware LLC ("**Columbia Care Delaware**"). Columbia Care formed its 91%-owned subsidiary, Columbia Care DE Management LLC to provide management services to Columbia Care Delaware. Columbia Care Delaware operates one (1) Medical Marijuana Compassion Center in Milford where it cultivates and manufactures medical cannabis and three (3) medical marijuana dispensaries in Smyrna, Wilmington and Rehoboth Beach. The two facilities in Milford and Smyrna became fully licensed and operational in 2018, while the dispensaries in Wilmington and Rehoboth Beach became fully licensed and operational in 2019.

Puerto Rico

Columbia Care entered the Puerto Rico market in 2016. It operates in this market through its 49%-owned subsidiary Columbia Care Puerto Rico LLC ("**Columbia Care Puerto Rico**"). Columbia Care Puerto Rico owns one (1) cultivation and manufacturing facility in Cidra, which received final licensure in March 2020, in addition to one (1) dispensary in San Juan that became fully licensed and operational in 2019 and one (1) dispensary in Ponce that became fully operational in March 2020. The Company suspended operations in Puerto Rico, effective May 7, 2020 due to significant headwinds resulting from a challenging regulatory environment and unforeseen events outside of the Company's control, including the COVID-19 pandemic.

Pennsylvania

Columbia Care entered the Pennsylvania market in 2016 and operates through its wholly-owned subsidiary Columbia Care Pennsylvania LLC ("**Columbia Care Pennsylvania**"). Columbia Care Pennsylvania is currently licensed to operate as a medical marijuana dispensary by the Pennsylvania Department of Health. Columbia Care Pennsylvania operates three (3) dispensaries in Allentown, Scranton and Wilkes-Barre.

2017

Ohio

Columbia Care entered the Ohio market in 2017. It operates in this market through a management services arrangement with Columbia Care OH LLC ("**Columbia Care OH**"). Columbia Care has the right to acquire 100% of Columbia Care OH for nominal consideration pending regulatory approval. Columbia Care OH is a licensed cultivator of medical cannabis. Columbia Care also holds a fully-paid option with a third party to expand its operations with the acquisition of four (4) medical cannabis dispensary licenses in Ohio, subject to, among other conditions, regulatory approval. Furthermore, Columbia Care holds a fully-paid option to purchase a licensed processor, subject to, among other conditions, regulatory approval.

2018

Florida

Columbia Care entered the Florida market in 2018 and operates in that market through its wholly-owned subsidiary Better-Gro Companies, LLC ("**Better-Gro**"), which holds a license to cultivate, manufacture and distribute medical cannabis. In June 2018, Better-Gro received approval to operate under the trade name "Columbia Care Florida".

Columbia Care Florida currently operates a Good Manufacturing Practice ("**GMP**") certified cultivation and manufacturing facility in Arcadia and has a second 40,000 square foot cultivation and manufacturing facility in Lakeland under partial development. In July 2019, Columbia Care Florida opened dispensaries in Gainesville, Sarasota, Jacksonville and Cape Coral. In November 2019, Columbia Care Florida opened its Orlando dispensary. In January 2020, Columbia Care Florida opened dispensaries in Melbourne and St. Augustine. In February 2020, Columbia Care Florida opened dispensaries in Bradenton, Bonita Springs, and Stuart. In September and October 2020, Columbia Care Florida opened dispensaries in Brandon, Miami, Longwood, and Delray Beach. In January 2021, Columbia Care Florida received a license to cultivation hemp from the Department of Agriculture and Consumer Services.

Virginia

Columbia Care entered the Virginia market in 2018 and operates through its 96%-owned subsidiary Columbia Care Eastern Virginia LLC ("**Columbia Care Eastern Virginia**"). Columbia Care Eastern Virginia has received conditional approval to operate a pharmaceutical processor, which will permit it to cultivate cannabis plants for the production of cannabidiol ("**CBD**") oil or THC-A oil and dispense the oil to registered patients. In December 2018 Columbia Care Eastern Virginia entered a long-term lease agreement for one (1) facility in Portsmouth from which it operates its cultivation, manufacturing, home delivery and dispensary operations. The Portsmouth dispensary began operations in December 2020. The Portsmouth cultivation facility began operating in August of 2020.

New Jersey

Columbia Care entered the New Jersey market in 2018 and operates through its 93%-owned subsidiary, Columbia Care New Jersey LLC ("**Columbia Care New Jersey**"). Columbia Care New Jersey received initial approval to cultivate, manufacture, and dispense medical cannabis products to qualified patients. Columbia Care New Jersey received its cultivation and manufacturing Operational Permit in February 2020. In June 2020, Columbia Care New Jersey opened one (1) dispensary in Vineland. Columbia Care New Jersey also opened a cultivation facility in Vineland in February of 2020 with manufacturing operations currently being developed. Columbia Care anticipates opening a second dispensary location in Deptford in quarter two of 2021.

European Union

Following review and approval process, Columbia Care received initial authorization to operate in Malta in November 2018. Columbia Care is exploring opportunities in Malta as well as other markets in the United Kingdom and European Union.

2020

Missouri

Columbia Care entered the Missouri market in 2020 and currently intends to operate 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 has agreed to provide management services to both the medical marijuana dispensary and the medical marijuana manufacturing facility of Columbia Care MO for a fee. Columbia Care MO has secured locations for both manufacturing and dispensing facilities and plans to operationalize both facilities in quarter three of 2021.

Utah

Columbia Care entered the Utah market in 2020 and currently intends to operate through its wholly-owned subsidiaries, CCUT Pharmacy LLC ("**CCUT**") and Columbia Care UT LLC ("**Columbia Care UT**"). CCUT is currently developing a dispensary in Springville with an opening planned for quarter two of 2021. Columbia Care UT has secured a manufacturing and processing facility in Centerville. 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, a wholly-owned subsidiary of Columbia Care, was awarded a medical cannabis grower license and medical cannabis processor license in West Virginia. Columbia Care has executed a lease for a co-located facility to house medical cannabis cultivation and processing activities in Falling Waters. The facility is under development. In January 2021, Columbia Care was awarded 5 dispensary permits in Williamstown, Fayetteville, Morgantown, Beckley and St. Albans.

Colorado

On September 1, 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 currently operates twenty-three dispensaries, one manufacturing facility and four cultivation facilities. In Denver, TGS operates a manufacturing facility, three cultivation facilities and three dispensaries. TGS operates two dispensaries and one cultivation facility (consisting of five cultivation licenses) in Trinidad. TGS operates five dispensaries in Aurora, two dispensaries in Sheridan and dispensaries in Adams County, Aspen, Black Hawk, Edgewater, Fort Collins, Glendale, Glenwood Springs, Longmont, Northglenn, Silver Plume, and Pueblo.

Development of Columbia Care's Other Business Elements

2018

Columbia National Credit (CNC)

Columbia Care launched the Columbia National Credit card ("**CNC**") as a pilot program in the second half of 2018 in its New York locations. Columbia Care formally announced the CNC in 2019, expanding the program to several other markets. The CNC is the first-ever credit card for cannabis purchases, operating similarly to most other retailer credit cards. The CNC is available as a payment solution in select markets for in-store, home delivery, and e-commerce purchases. Columbia Care strives to offer the CNC in as many markets as possible, subject to regulatory restrictions.

2019

Sale-Leaseback Transaction with NewLake Capital

On December 12, 2019, Columbia Care announced that it had entered into a definitive agreement in connection with a sale-leaseback transaction (the "**NewLake Sale-Leaseback**") with NewLake Capital valued at $35 million. The NewLake Sale-Leaseback involved five properties totaling 127,000 square feet in California, Illinois and Massachusetts and closed December 23, 2019.

Launch of E-Commerce Platform

In December 2019, Columbia Care launched its e-commerce platform through its wholly-owned subsidiary Columbia Care Industrial Hemp LLC. The initial launch included a sampling of Columbia Care's Platinum CBD non-THC products, offering to states across the nation subject to regulatory restrictions.

2020

March 2020 Private Placement of Units

On March 31, 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

On April 20, 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 ensure compliance 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 ensures 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

On May 14, 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.

Roll-Up of Better-Gro

On June 18, 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

On June 19, 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. On July 7, 2020, the Company completed the second tranche of the June 2020 Convertible Note Private Placement for additional gross proceeds of US$3,960,000. On July 31, 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

On July 2, 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

On July 20, 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

On October 29, 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

On November 10, 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$9.1 million. On November 27, 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$3.3 million.

On November 30, 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

On December 22, 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, payable in cash or through the issuance of Common Shares.

Prior to entering into the Green Leaf Medical Agreement, Columbia Care's management conducted extensive analysis of the business being acquired. Among other things, the Company's analysis included consideration of Green Leaf Medical's historical financial performance, its competitive strength, expectations for changes to the regulatory environment in which it operates, and the expertise of its management and employees.

Furthermore, Columbia Care's Board retained independent experts to provide advice and assistance, including the preparation and delivery to the Board, an opinion as to the fairness of the Green Leaf Medical Agreement, from a financial point of view, to the Company.

In Maryland, Green Leaf Medical holds one cultivation license, one processing license, two dispensary licenses (one under a management agreement) with a third dispensary license in pre-approval stages. Green Leaf also holds one dispensary license in Ohio, one grower/processor license in Pennsylvania, and one license in Virginia.

Closing of the Green Leaf Transaction is expected to occur in the quarter three of 2021, subject to receipt of all required regulatory approvals, including, but not limited to the Hart-Scott-Rodino Antitrust Improvements Act, as well as state and municipal level approvals.

2021

January 2021 Offering of Common Shares

On January 13, 2021, Columbia Care completed a bought deal public offering of Common Shares (the "**January 2021 Offering**") for gross proceeds of $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

On February 25, 2021, Columbia Care completed a bought deal private placement of Common Shares (the "**February 2021 Offering**") for gross proceeds of $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.

DESCRIPTION OF THE BUSINESS

General

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 pharmaceutical-quality 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.

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of medical cannabis products and services in the United States. With 111 state issued licenses owned or managed by the Company in 19 highly regulated jurisdictions in the United States and the European Union ("**EU**"), management estimates that Columbia Care's addressable market encompasses approximately 53% of the U.S. adult population and more than $14 billion in 2021, as set out in the table below.

Table 1: Columbia Care's Current Addressable U.S. Market Opportunity
(as of March 12, 2021)

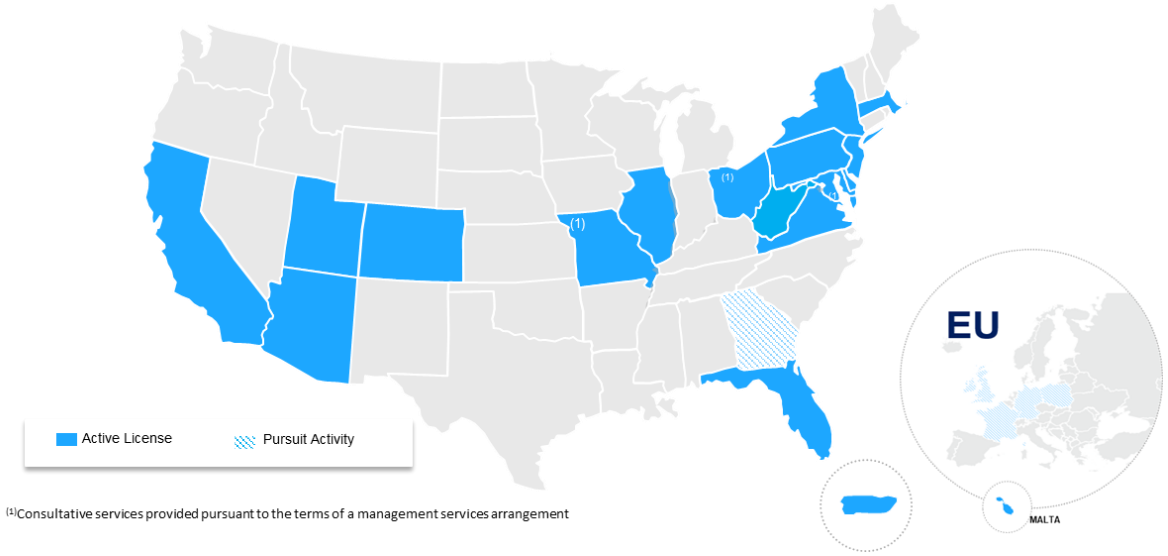
Columbia Care Addressable Market[2]					
State	Population (M)	Est 2021 Sales (US$M)	Est 2026 Sales (US$M)	Status	Licenses
California	39.6	$ 4,109.7	$ 6,909.3	Both	Unlimited
Colorado	5.7	$ 2,457.0	$ 2,715.9	Both	Unlimited
Arizona	7.2	$ 1,493.6	$ 1,817.3	Both	Limited
Florida	21.3	$ 1,475.9	$ 2,551.5	Medical	Limited
Illinois	12.7	$ 1,229.5	$ 1,781.0	Both	Limited
Massachusetts	6.9	$ 1,196.0	$ 1,784.8	Both	Limited
Pennsylvania	12.8	$ 705.3	$ 1,320.4	Medical	Limited
Maryland	6	$ 565.5	$ 1,386.6	Medical	Limited
Ohio[3]	11.7	$ 369.0	$ 1,363.8	Medical	Limited
New Jersey	8.9	$ 248.9	$ 1,845.9	Both	Limited
New York	19.5	$ 149.2	$ 2,385.0	Medical	Limited
Utah	3.2	$ 76.4	$ 295.3	Medical	Limited
Missouri[3]	6.1	$ 75.3	$ 862.6	Medical	Limited
Delaware	1	$ 51.3	$ 165.1	Medical	Limited
Washington DC[3]	0.7	$ 39.6	$ 219.0	Medical	Limited
Virginia	8.5	$ 20.9	$ 424.6	Medical	Limited
West Virginia	1.8	$ 19.1	$ 32.8	Medical	Limited
TOTAL	173.6	$ 14,282.1	$ 27,860.8		

Notes:
(1) The Company's addressable market was calculated based upon management's assessment of the market opportunity that exists in the 17 U.S. states/territories where Columbia Care currently operates or is in development as of November 12, 2020. The population figures were derived from the 2018 U.S. Census. The number of potential consumers were derived from a July 2018 Gallup poll indicating that one in five adults living in coastal states that legalized adult-use marijuana use marijuana regularly or occasionally. Management believes that, considering historical trends and current conditions, such assumptions are appropriate and reasonable.
(2) Estimated Sales figures from BDSA Market Forecast as of February 2021.
(3) Consultative services provided pursuant to terms of a management services arrangement

Working in collaboration with renowned and innovative teaching hospitals and medical centers globally, Columbia Care is a patient and consumer-centered health and wellness company, aiming to set the standard for compassion, professionalism, quality, care and innovation for a rapidly expanding industry.

In addition to its U.S. operations, Columbia Care is exploring opportunities in the United Kingdom and Germany as well as other markets within the EU. These opportunities are mainly focused on medical cannabis and industrial hemp but also consist of exploring expansion into the European CBD-based consumer product business, in particular with respect to food products. Currently, Columbia Care does not have any local operations in the United Kingdom or Germany, but it has entered into several collaboration agreements with local partners in such jurisdictions. Through its contractual arrangements, Columbia Care seeks to ensure that such partners have obtained the required licenses for their respective activities (including cultivation, manufacture and distribution of medical cannabis) and comply with all applicable laws and regulations. See "*European Union Regulatory Environment*".

Figure 1: Columbia Care Footprint



Cultivation and Production

Columbia Care actively operates or has under development, cultivation and/or production assets in Arizona, California, Colorado, Delaware, Florida, Illinois, Massachusetts, Missouri, New Jersey, New York, Ohio, Utah, Virginia, Washington, D.C., and West Virginia. Columbia Care's existing U.S. license portfolio allows for (i) an aggregate of approximately 1,037,796 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 165,000 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. This data does not include any announced acquisitions subject to definitive agreements that have not yet closed (such as the Green Leaf Transaction).

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

Jurisdiction	Approximate / Current Facility Size (sq. ft.)	Status	Approximate Expansion Capacity (sq. ft.)
Arizona	28,000 1,800	Operational Operational	-
California	45,600 36,028	Operational Operational	-
Colorado [1]	20,295 29,699 58,488 12,327 29,444	Operational Operational Operational Operational Operational	-
Delaware	20,000	Operational	-
Florida	13,845 40,000 13,248 44,800	Operational Operational Operational Under development	168,000
Illinois	32,802	Operational	-
Massachusetts	38,890	Operational	-
Missouri [2]	12,630	Under development	-
New Jersey	50,274	Operational	-
New York	58,346	Operational	149,997
Ohio	62,705	Operational	-
Puerto Rico [3]	25,486	Operations awaiting sale	-
Utah	11,371	Under Development	-
Virginia	65,765	Operational	-
Washington D.C.	7,100 [4] 9,491	Operational Operational	-
West Virginia	39,293	Under development	-
Total	**719,799** [5]		**317,997** [5]

Notes:

(1) Acquired in connection with the TGS acquisition.
(2) Subject to a management services agreement through which the Company will provide consultative services.
(3) Operations suspended indefinitely as of May 7, 2020.
(4) Leased by VentureForth LLC.
(5) Columbia Care's existing U.S. license portfolio allows an aggregate of approximately 1,037,796 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).

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) 25.1 (2)	Operational Operational	32.3 (3) 74.9
Total	**36.6**		**107.2**

Notes:

1) Includes 13,604 sq.ft. indoor cultivation 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 products produced within pharmaceutical tolerances 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 than the industry standard, but are designed to yield a safe, consistent, contaminant-free product that will lead the market in quality, safety and 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. Materials used for extraction adhere to the equivalent to FDA-regulated food or beverage quality. Once extracted, Columbia Care's expert formulation staff formulates pharmaceutical-quality 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. This data does not include any announced acquisitions subject to definitive agreements that have not yet closed (such as the Green Leaf Transaction).

Jurisdiction	City	Status
Arizona	Prescott	Operational
	Tempe	Operational
California	Los Angeles	Operational
	North Hollywood	Operational
	San Diego (2 locations)	Operational
	San Francisco	Operational
	Studio City	Operational
Colorado	Adams County	Operational
	Aspen	Operational
	Aurora (5 locations)	Operational
	Black Hawk	Operational
	Denver (3 locations)	Operational
	Edgewater	Operational
	Fort Collins	Operational
	Glendale	Operational
	Glenwood Springs	Operational
	Longmont	Operational
	Northglenn	Operational
	Sheridan (2 locations)	Operational
	Silver Plume	Operational
	Pueblo	Operational
	Trinidad (2 locations)	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
Massachusetts	Boston	Operational
	Greenfield	Operational
	Lowell	Operational
Missouri [(1)]	Hermann	Under development
New Jersey	Vineland	Operational
	Deptford	Under development

	May's Landing	Under development
New York	Brooklyn Manhattan Riverhead Rochester	Operational Operational Operational Operational
Ohio [2]	Dayton Logan Marietta Monroe	Operational Operational Operational Operational
Pennsylvania	Allentown Scranton Wilkes-Barre	Operational Operational Operational
Puerto Rico [3]	Ponce San Juan	Non-Operational; Operations awaiting sale Non-Operational; Operations awaiting sale
Utah	Springville	Under development
Virginia	Portsmouth (co-located with cultivation and manufacturing operations)	Operational
Washington D.C.	Washington D.C. [4]	Operational
West Virginia [5]	Beckley Fayetteville Morgantown St. Albans Williamstown	Under development Under development Under development Under development Under development

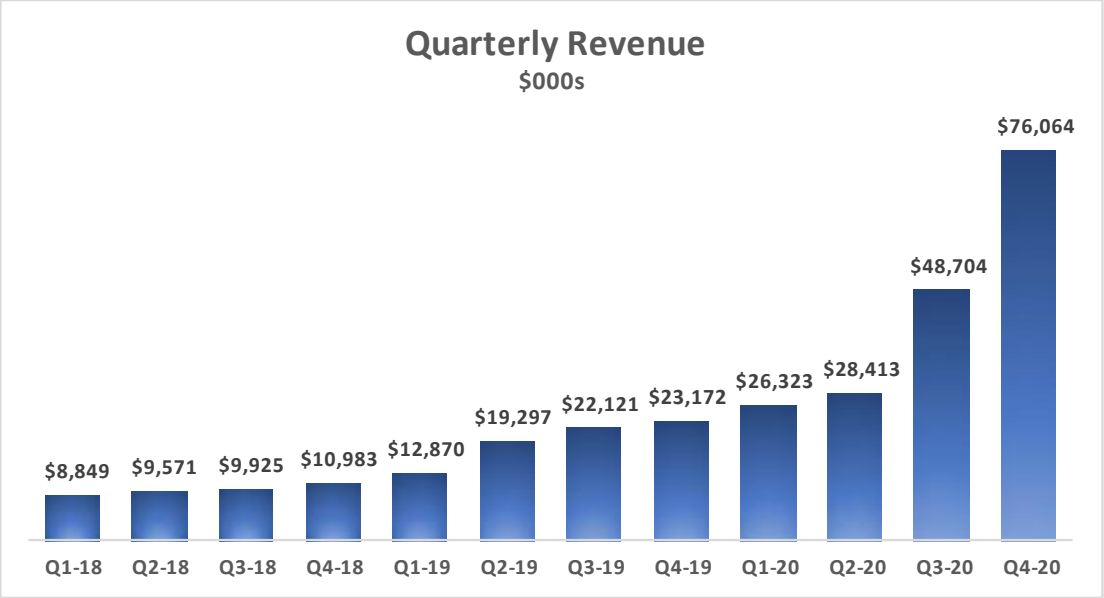
Notes:

(1) Subject to a management services agreement through which the company will provide consultative services
(2) Currently subject to a management services agreement until final regulatory approval is granted for the acquisition
(3) Operations suspended indefinitely as of May 7, 2020
(4) Leased by VentureForth LLC
(5) Locations are subject to change

Performance Indicators

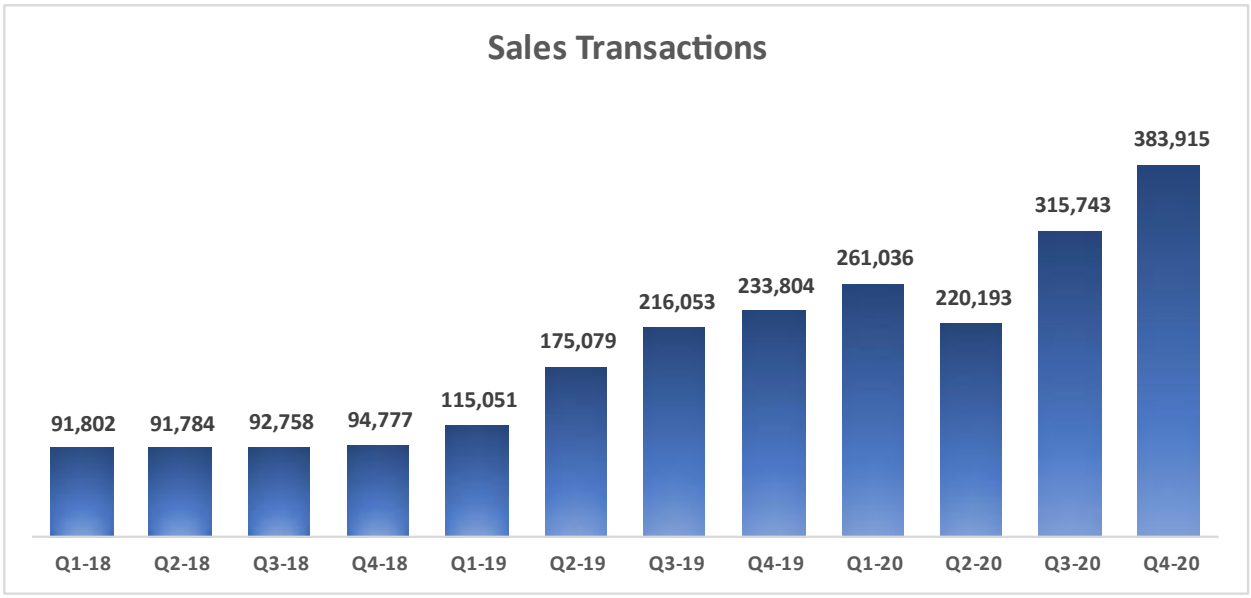
As Columbia Care seeks to manage its development, management currently uses key performance indicators ("**KPIs**") to assess its rate of growth and performance. These KPIs include top-line revenue growth, growth in sales transactions and growth in gross and EBITDA margin. The Company's performance with respect to its top line revenue growth and growth in sales transactions KPIs is set out below.

Table 1: Columbia Care Quarterly Revenue



Note:
(1) Net revenue is calculated as gross revenue minus discounts and includes net revenue from related parties in the fiscal quarter.

Table 2: Sales Transactions By Fiscal Quarter



Branding and Marketing

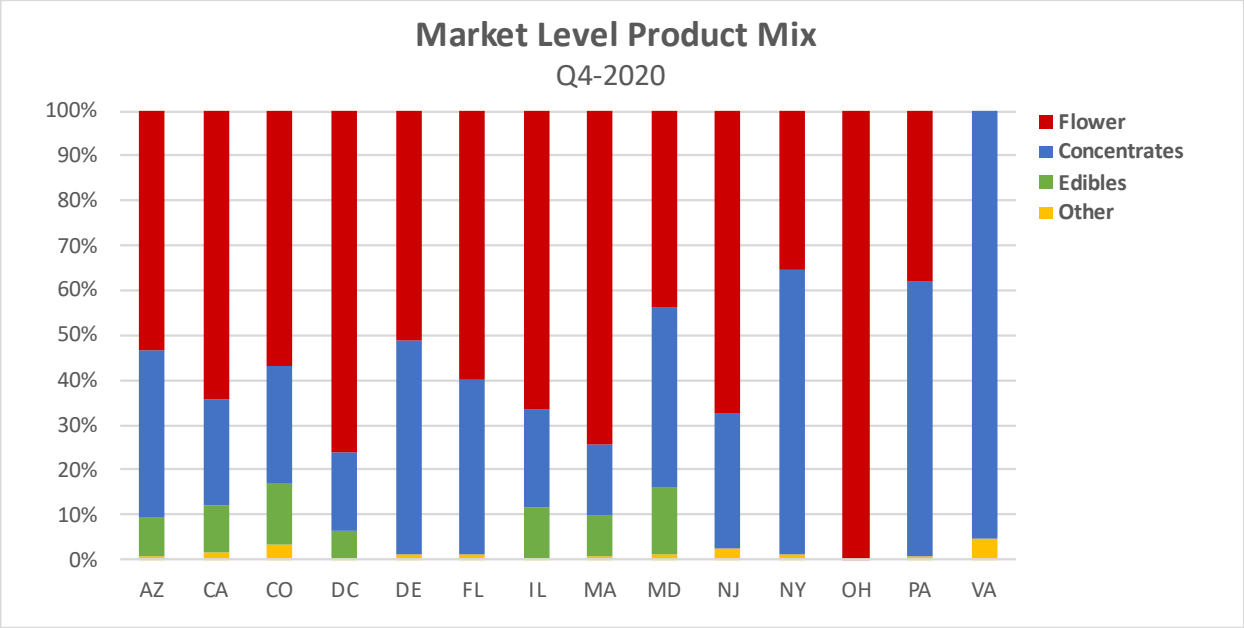
Columbia Care employs a diverse and knowledgeable staff of pharmacists and trained personnel for its dispensaries that reflect and embody its brand. Columbia Care has built its reputation on providing trusted, pharmaceutical-quality medical cannabis products to improve patients' wellness journeys, which 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

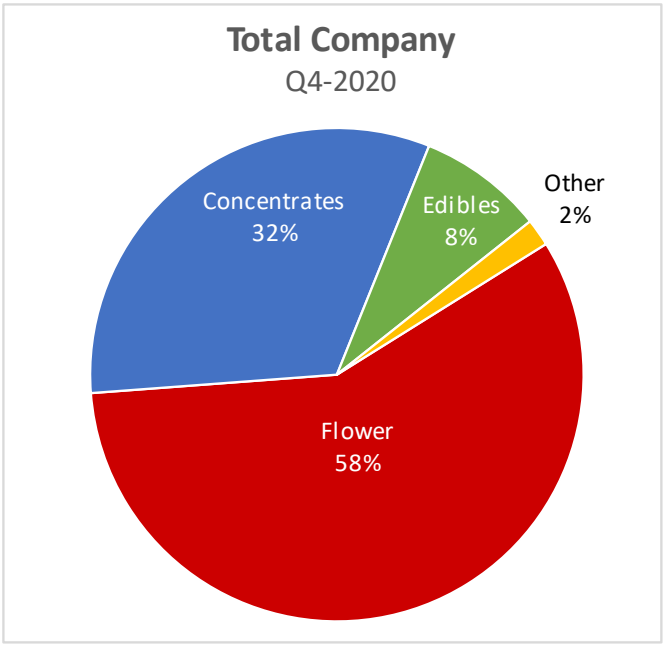
and customers. As Columbia Care expands into new markets, it aims to be a leader in developing a national health and wellness cannabis brand, which in turn is expected to support its expansion into international jurisdictions.

Product Selection and Offerings

Columbia Care has continually been at the forefront of developing and introducing innovative and safe products to serve patients' 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 product, 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.

Table 3: Columbia Care Sales Product Mix





Note:
(1) Allocation of net revenue for the three-months ended December 31, 2020 by product category for each market. Discounts are allocated to product categories based on gross revenue to arrive at the net revenue by product category.

Columbia Care has begun to bring its premium family of brands, and their products, to all jurisdictions where it has manufacturing operations. Columbia Care's focus is to develop proprietary formulations and delivery technologies that provide patients with high quality and differentiated products. These same form factors will be made available for adult-use markets where possible.

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.

Columbia Care introduced proprietary, controlled-dose, pharmaceutical-quality, hard-pressed tablets in New York State. This method of administration was designed to provide long-lasting relief across a wide range of symptom and illness categories. The tablets are manufactured by segregating and formulating precise combinations of active compounds derived from targeted strains of medicinal 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 conditions, symptoms 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.

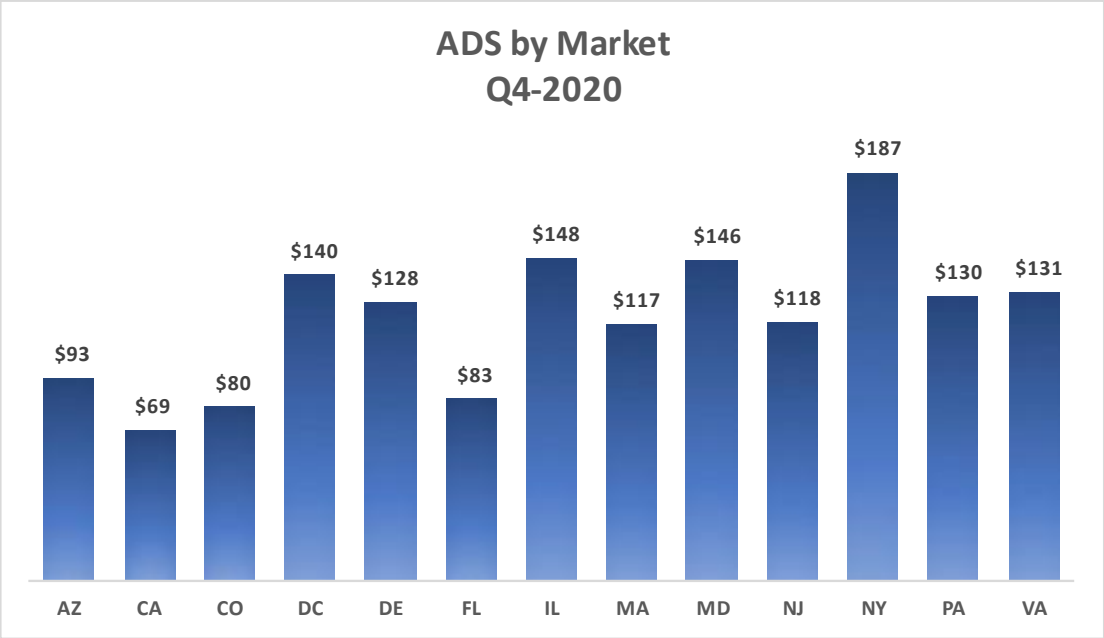
In 2020, the Company launched Seed & Strain, its first lifestyle cannabis brand. Available in a number of markets, products include flower, pre-rolls and concentrates. Other product and branded categories include but are not limited to confections, chocolate, drink mixes, condiments, kief, shatter, and wax/crumble.

Columbia Care 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.

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.

Table 4: Columbia Care Average Dispensary Sales in 2020 (1)



Notes:

(1) Unaudited. Average dispensary sales calculated as net revenue in the fiscal quarter divided by the number of unique sale transactions in the fiscal quarter. Amounts expressed in U.S. dollars and excludes home delivery sales.

Caring for The Community We Serve

Having completed over 4 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 needs. These initiatives allow Columbia Care to develop products with specific patient symptoms and optimal patient outcomes in mind. As Columbia Care scales this proprietary patient database, it is expected to become an increasingly important aspect of Columbia Care's product development strategy as it invests in branded formulations and administration types that best respond to patient 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 current 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 ATM's, 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.

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 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 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. In all instances, 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 preclude contamination to ensure the safety and quality of the products dispensed.

Information Technology

Columbia Care strategically invests in information technology infrastructure. In fiscal year 2021, Columbia Care intends 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 1.6 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 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, 2020, Columbia Care had 1,775 employees across its operating jurisdictions, up from 697 employees as of December 31, 2019 as a result of the TGS acquisition. As of March 1, 2021, Columbia Care has 1,781 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, assuming and upon completion of pending acquisitions and receipt of licenses applied for or contemplated to be applied for in such 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.

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 December 31, 2020, this portfolio included 1 issued U.S. patent and at least 22 pending patent applications owned or exclusively licensed by Columbia Care, filed in one or more of six jurisdictions, including Australia, Brazil, Canada, Europe, Japan 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 2041, excluding any extension of patent term that may be available in a particular country.

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. A comprehensive discussion on risks relating to intellectual property is provided under the subsections "*Intellectual Property Risks,*" "*Patent Protection*," "*Trademark Protection*," and "*Intellectual Property Rights Infringement.*"

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.[1] According to the U.S. federal government, cannabis having a concentration of tetrahydrocannabinol, or THC, greater than 0.3% is marijuana. Cannabis with a THC content below 0.3% is classified as hemp. 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 federal Food and Drug Administration ("**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 CBD, a chemical component of marijuana that does not contain the intoxication properties of tetrahydrocannabinol ("**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,[2] 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. Thirty-six (36) states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients, although Mississippi's medical cannabis legalization measure is under challenge.[3] In the District of Columbia, Guam and 15 of these states – Alaska, Arizona, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, New Jersey, Nevada, Oregon, South Dakota, Vermont and Washington – marijuana is legal for adult-use regardless of medical condition. Cannabis with a THC content below 0.3% is classified as hemp. The large increase in recent statewide referenda and legislation that liberalizes marijuana laws is consistent with public opinion. 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

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[1] 21 U.S.C. 812(b)(1).

[2] See Lachenmeier, DW & Rehm, J. (2015). Comparative risk assessment of alcohol, tobacco, cannabis and other illicit drugs using the margin of exposure approach. *Scientific Reports*, 5, 8126. doi: 10.1038/srep08126; Thomas, G & Davis, C. (2009). Cannabis, Tobacco and Alcohol Use in Canada: Comparing risks of harm and costs to society. *Visions Journal*, 5. Retrieved from http://www.heretohelp.bc.ca/sites/default/files/visions_cannabis.pdf; Jacobus et al. (2009). White matter integrity in adolescents with histories of marijuana use and binge drinking. *Neurotoxicology and Teratology*, 31, 349-355. https://doi.org/10.1016/j.ntt.2009.07.006; Could smoking pot cut risk of head, neck cancer? (2009 August 25). Retrieved from https://www.reuters.com/article/us-smoking-pot/could-smoking-pot-cut-risk-of-head-neck-cancer-idUSTRE57O5DC20090825; Watson, SJ, Benson JA Jr. & Joy, JE. (2000). Marijuana and medicine: assessing the science base: a summary of the 1999 Institute of Medicine report. Arch Gen Psychiatry Review, 57, 547-552. Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/10839332; Hoaken, Peter N.S. & Stewart, Sherry H. (2003). Drugs of abuse and the elicitation of human aggressive behavior. *Addictive Behaviours*, 28, 1533-1554. Retrieved from http://www.ukcia.org/research/AgressiveBehavior.pdf; and Fals-Steward, W.,Golden, J. & Schumacher, JA. (2003). Intimate partner violence and substance use: a longitudinal day-to-day examination. *Addictive Behaviors*, 28, 1555-1574. Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/14656545.

[3] See https://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx (Visited 2/4/2021).

of Justice **(**"**DOJ**") memoranda. The most recent such memorandum was drafted by former Deputy Attorney General James Cole in 2013 (the "**Cole Memo**").[4]

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 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**").[5] 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. President Joseph R. Biden was sworn in as the 46th United States President on January 20, 2021. President Biden has nominated Merrick Garland to serve as Attorney General in his administration. It is not yet known whether the Department of Justice under President Biden and Attorney General Garland, confirmed on March 10, 2021, will re-adopt the Cole Memorandum or announce a substantive marijuana enforcement policy. Justice 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."[6]

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[4] U.S. Dept. of Justice. (2013). Memorandum for all *United States Attorneys re: Guidance Regarding Marijuana Enforcement*. Washington, DC: US Government Printing Office, *available at* https://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf (visited Nov. 9, 2018). Prior to the Cole Memo, the DOJ issued other memoranda, including *Investigations and Prosecutions in States Authorizing the Medical Use of Marijuana* (Oct. 19, 2009) and *Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use* (June 29, 2011).

[5] U.S. Dept. of Justice. (2018). *Memorandum for all United States Attorneys re: Marijuana Enforcement*. Washington, DC: US Government Printing Office, *available at* https://www.justice.gov/opa/press-release/file/1022196/download.

[6] 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/

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 memorandum, enforcement priorities are determined by respective United States Attorneys.

In the absence of a uniform federal policy, as had been established by the Cole Memo, numerous United States Attorneys with state-legal marijuana programs within their jurisdictions have announced enforcement priorities for their respective offices. For instance, Andrew Lelling, the former United States Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's marijuana enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds.[7]

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] U.S Attorney's Office District of Massachusetts (2018). *Statement of U.S. Attorney Andrew Lelling Regarding the Legalization of Recreational Marijuana in Massachusetts, available at* https://www.justice.gov/usao-ma/pr/statement-us-attorney-andrew-lelling-regarding-legalization-recreational-marijuana.

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 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. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses' accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

The few state-chartered banks and/or credit unions that have agreed to work with marijuana businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. 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. The Secretary of the U.S. Department of the Treasury, Stephen Mnuchin, has publicly stated that the Department was not informed of any plans to rescind the Cole Memo. Secretary Mnuchin stated that he does not have a desire to rescind the FinCEN Guidance.[8]

Despite the recent rescission of the Cole Memo, 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 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.

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[8] Angell, Tom. (2018 February 6). Trump Treasury Secretary Wants Marijuana Money In Banks, *available at* https://www.forbes.com/sites/tomangell/2018/02/06/trump-treasury-secretary-wants-marijuana-money-in-banks/#2848046a3a53; *see also* Mnuchin: Treasury is reviewing cannabis policies. (2018 February 7), *available at* http://www.scotsmanguide.com/News/2018/02/Mnuchin--Treasury-is-reviewing-cannabis-policies/.

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, in recent years, certain temporary federal legislative enactments that protect the medical marijuana and hemp industries have also been in effect. 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 both Presidents Obama and Trump. 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.[9] The rider is known as the "Rohrbacher-Farr" Amendment after its original lead sponsors.

Originally, a Republican-controlled House and Democratic-controlled Senate passed the Rohrbacher-Farr Amendment. The bill was "a bipartisan appropriations measure that looks to prohibit the DEA from spending funds to arrest state-licensed medical marijuana patients and providers."[10] Subsequently, the amendment has been included in multiple budgets passed by a Republican-controlled Congress. While the Rohrbacher-Farr Amendment has been included in successive appropriations legislation or resolutions since 2015, its inclusion or non-inclusion is subject to political change.

The Rohrbacher-Farr Amendment was extended most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through September 30, 2021. Notably, Rohrbacher-Farr has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities.

CBD is a product that often is derived from hemp, which contains only trace amounts of THC, the psychoactive substance found in marijuana. On December 20, 2018, President Trump signed the Agriculture Improvement Act of 2018 (popularly known as the 2018 Farm Bill) into law.[11] Until the 2018 Farm Bill became law hemp and products derived from it, such as CBD, fell within the definition of "marijuana" under the CSA and the DEA classified hemp as a Schedule I controlled substance because hemp is part of the cannabis plant.[12]

The 2018 Farm Bill defines hemp as the plant Cannabis sativa L. and any part of the plant with a delta-9 THC concentration of not more than 0.3 percent by dry weight and removes hemp from the CSA. The 2018 Farm Bill also allows states to create regulatory programs allowing for the licensed cultivation of hemp and production of hemp-derived products. Hemp and products derived from it, such as CBD, may then be sold into commerce and transported across state lines provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program and otherwise meets the definition of hemp removed from the CSA.

There is a growing consensus among marijuana businesses and numerous congressmen and congresswomen that guidance is not law and temporary legislation is an inappropriate way to protect lawful medical marijuana 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.

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[9] 2015 Appropriations Act, Public Law No. 113-235 § 538.17.
[10] Statement of Rep. Alcee Hastings, 160 Cong. Rec. 82, H4914, H4984 (daily ed. May 29, 2014).
[11] H.R.2 - 115th Congress (2017-2018): Agriculture Improvement Act of 2018, Congress.gov (2018), https://www.congress.gov/bill/115th-congress/house-bill/2/text.
[12] *See, e.g.,* 21 C.F.R. § 1308.35.

Additionally, in 2020, the U.S. House of Representatives passed 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 and the MORE Act, which, among other things, would remove marijuana from the CSA.[13] Neither the SAFE Banking Act, nor the MORE Act were taken up for a vote by the United States Senate in the 2020 legislative session. Following the federal elections of 2020, the Democratic Party won control of both U.S. House of Representatives and the U.S. Senate, which has led some observers to predict that Congress will pass legislation that legalizes or decriminalizes marijuana or removes certain restrictions on financial services in the industry.

Notwithstanding the foregoing, there is no guarantee that the Biden administration will not change the stated policies or practices of the Department of Justice or individual United States Attorneys regarding the low-priority enforcement of U.S. federal laws that conflict with state laws. The Biden administration and the Congress could decide to enforce U.S. federal laws vigorously.

An additional challenge to marijuana-related businesses is that the provisions of the Internal Revenue Code, Section 280E, are being applied by the IRS to businesses operating in the medical and adult-use marijuana industry. Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business 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 Information Form, Columbia Care is in compliance with applicable law and has not received any citations or notices of violation which may 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(11) defines a "'nonprofit medical cannabis dispensary'" as a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses cannabis 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 an annual basis, which must also

[13] H.R. 1595 – SAFE Banking Act of 2019, 116th Congress (2019-2020), https://www.congress.gov/bill/116th-congress/house-bill/1595/text?q=%7B%22search%22%3A%5B%22SAFE+Banking+Act%22%5D%7D

include audited annual financial statements. While a Certificate may not be sold, transferred or otherwise conveyed, Certificate holders typically contract with third parties to provide various services related to the ongoing operation, maintenance, and governance of its dispensary and/or cultivation facility so long as such contracts do not violate the requirements of the AMMA or the medical marijuana program.

The ADHS had until April 2012 to establish a registration application system for patients and nonprofit marijuana dispensaries, as well as a web-based verification platform for use by law officials and dispensaries to verify a patient's status as such. It also specified patients' rights, qualifying medical conditions, and allowed out-of-state medical marijuana patients to maintain their patient status (though not to purchase cannabis). On December 6, 2012, Arizona's first licensed medical marijuana dispensary opened in Glendale. Arizona recently enacted SB 1494, which, among other things will require testing of medical marijuana and require biannual renewal of agent licensure.

To qualify to use medical marijuana under the AMMA, a patient is required to have a debilitating medical condition. Valid medical conditions include 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. The bill makes patient ID cards and medical marijuana dispensary registration certificates expire every two years rather than every year. Regulations implementing S.B. 1494 went into effect on August 27, 2019. In February 2020, the Department began an additional round of rulemaking designed to improve the regulations regarding independent testing.

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 has published draft rules to administer the Adult-use Marijuana Program to be embodied 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. 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; or 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) is in compliance with 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 annually 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 rented 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. This round of license applications are 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	08/07/2022	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.
Salubrious Wellness Clinic, Inc.	Approval to Operate cultivation at offsite location	00000097DCGK00454998	Chino Valley, AZ	08/07/22	Approval to operate cultivation offsite location
Salubrious Wellness Clinic, Inc.	Adult-Use Dispensary Registration Certificate	00000071ESFP14031510	Tempe, AZ	01/21/23	Approval to dispense adult-use cannabis
203 Organix, LLC	Medical Dispensary Registration Certificate	00000074DCGW00540313	Prescott, AZ	08/7/2022	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	01/21/23	Approval to dispense adult-use cannabis

With the passage of S.B. 1494, certificates are renewed biennially. 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 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.

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, (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) carry a cell phone, and (d) ensure that no cannabis is visible, and (iii) dispensaries must maintain trip plan records.

Arizona Adult-use Operating Requirements

Marijuana establishments must (i) ensure that the retail location is operating and available at least 30 hours a week within 18 months after receiving the marijuana establishment license, (ii) develop and implement and regularly update policies related to job descriptions and employment contracts 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 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.

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, or (ii) dispenses, delivers, or otherwise transfers cannabis to an 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, (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 has been convicted of an excluded felony offense, or (iii) the marijuana establishment does not (i) comply with the requirements in the SSAA or (ii) 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 regulate marijuana at the state level are the Bureau of Cannabis Control ("**BCC**"), California Department of Food and Agriculture, 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.

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) is in compliance with 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 Bureau of Cannabis Control - # C10-0000472-LIC	San Diego	07/18/21	Adult-Use and Medicinal Provisional Distributor License
Focused Health LLC	California Department of Public Health Manufactured Cannabis Safety Branch – CDPH-10003760	San Diego	07/29/21	Annual Manufacturing License – Type 6: Non-Volatile Solvent Extraction
Focused Health LLC	California Department of Food and Agriculture - CCL19-003852	San Diego	12/26/21	Provisional Cannabis Cultivation License – Adult-Use Specialty Indoor -

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Focused Health LLC	California Bureau of Cannabis Control - C10-0001210-LIC	San Diego	06/09/21	Adult-Use and Medicinal Provisional Distributor License
The Healing Center of San Diego, LLC	California Bureau of Cannabis Control - C10-0000213-LIC	San Diego	06/13/21	Adult-Use and Medicinal Provisional Retailer License
PHC Facilities, Inc.	California Department of Food and Agriculture – CCL18-0003760	Los Angeles	04/26/22	Provisional Cannabis Cultivation License – Adult-Use Medium Indoor
PHC Facilities, Inc.	California Bureau of Cannabis Control - C10-0000072-LIC	Los Angeles	05/09/21	Adult-Use and Medicinal Provisional Distributor License
PHC Facilities, Inc.	California Bureau of Cannabis Control - C10-0000050-LIC	Los Angeles	05/09/21	Adult-Use and Medicinal Provisional Retailer License
Resource Referral Services, Inc.	California Bureau of Cannabis Control - C10-0000130-LIC	North Hollywood	06/04/21	Adult-Use and Medicinal Provisional Retailer License
Access Bryant SPC	California Bureau of Cannabis Control - C10-0000527-LIC	San Francisco	07/28/21	Adult-Use and Medicinal Provisional Retailer License
The Wellness Earth Energy Dispensary, Inc.	California Bureau of Cannabis Control – C10-0000288-LIC	Studio City	06/24/21	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 does not possess a physician's recommendation.

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.

BCC Inspections

The BCC, and its authorized representatives, shall have full and immediate access to inspect and enter onto any premises licensed by the BCC. The BCC 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 BCC may also copy any materials, books, or records of any licensee or their agents and employees. Failure to cooperate with and participate in any BCC 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 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.

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 is in compliance with applicable licensing requirements and 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-00780	Aspen, Colorado	9/25/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00300	Aurora, Colorado (Peoria Court)	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00302	Aurora, Colorado (E. Montview Boulevard)	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00297	Aurora, Colorado (S. Potomac)	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00303	Aurora, Colorado (E. Colfax)	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00666	Aurora, Colorado (Quincy Avenue)	5/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00474	Denver, Colorado (Federal Boulevard)	6/24/2021	Authorizes retail of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00374	Black Hawk, Colorado	12/15/2021	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)	1/1/2022	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)	1/1/2022	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)	5/20/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis cultivation license 403R-00018	Denver, Colorado Grape (REC) Grow	1/1/2022	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	3/5/2022	Authorizes cultivation of medical cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00298	Edgewater, Colorado	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00501	Fort Collins, Colorado	9/23/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license (medical) 402-00839	Fort Collins, Colorado	6/26/2021	Authorizes retail of medical cannabis.
The Green Solution LLC	Cannabis retail license 402R-00654	Glendale, Colorado	3/13/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00742	Glenwood Springs, Colorado	3/29/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00718	Longmont, Colorado	1/18/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00014	Northglenn, Colorado	1/1/2022	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)	3/26/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00743	Sheridan, Colorado (3318 S. Federal Boulevard)	3/29/2022	Authorizes retail of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00299	Silver Plume, Colorado	10/1/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00670	Pueblo, Colorado	5/12/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00582	Trinidad, Colorado (Santa Fe Trail)	7/11/2021	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00583	Trinidad, Colorado (N. Commercial Street)	7/11/2021	Authorizes retail of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-01151	Trinidad, Colorado (36900 El Moro Road)	5/28/2021	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00892	Trinidad, Colorado (1200 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00893	Trinidad, Colorado (1201 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00894	Trinidad, Colorado (1202 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00895	Trinidad, Colorado (1203 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00020	Denver, Colorado (Steele Street)	1/1/2022	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)	1/25/2022	Authorizes cultivation of cannabis.
Infuzionz, LLC	Cannabis processing license 404R-00003	Denver, Colorado (Washington Street)	1/1/2022	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)	1/28/2022	Authorizes manufacturing of medical cannabis products. The regulator has provided a letter confirming renewal receipt and continuing validity of license.

With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, 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.

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; or (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 2,000 ounces of usable marijuana. Delaware prohibits Compassion Centers from purchasing marijuana from any person other than another Compassion Center.

Columbia Care (through its subsidiary in the State of Delaware) is in compliance with applicable licensing requirements and 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.

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 1809-CC01	Milford, DE	09/15/22	Manufacturing Center
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 1809-CC02	Smyrna, DE	09/15/22	Dispensary
Columbia Care Delaware LLC	Registration Certificate and	Wilmington, DE	09/15/22	Dispensary

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
	Operation Permit for Medical Marijuana Compassion Center 1908-CC06			
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 1910-CC07	Rehoboth Beach, DE	09/15/22	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 which was the first legal medical cannabis program in the state's history. 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. As of October 5, 2018, there were 172,848 total patients in the registry, 1,755 qualified ordering physicians, and 58 approved retail dispensing locations.[14] 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 Department of Health most recently updated its regulations regarding inspection procedures, background screening, and fines, suspensions, and revocations of licenses in June 2020.

On July 1, 2019, a Florida appeals court held that the legislative measures imposing license caps and a vertical integration requirement are unconstitutional because they violate Amendment 2. The Department of Health has appealed the decision to the Florida Supreme Court.

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 "**Act**") became effective and expanded the hemp program in Florida. The 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) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Florida.

Florida Licenses

Subsection 381.986(8)(a) of the State of Florida Statutes provides a regulatory 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. Licenses issued by the Department may be

[14] Florida Department of Health, Office of Medical Marijuana Use; October 5, 2018 bi-weekly update. Available at http://www.floridahealth.gov/programs-and-services/office-of-medical-marijuana-use/ommu-updates/_documents/181005-bi-weekly-update.pdf.

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.

The license permits the sale of derivative products produced from extracted cannabis plant oil as medical cannabis to qualified patients to treat certain medical conditions. The license also permits the sale of up to a 35-day supply of whole flower for smoking, per patient. By law, a 35-day supply is 2.5 ounces of whole flower.

Under the terms of its MMTC license, Columbia Care's 100%-owned subsidiary, Better Gro Companies LLC (DBA 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. Under the license, Better Gro Companies LLC can operate up to 50 dispensaries statewide. Pursuant to subsection 386.981(8)(a)(5)(b) of the State of Florida Statutes, MMTCs may not establish more than the maximum number of dispensing facilities allowed in each region of the state, as determined by the Department of Health based on a population-centric formula. Dispensaries may otherwise be in any geographic location within the state as long as the local municipality's zoning regulations authorize such a use and 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, Better Gro Companies LLC is able to cultivate, harvest, process and sell/dispense/deliver its own medical cannabis products. The State of Florida also allows Better Gro Companies LLC to make a wholesale purchase of medical cannabis from, or a distribution of medical cannabis to, another licensed dispensing organization within the state under certain circumstances such as crop failure.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Better Gro Companies LLC (DBA Columbia Care Florida)	Medical Marijuana Treatment Center – MMTC-2017-0011	Multiple Locations	05/29/2022	Authorizes Columbia Care Florida to cultivate, process, transport and dispense cannabis for medical use
Better Gro Companies LLC (DBA Columbia Care Florida)	Letter authorizing dispensing via delivery	Arcadia, FL	Not applicable.	Letter from Office of Medical Marijuana Use dated June 27, 2018
Better Gro Companies LLC	License to Cultivate Hemp	Arcadia, FL	01/22/2022	License to cultivate industrial hemp.

Florida Reporting Requirements

The Florida Department of Health 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 Florida Department of Health 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 Florida Department of Health 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 Department may be renewed biennially so long as the licensee meets requirements of the law and pays a renewal fee. 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, Better Gro Companies LLC would expect to receive the applicable renewed license 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 the licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of Columbia Care and have a material adverse effect on its business, financial condition, results of operations, or prospects.

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 Department, (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 Department, (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 Department, the applicant must post a performance bond of up to US$5 million, which may be reduced by meeting certain criteria such as a minimum patient count.

Florida Dispensary Requirements

An MMTC may not dispense more than a 70-day supply of cannabis. 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.

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 an 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

The Department conducts announced and unannounced inspections of MMTCs to determine compliance with the laws and rules. The Department 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. The Department 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 is extended through July 1, 2020. 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' retail market size for medical cannabis in 2018 was over US$136 million, representing an over 160% year-over-year increase. Total retail sales since November 2015 are over US$260 million in aggregate.

In March 2018, Cook County voters (Cook County is the most populous county in the state, encompassing all of Chicagoland metro area) responded positively for state-wide adult-use legalization with a 63% majority in a non-binding vote. In November 2018, Illinois elected J.B. Pritzker as governor. Pritzker supported legalizing marijuana during his campaign.

Illinois enacted the Cannabis Regulation and Tax Act in June 2019. The Act legalized the adult use of marijuana effective January 1, 2020. Under the Act, Illinois residents age 21 and older are allowed to possess up to 30 grams of marijuana and non-residents can possess up to 15 grams. The Act 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. The IDFPR has granted approximately 48 Early Approval Adult Use Dispensing Organization licenses to date. The IDFPR also held an application period for Conditional Adult Use Cannabis Dispensary Licenses from December 10, 2019 through January 2, 2020. Licenses from this round of applications have not yet been awarded. No person can hold a financial interest in more than 10 dispensing organizations.

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. 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. The Department will accept applications for craft growers, infusers, and cannabis transporters through March 16, 2020.

The 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 has promulgated emergency regulations, while the IDFPR has not yet issued 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 "**Act**") became effective. The 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 Illinois 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 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) is in compliance with 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 #DISP.000044	Chicago, IL	08/29/21	Registered Medical Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation AUTDO.000024	Chicago, IL	03/31/22	Registered Adult-Use Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation AUTDO.000065	Villa Park	03/31/22	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	03/31/22	Early Approval Adult-Use Cultivation Center License
Curative Health Cultivation, LLC	IL Dept. of Agriculture Operating Permit #1512040751	Aurora, IL	12/04/21	Medical Cannabis Cultivation Center Operating Permit
Curative Health Cultivation LLC	IL Dept. of Agriculture Registered Industrial Hemp Processor License – 1204-332	Aurora, IL	12/31/22	Registered Industrial Hemp Processor License

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 Department of Financial and Professional Regulation – 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 Department of Financial and Professional Regulation – 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 T&T 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 Department of Financial and Professional Regulation – 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 Department of Financial and Professional Regulation – 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.

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

Dispensary licenses in Maryland are renewed every two years. Before expiry, licensees are required to submit a renewal application. 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 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 ("**MERTC**"). 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 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 locations. 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.

Columbia Care (through its subsidiary in the Commonwealth of Massachusetts) is in compliance with applicable licensing 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" #165	Lowell, MA	06/27/21	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #727	Greenfield, MA	11/07/21	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #265	Boston, MA	11/07/21	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 (xvii) 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.

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

Massachusetts Licensing Requirements (Adult-Use)

Exiting 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 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 #MRN281283	Lowell, MA	9/15/21	Retail
Patriot Care Corp.	Final Marijuana Establishment License #MPN281308	Lowell, MA	9/15/21	Manufacturing
Patriot Care Corp.	Final Marijuana Establishment License #MCN281265	Lowell, MA	9/15/21	Cultivation
Patriot Care Corp.	Final Marijuana Establishment License #MRN281282	Greenfield, MA	9/15/21	Retail
Patriot Care Corp.	Provisional Marijuana Retail License #MRN281284	Boston, MA	Provisional license	Retail

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.

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	#: MAN00036	Columbia, Missouri	8/15/21	Manufacturing
Columbia Care MO LLC	#: DIS000184	Hermann, Missouri	9/15/21	Dispensary

Missouri Regulations

DHSS's regulations 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 medical 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). Medical 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. Medical 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 medical marijuana facilities, such as solid wastes and wastewater, must be disposed of in accordance with otherwise-applicable Missouri law regarding waste disposal. Medical 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.

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. 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 dispensary may not dispense medical marijuana in excess of what the qualified patient is permitted to purchase under the patient's physician authorization. Dispensary facilities are required to limit access to qualifying patients and primary caregivers, and to enforce limited access areas throughout the dispensary facility.

NEW JERSEY

New Jersey Regulatory Landscape

New Jersey's medical marijuana program is governed by the New Jersey Compassionate Use Medical Marijuana Act, N.J. Stat. § 24:6l-1 *et seq.*, and the Department of Health's (the **"Department's"**) implementing regulations, N.J.A.C. 8:64 *et seq.* Pursuant to the Act, qualifying patients with debilitating medical conditions may become registered to use medical marijuana. Debilitating medical conditions include: seizure disorders such as epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; glaucoma; ALS; multiple sclerosis; terminal cancer; muscular dystrophy; inflammatory bowel disease; Crohn's disease; terminal illness; anxiety; certain types of chronic pain; migraine headaches; Tourette syndrome; Opioid Use Disorder; and, in some instances, HIV, AIDS, or cancer.

The Act creates a permitting regime for "alternative treatment centers" ("**ATCs**"), which are vertically-integrated medical marijuana businesses. In addition, the Department'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 Department; conduct research and develop products containing marijuana for approval by the Department; 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 Marijuana Act that made several changes to the state's medical marijuana program. Amongst other changes, the Act: (i) creates a new regulatory body, the Cannabis Regulatory Commission; (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. Regulations in response to the Act have not yet been promulgated; 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 only conditions imposed on ATCs are: (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, or the square footage of canopy permitted under the largest tier in the tiered system adopted by the Cannabis Regulatory Commission ("CRC"), the successor agency taking over regulatory oversight for both the medical and adult use marketplaces.

Adult-use sales may not formally commence until the CRC adopts its interim rules and regulations governing the adult-use marketplace, which must be passed within 6 months of February 22, 2021. Adult-use sales may thereafter commence at any point following that 6-month time frame but must commence within 1 year of February 22, 2021.

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 selected from an applicant pool of more than 200 to develop an ATC. The Department may license up to 24 new ATCs pursuant to a Request for Application period that closed on August 22, 2019.

New Jersey Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care New Jersey LLC	Operational Permit #02042020	Vineland, NJ	12/31/21	Cultivation, Dispensing, and Processing

Permits are renewed annually 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.

New Jersey Dispensary Requirements

ATCs are subject to a number of regulations regarding their policies, procedures, records, and reporting. 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, and more. As with all jurisdictions, the full regulations (N.J.A.C. 8:64 *et seq.*) 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 marijuana 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**") is the regulatory agency overseeing the medical marijuana program. 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.

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	07/31/21	Manufacturing

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care NY LLC	MM0302D	New York, NY	07/31/21	Dispensary
Columbia Care NY LLC	MM0303D	Riverhead, NY	07/31/21	Dispensary
Columbia Care NY LLC	MM0306D	Brooklyn, NY	07/31/21	Dispensary
Columbia Care NY LLC	MM0305D	Rochester, NY	07/31/21	Dispensary
Columbia Care NY, LLC	New York Department of Health - Controlled Substances License No. 0100220	Rochester, NY	03/05/23	Class 1 Manufacturer – Controlled Substances
Columbia Care NY, LLC	New York Department of Health - Controlled Substances License No. 10000105	Rochester, NY	05/16/21	Class 10 Exporter
Columbia Care Industrial Hemp LLC	HEMP-P-000069	Rochester, NY	04/30/22	Industrial Hemp Processor
Columbia Care Industrial Hemp LLC	HRMP-G-000318	Rochester, NY	04/30/22	Industrial Hemp Grower

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.”

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: 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 Commissioner of Health. Smoking is not an approved route of administration.

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.

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 NYSDOH 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 NYSDOH. All other data is pulled by the NYSDOH 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 90 days and make available to the NYSDOH; 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 NYSDOH or its authorized representative, and others when approved by the NYSDOH. 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 NYSDOH. A copy of the shipping manifest must be transmitted to the destination that will receive the products and to the NYSDOH at least two Business Days prior to transport unless otherwise expressly approved by the NYSDOH. In this regard, the Registered Organization must maintain shipping manifests and make them available to the NYSDOH 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 NYSDOH for monitoring, on-site inspection, and audit purposes, including but not limited to periodic inspections and evaluations. If a problem is found by NYSDOH, the registered organization must submit a plan of correction within 15 days.

New York Hemp

The New York Department of Agriculture and Markets has regulatory authority over New York's industrial hemp program. That program creates a licensing regime for growers and processors of industry hemp, and subjects such licensees to recordkeeping, product-quality testing, transportation, disposal, and security requirements. The Department 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.

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

Ohio Licenses

On November 30, 2017, Columbia Care OH LLC was awarded a provisional cultivation license for operation of a Level I Cultivation facility in Mount Orab, Ohio. On September 26, 2018, the Ohio Department of Commerce extended the provisional license through October 31, 2018. Columbia Care received its full licensure in the form of a Certificate of Operation on July 2, 2019.

A Certificate of Operation will permit Columbia Care OH LLC to grow, harvest, package, and transport medical marijuana to registered medical marijuana dispensaries and to operate up to twenty-five thousand square footage of space designated as the marijuana cultivation area. Certificates of Operation in Ohio are renewed annually. 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 OH LLC would expect have its anticipated Certificate of Operation renewed in the ordinary course of business.

Licenses in the State of Ohio

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care OH LLC	MMCPC00024	Mount Orab, OH	07/01/21	Cultivation

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Cannascend Alternative LLC dba Strawberry Fields	MMD.0700041	Dayton, OH	07/01/21	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative Logan, LLC dba Strawberry Fields	MMD.0700038	Logan, OH	07/31/21	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative LLC dba Strawberry Fields	MMD.0700039	Monroe, OH	07/31/21	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative LLC dba Strawberry Fields	MMD.0700040	Marietta, OH	07/01/21	Medical Marijuana Dispensary Certificate of Operation
Corsa Verde LLC	MMCPPP00039	Columbus, OH	12/12/2021	Processor 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.

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. When Columbia Care Ohio LLC is operational, it intends to implement its tracking system to comply with the state's tracking and reporting requirements.

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.

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.

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.

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) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Pennsylvania.

Pennsylvania Licenses

Columbia Care Pennsylvania LLC, a wholly-owned subsidiary of Columbia Care, applied for and was awarded a license to operate a primary dispensary in Lackawanna County and additional dispensaries in Luzerne and Monroe counties. The table below includes that license. Its dispensaries in Scranton, Wilkes-Barre and Allentown are operational.

Under applicable laws, the license permits Columbia Care Pennsylvania LLC 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. Columbia Care Pennsylvania LLC's license was renewed in 2018. 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 Pennsylvania LLC 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	Dispensary Permit D-2009-17	Allentown, PA Scranton, PA Wilkes-Barre, PA	06/29/21	Dispensary

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 30-day supply at one time, and they must wait until the patient has exhausted all but a 7-day supply before providing a refill. 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.

PUERTO RICO

Puerto Rico Regulatory Landscape

Puerto Rico's medical marijuana program is governed by the Medical Cannabis Act, 24 L.P.R.A. § 2621 *et seq.* (the "**Act**"), and by regulations promulgated by the Medical Cannabis Regulatory Board (the "**MCR Board**"), Regulation No. 9038, July 2, 2018. The program allows for the medical administration of cannabis in private locations when the use is recommended by an authorized physician. Smoking medical marijuana, which does not include vaporizing, remains prohibited. The MCR Board has authorized physicians to prescribe medical cannabis for a "bona fide" medical condition not otherwise prohibited by the regulations or the Act, as determined by a physician, provided that patients who are prescribed medical marijuana must register with the MCR Board and provide a MCR Board-issued identification to obtain medical marijuana.

The Medical Cannabis Act authorizes the MCR Board to create licensing regimes for – among other entities – cultivation centers, dispensaries, and manufacturing facilities. Licensees of separate types of licenses are only permitted to engage in the specific licensing activity for which they are granted a license.

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

Puerto Rico License Requirements

Applicants for manufacturing, cultivation, and dispensing licenses are subject to stringent measures designed to guarantee the safety of patients, the community, and persons participating in the medical cannabis industry. Specifically, applicants must demonstrate, among other things, the following:

- Those seeking a license for dispensaries must fulfill 17 different licensing requirements, including forms and supplementary materials required by the MCR Board; evidence that the applicant is at least 21 years old; a copy of identification for each owner with at least 5% interest; evidence that at least 51% of the ownership capital originates in Puerto Rico; background check information concerning each owner with at least 5% interest; evidence that the applicant has not been convicted of a felony relating to the possession, distribution, manufacture, cultivation or use of a controlled substance; evidence that the applicant has the financial capacity to operate each establishment for which it applies for a period of twelve months; certified copy of a criminal record submitted by the Puerto Rico police; certified copy of "no debt" from the Puerto Rico Department of Treasury; certification of "no debt" from the Municipal Revenue Collection Center; a partnership agreement; a zoning map demonstrating the dispensary will not be within a 100 meter radius of a school; evidence of ownership; submit a request to do business as a registered merchant; a detailed plan of the establishment; financial projections and a break even analysis; and payment of the requisite fees.

- In addition to the licensing requirements listed above, those seeking a cultivation license must fulfill the following requirements: a certificate of compliance with good agricultural practice or its equivalent approved by the Puerto Rico Department of Agriculture; evidence of having taken a course of good agricultural practices. In addition, establishments must follow good cultivation practices and maintain standard operational procedures to protect and guarantee quality; structures that cultivate indoors should be in a closed space with rigid walls without windows to avoid visibility indoors; access must be limited; they must be available for inspection; and must be surrounded by a double fence.

- In addition to the licensing requirements listed above, those seeking a manufacturing license must fulfill the following requirements: they must follow best manufacturing practices provided for in Title 21 of the Code of Federal Regulations; have a current certificate for food hygiene from the Assistant Secretary of Environmental Health; evidence of having taken a course on food security; limitations on access to the areas of manufacture, inventory, and loading; and the establishment of processes and standards detailed for each product manufactured.

As described in the "License" section below, Columbia Care Puerto Rico LLC, holds letters of prequalification from the MCR Board, but does not yet hold licenses to operate the prequalified facilities. Provided that the requisite application fees are paid, the applications are submitted in a timely manner, and there are no material deviations from the MCR Board's application requirements, Columbia Care Puerto Rico LLC would expect to receive the applicable licenses in the ordinary course of business. While Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from an application requirement, there is no assurance that the Puerto Rico licenses will ultimately be granted.

Puerto Rico Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Puerto Rico LLC	Cannabis Establishment License	San Juan, PR	07/30/21	Dispensary
Columbia Care Puerto Rico LLC	Cannabis Establishment License CM-2020-212	Ponce, PR	02/25/21 (extended to 4/26/21 due to pending application for license renewal)	Dispensary

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Puerto Rico LLC	Prequalification Letter (dispensary)	Arecibo, PR	Not applicable.	Dispensary
Columbia Care Puerto Rico LLC	CM- 2020-217	Cidra, PR	03/03/21 (extended to 5/4/21 due to pending application for license renewal)	Cultivation
Columbia Care Puerto Rico LLC	CM-2020-218	Cidra, PR	03/03/21 (extended to 5/3/21 due to pending application for license renewal)	Manufacturing

Licenses expire within one year. A renewal application must be submitted 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 Puerto Rico LLC would expect its future anticipated licenses to be renewed in the ordinary course of business.

Puerto Rico Dispensary Operational Requirements

Only authorized patients may purchase marijuana and may only use such products in the privacy of their homes and in authorized locations. Marijuana may not be used in a commercial facility. Marijuana may not be sold to someone without a valid license to purchase. No more than 2.5 ounces of marijuana in a product may be sold during a transaction.

A dispensary may not purchase more than 30% of its supply from another licensed dispensary, nor may a licensed dispensary sell more than 30% of its supply to another licensed dispensary.

License holders must maintain a "Seed to Sale Tracking System," which must include a complete and precise registry of the materials used in the production of marijuana products. An administrator must be appointed to maintain the system. Use of the system must be limited to those with a valid occupational license. There must be an alert system to track completion, and the license holder must resolve outstanding questions.

Puerto Rico Security, Transportation, and Storage Requirements

Puerto Rican regulations mandate various security requirements, including the following:

- A dispensary must be a building with two places of access, one in the front and one in the side or the back. There must be an administrative system with strict controls over lists of qualified patients. This area must be separate from where inventory is located, and these areas must be separate from where product is sold. There must also be a separate waiting area at the front of the building near the street. The loading area must also be separate and inaccessible to the public.

- Dispensaries must have security and alarm systems to track unauthorized entrance outside of working hours. There must also be an electronic surveillance system to account for theft and similar conduct, with multiple different kinds of alarms.

- There must be no fewer than one security guard at a dispensary, 24 hours per day. The security guard permits access to the facility.

- Those in limited access areas must be able to provide evidence of the appropriate license provided by the licensing board at any time, as well as their own individual identification card. The license provided by the board may not be tampered with or altered in any way.

- Visitors to a facility with limited access must obtain a visitor identification card and display it in a manner visible to others. Such visitors must be escorted at all times in a limited access area, and the license holder must maintain a registry of visitors.

- Specific and detailed requirements on the marking of exits and entrances to and from a limited access area.

With regard to transportation, all transportation of marijuana must be accompanied by a manifest approved by the Department of Health with specific information, including the name of the registered distributing entity, the name of the registered establishment receiving the product, a description of the route taken, and the name of the vehicle driver. Each manifest must be maintained for two years. Only those licensed by the division may be authorized to transport product. Vehicles used for transportation must be duly licensed under Puerto Rican motor vehicle law.

With regard to storage, marijuana may only be stored by a licensee in a licensed establishment, or in an otherwise approved location (and such approved location may only be used for the storage of marijuana). A license holder may only store marijuana that belongs to the license holder's inventory.

Puerto Rico Department Inspections

All facilities subject to license are subject to inspection, as are all required documents. Inspectors have the right pursuant to an order of an inspection to inspect facilities and documents upon announcement and provision of proper identification to the license holder, under the limitations of an inspection order and using reasonable means. Inspectors are permitted to take chemical samples and inventory lists. Inspectors are not permitted to inspect financial or price information.

UTAH

Utah Regulatory Landscape

On December 3, 2018, Utah lawmakers passed House Bill 3001: Utah Medical Cannabis Act (the "Act"). The Utah Act directs the Utah Department of Health (the "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 Department has issued regulations governing medical cannabis pharmacies' operations. The Act also grants the Department of Agriculture and Food regulatory authority over medical marijuana cultivators and processors.

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, in 2014, the Utah legislature passed the Hemp and Cannabinoid Act (the "**Act**") pursuant to the 2014 Farm Bill, which created the framework for legalized industrial hemp in Utah. The Act created a pilot program for hemp. Utah's 2019 amendments to the Act expanded the scope of the state's hemp program. In 2020, Utah amended the Act once again and directed the Utah Department of Agriculture and Food ("**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 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 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 expects to satisfy these requirements.

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 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 does allow pharmacies to dispense medical cannabis via home delivery; however, the Department has not yet authorized any pharmacies to provide a home delivery service and has indicated its intent to not grant such approval until after July 1, 2020.

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	Provisional Medical Cannabis Pharmacy License 0010-270	Springville, UT	03/05/22	Dispensary
Columbia Care UT LLC	Cannabis Processor Licensing Agreement	Centerville, UT	04/19/21	Manufacturing & Processing
CCUT Pharmacy LLC	Industrial Hemp Retail License 8003-206090	Springville, UT	12/31/21	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 was issued an Intent to Award Medical Cannabis Pharmacy License. Licenses must be renewed annually. Columbia Care expects to receive a final license in the ordinary course of business; however, while Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from an application requirement, there is no assurance that the license will ultimately be granted and annually renewed thereafter.

Utah Inspections

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

2020 Amendments to the Act

On February 28, 2020, the Governor signed legislation comprehensively amending the 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.

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.

Columbia Care (through its subsidiary in the Commonwealth of Virginia) is in compliance with applicable licensing requirements and 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.

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 is accordingly in the process of seeking a final permit to operate a facility in that area. Columbia Care Eastern Virginia LLC expects to receive the permit in the ordinary course of business; however, while Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from an application requirement, there is no assurance that the permit will ultimately be granted.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Eastern Virginia LLC	Pharmaceutical Processor Permit #240000002	Portsmouth, VA	04/31/21	Cultivation, Processing and 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 marijuana program is governed by D.C. Code § 7-1671.01 *et seq*. and the Department of Health's implementing regulations, CDCR 22-C100 *et seq.* The program authorizes patients with a qualifying medical or dental condition to use marijuana via inhalation, ingestion, or other means. Qualifying medical conditions include chemotherapy, the use of azidothymidine or protease inhibitors, radiotherapy, or any other treatment, as determined by rulemaking, whose side effects require treatment through the administration of medical marijuana in the same manner as a qualifying medical or dental condition. The program also authorizes patients from other states to purchase medical marijuana in Washington D.C. An emergency rulemaking action from the Mayor's Office expanded the number of states whose medical cards the program will accept to 27 states.

The medical marijuana 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 marijuana to registered qualified patients and caregivers; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered qualified patients and caregivers. A cultivation center registered to operate in the District of Columbia may: (a) possess, manufacture, grow, cultivate, and distribute medical marijuana for sale to registered dispensaries; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered dispensaries. By statute, the number of dispensaries in the District of Columbia is capped at 5, with discretion for the mayor to increase the number to 8, while the number of cultivation centers is left to the Department of Health's (the **"Department's"**) discretion. Currently in the District of Columbia, the number of dispensaries is capped at seven and the number of cultivation centers is capped at 10.

Columbia Care (through its subsidiaries in Washington D.C.) is in compliance with applicable licensing requirements and 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 Department of Health 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 Department of Health; 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 Department 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 Department. 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 Department. 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 Department may conduct announced and unannounced investigations and inspections of cultivation centers and dispensaries. During such inspections and investigations, the Department may review the cultivation center's confidential records, and failure by a dispensary or cultivation center to provide the Department 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, which in turn wholly owns Capital City Care LLC and Capital City Cultivation LLC. The table below describes the Cultivation Center Registration held by Columbia Care DC, the Dispensary Registration held by Capital City Care LLC and the and Cultivation Center Registration held by Capital City Cultivation LLC.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care DC	Cultivation Center Registration #MMP00231	Washington D.C.	12/31/21	Cultivation
Capital City Care LLC	Dispensary Registration #MMP00067	Washington D.C.	12/31/21	Dispensary
Capital City Cultivation LLC	Cultivation Center Registration #MMP00049	Washington D.C.	12/31/21	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's Washington D.C. 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 "**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 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 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 Act and the West Virginia Department of Agriculture's rules, as well as repeated negligent violations, may result in a loss of license.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care WV Industrial Hemp LLC	Industrial Hemp License #0283	Morgantown, WV	12/31/21	Industrial Hemp

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. 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 Bureau for Public Health (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.

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	GO2003	Falling Waters, WV	10/01/21	Cultivation
Columbia Care WV LLC	PO20004	Falling Waters, WV	11/13/21	Processor
Columbia Care WV LLC	D540058	Williamstown, WV	01/28/22	Dispensary
Columbia Care WV LLC	D100059	Fayetteville, WV	01/28/22	Dispensary
Columbia Care WV LLC	D310060	Morgantown, WV	01/28/22	Dispensary
Columbia Care WV LLC	D410061	Beckley, WV	01/28/22	Dispensary
Columbia Care WV LLC	D200062	St. Albans, WV	01/28/22	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.

Security, Transportation, and Storage Requirements

The WV Office is required to promulgate regulations that provide requirements relating to: shipping containers and packaging; the manner in which trucks, vans, trailers or other carriers will be secured; security systems that include a numbered seal on the trailer; obtaining copies of drivers' licenses and registrations and other information related to security and tracking; use of GPS systems; number of drivers or other security required to ensure against storage or in-transit losses; recordkeeping for delivery and receipt of medical cannabis products; requirements to utilize any

electronic tracking system required by the bureau; and transporting medical cannabis to a grower/processor, approved laboratory or dispensary. These regulations have not yet been promulgated.

EUROPEAN UNION REGULATORY ENVIRONMENT

The following sections describe the legal and regulatory landscape in the European Union ("**EU**") and the EU member states in which Columbia Care operates or is exploring business opportunities.

While Columbia Care works to ensure that its operations comply with applicable EU and member 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 Information Form, Columbia Care is in compliance with applicable law and has not received any citations or notices of violation which may have an impact on the Columbia Care's licenses, business activities or operations.

Medical Cannabis

In the absence of a clear EU definition of "medical cannabis", from a legal and regulatory perspective, a distinction should be made between:

- Cannabis-derived medicinal products: these are products which have obtained a marketing authorization from a regulatory authority (the European Medicines Agency at EU level or national competent authorities at EU member state level), after going through extensive clinical trials to test the products' safety and effectiveness. These products are regulated as (cannabis-derived) "medicinal products" in accordance with the harmonized EU regulatory system set forth by EU Directive 2001/83/EC. To date, several cannabinoid-containing medicinal products have been authorized for marketing in the EU and certain EU member states; some are plant-based, i.e., Sativex® (nabiximols) and Epidyolex® (CBD); others are synthetic, i.e., Marinol® (dronabinol) and Cesamet® (nabilone).

- Cannabis preparations for medical use: these are products which have not obtained a marketing authorization but are authorized through national distribution and use authorizations/licenses in certain EU member states. This may include raw cannabis, such as the flowering tops, compressed resin or hash, oils extracted from the plant, etc. Alternatively, raw cannabis can be transformed by a pharmacist into a magistral preparation in accordance with a medical prescription, or the raw cannabis may already have been transformed by the manufacturer into standardized cannabis preparations. These cannabis preparations can vary greatly in composition, depending for example on the strain of cannabis, the growing conditions and how the preparations are stored.

This section of the Annual Information Form focuses only on such cannabis preparations for medical use, referred to as "medical cannabis". Medical cannabis can be described as whole-plant cannabis-derived products (generally cannabis flower or oils) that are licensed by member state health systems for prescription by a doctor. As recognized by the European Monitoring Centre for Drugs and Drug Addiction (the "**EMCDDA**"), medical cannabis refers to a wide variety of preparations and products that may contain different active ingredients and use different routes of administration. [15]

[15] EMCDDA, Medical use of cannabis and cannabinoids, Questions and answers for policymaking, December 2018 (here)

EU Regulatory Landscape

As the EU is not a party to the international conventions related to the control of drugs[16], the obligation to implement the provisions of said conventions sits with the individual EU member states. However, the EU has observer status in the UN Commission on Narcotic Drugs ("**CND**").

Also, from an EU perspective, the regulation of medical cannabis falls largely within the competence of the EU member states, which may decide to permit the medical use of cannabis preparations (without requiring a marketing authorization in accordance with EU Directive 2001/83/EC) under specific conditions. In this respect, Article 5(1) of Directive 2001/83/EC (which relates to so-called "named patient use" of medicinal products) states:

> "a member state may, in accordance with legislation in force and to fulfil special needs, exclude from the provisions of this Directive medicinal products supplied in response to a bona fide unsolicited order, formulated in accordance with the specifications of an authorized healthcare professional and for use by an individual patient under his direct personal responsibility."[17]

The use of medical cannabis can therefore only be authorized by member states upon medical prescription and when there is a medical need for the patient.

As a consequence of the above, the regulations with respect to medical cannabis vary greatly amongst member states. While some EU member states have adopted specific legal provisions and frameworks governing the distribution and use of medical cannabis, including Germany and the United Kingdom ("**UK**"), the status of medical cannabis in other member states remains unclear.

On February 13, 2019, the European Parliament adopted a motion for a resolution on use of cannabis for medicinal purposes[18] recognizing that:

> "UN conventions and international law do not prevent the medicinal use of cannabis or cannabis-based products for the treatment of specific medical conditions;" and
>
> "EU Member States differ widely in their approach to cannabis legislation, including their legislation on cannabis for medical purposes, such as on the maximum allowed levels of THC and CBD concentrations, which can lead to difficulties for countries applying a more prudent approach".

In this respect, the European Parliament specifically called on the European Commission and member state authorities to (amongst other things):

> "work together to provide a legal definition of medical cannabis, and to draw a clear distinction between cannabis-based medicines approved by the EMA or other regulatory agencies, medical cannabis not supported by clinical trials, and other applications of cannabis (e.g. recreational or industrial)."

At the reconvened 63rd session of the UN CND, which took place on December 2, 2020, the twelve (12) EU member states who are also members of the CND acted upon the World Health Organization ("**WHO**") recommendations to adjust the classification of cannabis and cannabis-related substances under the international drug conventions, while ensuring that they remain subject to the most relevant international control.[19] The vote was in accordance with Council Decision (EU) 2021/3 of November 23, 2020, which had stipulated the position to be taken by the relevant member

[16] The Single Convention on Narcotic Drugs (1961), the Convention on Psychotropic Substances (1971) and the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988).
[17] Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use (here).
[18] European Parliament, Motion for a resolution on use of cannabis for medicinal purposes (2018/2775(RSP)) (here).
[19] On January 24, 2019, the WHO issued six recommendations following the critical review at the 41st meeting of its Expert Committee on Drug Dependence (the 'WHO Expert Committee') concerning cannabis and cannabis-related substances.

states on behalf of the EU.[20] In particular, the EU supported the deletion of cannabis and cannabis resin from Schedule IV of the Single Convention on Narcotic Drugs, as recommended by the WHO, considering that it would allow more research, in line with evidence-based drugs policy, on the medical use of cannabis and cannabis resin.

EU Member States and UK[21] Regulatory Environment

GERMANY

Germany Regulatory Landscape

The importation and distribution of medical cannabis in Germany is mainly covered by the German Narcotics Law (*"Betäubungsmittelgesetz"* – "*BtMG*"), the German Pharmaceutical Act ("*Arzneimittelgesetz*" – "*AMG*"), and the German Narcotics Foreign Trade Ordinance ("*Betäubungsmittelaußenhandelsverordnung*" – "*BtMAHV*"). The relevant competent authority is the German Federal Institute for Drugs and Medical Devices ("*Bundesinstitut für Arzneimittel und Medizinprodukte" – "BfArM*"), the Federal Cannabis Authority, a sub-unit of the BfArM ("*Bundesopiumstelle*") and the German Federal authorities.

Cannabis is a narcotic drug according to sec. 1 (1) *BtMG*, as it is listed in Annexes I to III of the *BtMG* (exceptions include seeds, cannabis with a tetrahydrocannabinol (THC) content not exceeding 0.2 %, etc. – these are not classified as narcotic drugs). Therefore, it is a criminal offence to illicitly cultivate, produce and trade in cannabis or, without engaging in its trade, to import, export, sell, supply, otherwise place it on the market or acquire or procure it in any other way (sec. 29 (1) sent. 1 no. 1 *BtMG)*.

The Act on the Amendment of Narcotic Drugs and Other Regulations (**"***Gesetz zur Änderung betäubungsmittelrechtlicher und anderer Vorschriften***"** – "*BtMRÄndG*"), which came into force on March 10, 2017, amended the national narcotic laws and other related provisions thus legalizing the cultivation, distribution and consumption of cannabis for medical purposes. Prior to this legislative change, the import of cannabis was not permitted, and only in exceptional circumstances (upon medical prescription), pharmacies could request such medical cannabis (abroad) for specific patients, provided a special case-by-case approval issued by BfArM had been obtained. Since then, medical cannabis (cultivated for medical purposes in other countries in accordance with Articles 23 and 28 of the 1961 Single Convention on Narcotic Drugs) can be imported and marketed in Germany by private companies provided they have obtained the relevant licenses.

Prescribing and Dispensing Regime

These provisions enable doctors to prescribe medical cannabis for certain indications.

Medical cannabis is – in general – either distributed as a so-called magistral medicinal preparation ("*Rezepturarzneimittel*") in the form of medicinal cannabis flowers, as a cannabis extract or as a specific composition of the active substance dronabinol ("**THC**").

According to sec. 13 (2) sent. 1 *BtMG*, the supply of cannabis to patients is only permitted through pharmacies upon a special prescription for this purpose. The exact recipe instructions for such magistral preparations are laid down in

[20] Council Decision (EU) 2021/3 of 23 November 2020 on the position to be taken, on behalf of the European Union, at the reconvened sixty-third session of the Commission on Narcotic Drugs, on the scheduling of cannabis and cannabis-related substances under the Single Convention on Narcotic Drugs of 1961, as amended by the 1972 Protocol, and the Convention on Psychotropic Substances of 1971, OJ L 4, 7.1.2021, p. 1–6 (here). As the EU is not a party to the conventions and the EU only has observer status in the CND, it is necessary for the Council to authorize the EU member states with a right to vote to express the position of the Union on the scheduling of substances under the international conventions since decisions on the international scheduling of substances under those conventions fall within the competence of the EU.

[21] Since January 31, 2020, the UK is no longer a member state of the European Union.

the New Prescription Form, which is the standard work for drug production in pharmacies and is part of the German Drug Codex ("**DAC**").

Reimbursement Regime

Health insurance is statutorily mandated in Germany, and residents are covered by either statutory health insurance plans (covering approximately 88% of the population) or private health insurance.

Until 2017, only cannabis-derived products authorized as finished medicinal products could be prescribed and marketed in Germany and basically only cannabis intended for the manufacture of finished medicinal products containing cannabis could be imported. Since March 10, 2017, it has become possible for medical cannabis to be prescribed at the expense of the Statutory Health Insurance companies in Germany upon their prior approval. The conditions are set out in sec. 31 (6) German Social Code Book V ("*Fünftes Sozialgesetzbuch" – "SGB V*").

According to sec. 31 (6) SGB V insured persons with a serious disease are entitled to be supplied with cannabis in the form of dried flowers or extracts in standardized quality (and to be supplied with pharmaceuticals containing the active substances dronabinol or nabilone) if (i) a generally recognized treatment in accordance with medical standards is not available or – in the opinion of the treating physician – cannot be used in the individual case and (ii) there is a prospect of positive effect on the course of the disease or of serious symptoms.

The new Law for More Safety in the Supply of Pharmaceuticals in Germany ("*Gesetz für mehr Sicherheit in der Arzneimittelversorgung" – "GSAV"*) even facilitates access to medical cannabis for those patients who already have a prescription or who have been hospitalized and further enables patients to switch smoothly between cannabis products without having to wait for a respective approval.

As the costs of medical cannabis are now covered by the German health insurance, the demand for medical cannabis tripled from 27,000 prescriptions and 44,000 units of cannabis-containing preparations and unprocessed flowers in 2017 to 95,000 prescriptions and 145,000 units in 2019.

Germany Licensing Requirements

In accordance with the current German regulatory regime, for private companies to import and distribute medical cannabis in Germany, a License for the Trade in Narcotic Drugs, an Import Authorization, and likely a Wholesale Trading Authorization, are required. The import license can only be obtained by a company with business activity in Germany.

(a) License for the Trade in Narcotics Drugs – Sec. 3 (1) *BtMG*

Sec 3 (1) *BtMG* stipulates that a license is required for all operations relating to the trading of narcotic drugs:

> "A license issued by the Federal Institute for Drugs and Medical Devices shall be required by any person who seeks to cultivate, produce or trade in narcotic drugs, or without engaging in their trade import, export, supply, sell, otherwise place them on the market or acquire them […]."

This license is issued for the relevant company, institution etc., for the respective site, and for the required scope of the trade in narcotic drugs. It is issued by the Federal Cannabis Agency (*Cannabisagentur*), a sub-unit of BfArM, upon application in accordance with sec. 1 German Narcotics Foreign Trade Ordinance ("*BtMAHV*"). BfArM shall decide on the issue of a license within three months of receipt of the application. Further details and requirements are regulated in sec. 3 – 10 *BtMG* and the *BtMAHV*.

(b) Import Authorization (for Narcotic Drugs) – Sec. 11 *BtMG*

For each import of narcotics, an import authorization issued by BfArM is required according to sec. 11 (1) sent. 1 *BtMG*. The procedure for issuing import authorizations is more specifically governed by the *BtMAHV*:

> "Any person who seeks to import or export narcotic drugs in an individual case shall require an authorization from the Federal Institute for Drugs and Medical Devices in addition to the license required pursuant to sec. 3."

BfArM may inter alia refuse the import license or restrict the quantity of the narcotics according to the estimate of cannabis as notified with the International Narcotics Control Board or if the safety or control of narcotics traffic cannot be guaranteed.

The import license is issued in triplicate on official forms. Two copies shall be sent to the importer and one copy to the authority responsible for narcotics control in the exporting country. Most countries make exports dependent on the existence of an import permit. The approval cannot be transferred to third parties (sec. 3 (2) sent. 1 *BtMAHV*). It shall be limited to a maximum of three months (six months for imports by sea) ((sec. 3 (2) sent. 2 *BtMAHV*). If the narcotics are not imported within this time frame, the import authorization must be returned to BfArM (Sec. 6 (3) *BtMAHV*).

Key requirements for the aforementioned licenses according to sec. 3 through 11 *BtMG* are:

(i) It must be ensured that one person is appointed at the company who is responsible for compliance with the regulations governing narcotics and the orders of the supervisory authorities for every place of business. Such responsible person must have the necessary expertise. According to sec. 6 *BtMG*, the expertise must be proven, depending on the type of business of the company. For import and distribution of narcotics, the expertise of the responsible person is proven by a certificate of completed vocational training as a merchant in wholesale and foreign trade in the fields of chemistry or pharmacy and by documentation confirming a period of practical work in the trade in narcotic drugs of at least one year. The applicant and the responsible person must be reliable. Concerns about reliability may arise, for example, from physical or mental handicaps, like addiction to alcohol or narcotics, as well as previous convictions, especially for narcotic drug offences.[22]

(ii) Suitable premises, installations and security measures must be available (sec. 5 (1) no. 4 *BtMG*).

(iii) The holder of a license according to sec. 3 *BtMG* has certain obligations *after* the license is issued, which include keeping records for each increase and decrease in stock according to sec. 17 *BtMG* as well as the submission of half-yearly notifications for each site of the quantity of the products to *BfArM* according to sec. 18 *BtMG*.

(iv) The holder of the license shall also inform *BfArM* of any changes of relevant information specified in sec. 7 *BtMG (i.e., the information that shall be provided with the application)*.

(v) An application for a new license shall be required in the event of changes in the scope of trading with narcotic drugs, changes in respect of the person holding the license or the location of the sites.

(c) Wholesale Trading Authorization – Sec. 52 a *AMG*

[22] Spickhoff/Malek BtMG § 5 Rn. 5.

Medical cannabis also falls under the definition of a medicinal product (sec. 2 (1) AMG), and in this respect:

> "Any person, who engages in the wholesale trading of medicinal products […], requires an authorization to do so." (Sec. 52a (1) sent. 1 *AMG*).

If private companies trade medical cannabis as wholesalers, a Wholesale Trading Authorization is required according to sec. 52a *AMG*. Wholesale trade is defined in sec. 4 (22) *AMG*:

> "Wholesale trade in medicinal products is any professional or commercial activity for the purpose of doing business which consists of the procuring, storing, supplying or exporting of medicinal products, with the exception of the dispensing of medicinal products to consumers other than physicians, dentists, veterinarians or hospitals."

Usually, the company which applies for the import license regarding the import of medical cannabis also has a German authorization on wholesale trading of medicinal products ("*Großhandelserlaubnis*") in accordance with sec 52a *AMG*.

(d) Import Authorization – Sec. 72 *AMG*

If medical cannabis is imported from non-EU/EEA countries, an import authorization for medicinal products according to sec. 72 AMG is also required:

> "A party wishing to bring: 1. medicinal products within the meaning of sec. 2 (1) or (2) no. 1 […] on a commercial or professional basis, into the purview of the present Act from countries which are not Member States of the European Communities or other States party to the Agreement on the European Economic Area shall require an authorization by the competent authority" (Sec. 72 (1) *AMG*).

(e) Further Possible Licensing Requirements

For medical cannabis treated with ionizing radiation, according to sec. 1 (3) ("*Verordnung über radioaktive oder mit ionisierenden Strahlen behandelte Arzneimittel" – "AMRadV*"), a marketing authorization may be required. This applies to cannabis, in the manufacture of which electron, gamma or x-ray radiation has been used to reduce the bacterial count.

For the sake of completeness, we note that several other licenses might also be required, i.e., a marketing authorization for cannabis-based medicinal products or, in case the medical cannabis is processed, packed, labeled etc. in Germany, a manufacturing authorization.

THE UNITED KINGDOM

The UK Regulatory Landscape

The Misuse of Drugs Act 1971 and Misuse of Drugs Regulations 2001

(a) The legalization of medical cannabis

In June 2018, the Home Secretary announced a two-part review of the scheduling of cannabis under the Misuse of Drugs Regulations 2001 (SI 2001/3998) ("**2001 Regulations**"). At that time, cannabis and many of its derivatives

were Class B controlled drugs under the Misuse of Drugs Act 1971 ("**MDA**") and listed in Schedule 1 to the 2001 Regulations.[23]

The Class (A, B and C) of a controlled drug under the MDA broadly relates to the particular drug's potential for harm and dictates the penalties for committing related offences (such as unlawful possession). The scheduling (1 – 5) of a controlled drug under the 2001 Regulations relates to the particular drug's medical benefits and the conditions under which such drugs can be accessed for legitimate purposes (i.e., Schedule 1 controlled drugs are considered to have little or no known therapeutic value and are subject to the strictest restrictions).

The first part of the review, conducted by the Chief Medical Officer for England and Chief Medical Advisor to the UK Government, found that there was conclusive evidence of the therapeutic value of cannabis-based products for certain medical conditions and reasonable evidence of therapeutic benefit for several other medical conditions. On this basis, the review recommended that cannabis-based medicinal products be removed from Schedule 1 under the 2001 Regulations.[24]

In light of this recommendation, the UK Government asked the Advisory Council on the Misuse of Drugs ("**ACMD**") to provide short-term advice. Amongst other things, the ACMD recommended that cannabis-derived medicinal products of the appropriate medicinal standard be moved from Schedule 1 to Schedule 2 of the 2001 Regulations.[25] The ACMD also recommended that synthetic cannabinoids remain in Schedule 1 to the 2001 Regulations pending further consideration of their potential rescheduling.

Accepting these recommendations, the UK Government introduced the Misuse of Drugs (Amendments) (Cannabis and License Fees) (England, Wales and Scotland) Regulations 2018 (SI 2018/1055), which came into force on November 1, 2018 and apply to England, Wales and Scotland. These Regulations amended the 2001 Regulations to reschedule "cannabis-based products for medicinal use in humans" as Schedule 2 drugs, thereby allowing such products to be available by prescription, subject to certain controls and restrictions. Parallel changes were made to the relevant legislation applicable in Northern Ireland.[26]

A "cannabis-based product for medicinal use" ("**CBPM**") is defined as a preparation or other product which:

i) is or contains cannabis, cannabis resin, cannabinol or a cannabinol derivative (not being dronabinol or its stereoisomers); and
ii) is produced for medical use in humans; and
iii) is a medicinal product or a substance or preparation for use as an ingredient of, or in the production of an ingredient of, a medicinal product.

All other cannabis-based products not falling within this definition remain Schedule 1 drugs under the 2001 Regulations and are accessible only by Home Office license. However, products falling within the definition of "exempt product" under the 2001 Regulations are not subject to the restrictions on possession, production, supply, import or export. An "exempt product" is:

> "a preparation or other product consisting of one or more component parts, any of which contains a controlled drug, where—

[23] The 2001 Regulations and the Misuse of Drugs Regulations 2002 (Northern Ireland) 2002 (SR 2002/1) (**2002 Regulations**) regulate legitimate access to controlled drugs under the MDA. The 2001 Regulations apply to England, Wales and Scotland. The 2002 Regulations provide for a broadly similar regime in Northern Ireland.
[24] The first part of the review can be found here
[25] The ACMD's advice can be found here
[26] The Misuse of Drugs (Amendment No. 2) Regulations (Northern Ireland) 2018 (SI 2018/173) similarly amended the 2002 Regulations, with effect from 1 November 2018.

(a) the preparation or other product is not designed for administration of the controlled drug to a human being or animal;
(b) the controlled drug in any component part is packaged in such a form, or in combination with other active or inert substances in such a manner, that it cannot be recovered by readily applicable means or in a yield which constitutes a risk to health; and
(c) no one component part of the product or preparation contains more than one milligram of the controlled drug or one microgram in the case of lysergide or any other N -alkyl derivative of lysergamide;"

Cannabis, cannabis resin, cannabinol and cannabinol derivatives (including cannabis-based medicinal products) remain Class B controlled drugs under the MDA.

The UK Government asked the ACMD to carry out a longer-term review of CBPMs, which (amongst other things) will:

- Assess the impact of the change in legislation on CBPMs;
- Provide advice on whether the scheduling of products falling within the definition of CBPM is appropriate;
- Consider whether any further legislative amendments are required regarding CBPMs; and
- Advise on the classification and rescheduling of synthetic cannabinoids under the MDA and 2001 Regulations.

The ACMD provided its report and recommendations on November 27, 2020[27]. In summary, the ACMD recommended that:

- The rescheduling of CBPMs remains appropriate and no further legislative amendments are required at this time. However, in the event that there is a marked increase in the number of CBPMs achieving marketing authorization and being individually considered as candidates for rescheduling, the ACMD will again review the scheduling of CBPMs as a whole;
- The ACMD should be commissioned to conduct a further assessment of the impact of the rescheduling of CBPMs in the two years following the publication of the report as there is not yet sufficient evidence available to fully assess any and all consequences of the legislative change;
- The availability of a patient registry for CBPMs should be recognized as crucial for future assessments of the impact of the rescheduling of such products and the UK government should continue to support the development of an official patient registry;
- Research should be commissioned to assess the impacts of the rescheduling of CBPMs on public knowledge and attitudes towards cannabis, unlicensed CBPMs, licensed CBPMs and licensed cannabis-based medicines and to explore the safety, quality and efficacy of unlicensed CBPMs, licensed CBPMs and licensed cannabis-based medicines; and
- Government departments should conduct a full review of international approaches to legislation facilitating the medicinal usage of cannabis-based medicines.

(b) General requirements and restrictions

The existing requirements for Schedule 2 controlled drugs apply to CBPMs. These include requirements in relation to safe custody, prescriptions, marked bottles and other containers, record keeping and preservation of documents, and destruction. For example:

[27] The full report is available here.

- A Schedule 2 controlled drug must be stored in a locked receptacle, usually in an appropriate controlled drugs cabinet or approved safe, which can only be opened by the person in lawful possession of the product or a person authorized by that person;[28]

- A person supplying a Schedule 2 controlled drug, otherwise than on prescription, to, for example, a practitioner, hospital, care home or laboratory, must ensure that the requisition for such drug was made in writing and (unless the supplier is a wholesale dealer) send the requisition to the relevant National Health Service ("**NHS**") agency;

- A person supplying a Schedule 2 controlled drug (e.g. a pharmacist) must (amongst other things) take certain steps to confirm that the prescription is compliant, the address of the person issuing the prescription is within the UK, and the signature on the prescription is genuine;

- The package and container of a Schedule 2 controlled drug must be plainly marked with the amount of the drug, including the amount in each dosage unit, and the percentage of each component which is a controlled drug;

- Registers must be kept, for at least two years, in respect of each class of Scheduled 2 controlled drug in accordance with specific requirements; and

Schedule 2 controlled drugs must only be destroyed in the presence of a person authorized by the Home Office.

(c) Access restrictions

Schedule 2 drugs can generally be prescribed by a medical practitioner. However, additional restrictions for medical cannabis (*i.e.,* cannabis-based products without a marketing authorization) apply. Such products can only be prescribed by a doctor on the Specialist Register of the General Medical Council ("**GMC**") or be supplied in the context of a clinical trial (provided the legislation regulating clinical trials is fully complied with). This restriction is removed for medicinal cannabis products with a marketing authorization, which can be prescribed by a general practitioner for patient use as with other Schedule 2 drugs. The rescheduling of CBPMs therefore brings medical cannabis (*i.e.,* those products without a marketing authorization) into the existing UK "Specials" medicines framework, outlined below.

The Human Medicines Regulations 2012

(a) Special medicines framework

The Human Medicines Regulations 2012 (SI 2012/1916) ("**HM Regulations**") implement Directive 2001/83/EC into UK domestic law. In the case of cannabis-based medicinal products, a marketing authorization means that the product can be prescribed by a general practitioner in the UK. However, as indicated above, there are a number of exemptions to the requirement to obtain a marketing authorization, which recognize the need to allow unauthorized products to be supplied to meet the special needs of a particular patient (among other exemptions). This exemption is known as the "Specials regime" and is based on the aforementioned Article 5(1) of EU Directive 2001/83/EC.

Under the Specials regime, an unauthorized medicinal product should not be supplied where an equivalent authorized medical product can meet the special clinical needs of the particular patient. Guidance published by the Medicines and Healthcare products Regulatory Agency ("**MHRA**") provides that anyone supplying an unlicensed CBPM must

[28] These requirements are outlined in the Misuse of Drugs (Safe Custody) Regulations 1973 (SI 1973/798).

be satisfied as to the existence of a special need, and that the MHRA expects that documentary evidence of this special need should be obtained by manufacturers, importers or distributors.[29]

NHS England has also confirmed that it expects that rigorous and auditable safeguards around the prescribing of medical cannabis will be followed, and that such products will only be prescribed for indications where there is clear published evidence of benefit and where established treatment options have been exhausted.[30]

Concern has been expressed that patients in the UK who meet the special needs test are not readily able to access prescriptions for medical cannabis and that the current prescribing guidelines for the specialist doctors are overly restrictive. In light of this, further measures are anticipated noting, in particular, that:

- NHS England has been asked to carry out a "process evaluation" as soon as possible to assess barriers to prescribing medical cannabis;

- The National Institute for Health Research ("**NIHR"**) and the relevant drug companies have been asked to produce evidence around medical cannabis to improve the evidence base. The NIHR has since issued two calls for research proposals;

- NHS England and Health Education England have produced an online training program for doctors to support them in prescribing medical cannabis;[31]

- In November 2019, the National Institute for Health and Care Excellence ("**NICE**") published guidelines for prescribing medical cannabis in the UK[32]; and

- The results of a Parliamentary inquiry by the Health and Social Care Select Committee ("**HSCSC**") into the usage of medical cannabis in the UK were published on 3 July 2019[33]. The HSCSC made a number of recommendations, including calling on NIHR and the Department of Health and Social Care to encourage and focus research into those specific conditions where the Chief Medical Officer's report found good evidence for the use of cannabis based medicinal products.

(b) <u>General requirements and restrictions</u>

The HM Regulations, along with MHRA guidance on the supply of Specials, impose a number of requirements on manufacturers, importers, wholesalers and other suppliers of medicinal products containing narcotics, including cannabis, including in relation to packaging and labeling, advertising, pharmacovigilance and record keeping. For example:

- Medical cannabis should be labeled in accordance with best practice and, at a minimum, should include the name of the product, a statement of the content/ratio of THC/CBD, the route of administration, the dosage, and special warnings. Separately, when the product is dispensed, the pharmacist should ensure that the usual dispensing label provisions are applied;

[29] The MHRA's guidance is available here
[30] NHS England's letter is available here
[31] The programme can be accessed here.
[32] The guidelines are available here.
[33] The report is available here.

- Medical cannabis must not be advertised. There are some limited exemptions, including where trade catalogue or circular is sent to an authorized healthcare professional in order to respond to an unsolicited request for information on the range of products supplied, provided no product claim is made;

- All persons selling or supplying medical cannabis (including manufacturers, importers, distributers, and specialist doctors) must report any suspected adverse drug reactions and failures of efficacy. Wholesalers are under an obligation to keep records and report any serious adverse reactions to the MHRA; and

- Persons selling or supplying medical cannabis in the UK must maintain records for at least five years containing prescribed information, including the names of each product and the brand/supplier, the source of each product, to whom and when each supply was made, and a record of any suspected adverse reactions. Each person must make the records available for inspection by the MHRA on request.

UK Licensing Requirements

The MDA, 2001 Regulations and/or HM Regulations impose restrictions on, and/or require licenses be held by persons manufacturing/producing, importing, distributing, supplying, possessing and exporting medical cannabis. For example:

- A manufacturer or producer of medical cannabis in the UK must hold a manufacturer's (specials) license under the HM Regulations and a Home Office license under the MDA and 2001 Regulations, unless an exemption applies;

- An importer of medical cannabis into the UK must hold a Home Office license under the MDA, in addition to either a (i) wholesale dealer's license (if the product is to be imported from an EEA member state), or (ii) manufacturer's (specials) license (if the product is to be imported from a third country) under the HM Regulations. In addition, following the withdrawal of the UK from the European Union on January 31, 2020 and the end of the transition period on December 31, 2020, a wholesale dealer in Great Britain must employ a Responsible Person (import) (RPi) resident in the UK in relation to products imported from the EEA and may only import Qualified Person (QP) certified medicines from the EEA if certain checks are made by the RPi;

- Distribution by wholesale dealing (i.e. excluding supply of the products to the public) must be through licensed wholesale dealers under the HM Regulations. Home Office licenses for possession and supply will also be required for activities associated with distribution (such as possession and supply), unless an exemption applies;

- Medical cannabis without a marketing authorization can only be prescribed to a patient by a doctor on the Specialist Register of the GMC under the 2001 Regulations. Patients are able to lawfully possess the product for medical use in accordance with a valid prescription; and

- Medical cannabis that is lawfully manufactured in, or imported into, the UK pursuant to a manufacturer's (specials) license or a wholesale dealer's license may be exported to other EU/EEA countries, provided it is lawful in the receiving country and the exporter complies with the relevant national requirements of the receiving country. Medical cannabis exported to non-EU/EEA countries are not "Specials" and so must be manufactured by the holder of an ordinary manufacturer's license, batch released and certified by a qualified person. A Home Office license will also be required for export under the MDA.

- For certain groups, for example, pharmacists and persons carrying out a retail pharmacy business, the 2001 Regulations allow the possession, supply and production of controlled drugs without the need for a Home Office license.

CBD based consumer products

EU Regulatory Landscape

Cannabidiol ("**CBD**") in its own right is not considered a controlled substance at international or national level. It is not included in the Schedules to the Single Convention on Narcotic Drugs of 1961[34] or the Convention on Psychotropic Substances of 1971[35]. This position has been confirmed by the Expert Committee on Drug Dependence ("**ECDD**") in its comprehensive Critical Review Report of CBD of June 2018, which further states that "there is no evidence of […] any public health-related problems associated with the use of pure CBD."[36] The ECDD accordingly recommended that "preparations considered to be pure CBD should not be scheduled within the international drug conventions"[37] as CBD does not have psychoactive properties and presents no potential for abuse or dependence." Consequently, the WHO has confirmed that its legal status in countries is something for national regulators to decide.

In its *Kanavape* judgment dated November 19, 2020,[38] the Court of Justice of the European Union ("**CJEU**") unequivocally confirmed that CBD is not a narcotic drug, including CBD extracted from the *Cannabis sativa L.* plant in its entirety (and thus not only its seeds and/or fiber), and that member states may not prohibit its marketing as such. By means of this landmark judgment, the CJEU ended the on-going debate in Europe whether CBD extracted from the hemp plant should be considered as a narcotic drug because it constitutes a "cannabis extract" within the meaning of Schedule I of the Single Convention.[39] The Court ruled that:

> "since CBD does not contain a psychoactive ingredient in the current state of scientific knowledge […], it would be contrary to the purpose and general spirit of the Single Convention to include it under the definition of 'drugs' within the meaning of that convention as a cannabis extract."

The CJEU's judgment has important implications for the use of CBD in food[40] in particular. The General Food Law Regulation (EC) No 178/2002 establishes that only safe food can be placed on the EU market and establishes basic criteria for establishing whether a food is safe. It aims to ensure free movement of food manufactured and marketed in the EU and establishes a principle of risk analysis based on scientific and technical evaluations undertaken by the European Food Safety Authority ("**EFSA**"). Article 2 of the EU General Food Law Regulation specifies that food shall not include […]

> "narcotic or psychotropic substances within the meaning of the United Nations Single Convention on Narcotic Drugs, 1961, and the United Nations Convention on Psychotropic Substances, 1971."[41]

Consequently, through its ruling that CBD is not a narcotic drug under the Single Convention, the Court thereby also confirmed that CBD may generally be used in food and beverages in the European Union.

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[34] United Nations Single Convention on Narcotic Drugs, 1961, available here.
[35] United Nations Convention on Psychotropic Substances, 1971, available here.
[36] WHO, ECDD, Cannabidiol, Critical Review Report, 4-7 June 2018, available here.
[37] WHO, ECDD, Report of the 41st Expert Committee on Drug Dependence: Cannabis and cannabis-related substances, Annex I, available here.
[38] CJEU, Case C-663/18, judgment of 19 November 2020, available here.
[39] The Single Convention lists "extracts and tinctures of cannabis" as a drug under Schedule I (though not under Schedule IV).
[40] Article 2 of the EU General Food Law Regulation defines food as "any substance or product, whether processed, partially processed or unprocessed, intended to be, or reasonably expected to be ingested by humans."
[41] Regulation (EC) No 178/2002 of 28 January 2002 laying down the general principles and requirements of food law (here).

CBD is currently considered a so-called "novel food" in accordance with the EU Novel Food Regulation (EU) 2015/2283 given that the European Commission takes the view that CBD was not used as a food or food ingredient before 15 May 1997 and a history of consumption has not been demonstrated.[42] The (non-binding) EU Novel Food Catalogue confirms this through its entry for cannabinoids in general:

> "The hemp plant (*Cannabis sativa L.*) contains a number of cannabinoids and the most common ones are as follows: […] cannabidiol (CBD) […]. Without prejudice to the information provided in the novel food catalogue for the entry relating to Cannabis sativa L., extracts of Cannabis sativa L. and derived products containing cannabinoids are considered novel foods as a history of consumption has not been demonstrated. This applies to both the extracts themselves and any products to which they are added as an ingredient (such as hemp seed oil). This also applies to extracts of other plants containing cannabinoids. Synthetically obtained cannabinoids are considered as novel."[43]

CBD extracts and food products (including beverages) containing CBD may therefore only be placed on the market as a food or food ingredient in the EU following a safety assessment and authorization in accordance with the EU Novel Food Regulation, which results in the European Commission adopting an implementing act authorizing the placing on the market of a novel food and updating the so-called Union list. If the novel food is liable to have an effect on human health, the Commission will request EFSA to carry out a risk assessment. Following the aforementioned *Kanavape* judgment, the European Commission confirmed in a public statement that the currently pending novel food applications for CBD are being evaluated and processed.

In the United Kingdom, which is no longer a member state of the European Union, the UK Food Standards Agency ("**FSA**") has taken the position that CBD containing food products which were on sale in the UK on February 13, 2020[44] and are linked to an application which is submitted to the FSA by March 31, 2021[45] can remain on sale in England and Wales pending the assessment of these applications, i.e., until they have been considered by independent scientific committees and a decision on authorization has been made.

ISSUERS WITH UNITED STATES CANNABIS-RELATED ASSETS

On October 16, 2017, the Canadian Securities Administrators published Staff Notice 51-352 - *Issuers with U.S. Marijuana-Related Activities* which was then revised on February 8, 2018 ("**Staff Notice 51-352**"). Staff Notice 51-352 provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the United States as permitted within a particular state's regulatory framework. All issuers with United States cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

As a result of the Company's investments in the United States, the Company is subject to Staff Notice 51-352 and accordingly provides the following disclosure:

The Company currently operates in the United States through various subsidiaries and other entities pursuant to management services arrangements with third parties on arm's length terms as more specifically described below.

At the date of this Annual Information Form, Columbia Care holds, directly or indirectly, 111 licenses with 70 discrete facilities that are operational or in development. In most jurisdictions, licenses are issued based on use and consequently each location may include multiple licensed facilities. In addition to Columbia Care's international

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[42] Regulation (EU) 2015/2283 of 25 November 2015 on novel foods (here).
[43] *See* the entry "cannabinoids" (including CBD) in the EU Novel Food Catalogue, available here.
[44] UK FSA, Food Standards Agency sets deadline for the CBD industry and provides safety advice to consumers, 13 February 2020, available here.
[45] UK FSA, Update to criteria of CBD products which can remain on sale from 1 April 2021, 11 March 2021, available here.

expansion efforts, the following chart indicates the number of U.S. locations in which Columbia Care's operating or under development facilities are based.

	State	Percentage Ownership	Facilities
203 Organix, LLC	Arizona	100%	• 1 dispensary in operation
Access Bryant SPC	California	49.9%	• 1 dispensary in operation
Better-Gro Companies, LLC d/b/a Columbia Care Florida	Florida	100%	• 1 co-located cultivation and manufacturing facility in operation • 1 co-located cultivation and manufacturing facility in development • 14 dispensaries in operation
Columbia Care DC LLC	Washington D.C.	100%	• 1 co-located cultivation and manufacturing facility in operation
Columbia Care Delaware, LLC	Delaware	91%	• 1 co-located cultivation and manufacturing facility in operation • 3 dispensaries in operation
Columbia Care Eastern Virginia LLC	Virginia	93.75%	• 1 tri-located cultivation facility, manufacturing facility and dispensary in development
Columbia Care MD LLC	Maryland	96%	• 1 dispensary in operation
Columbia Care MO LLC	Missouri	0%	• 1 dispensary in development • 1 cultivation and manufacturing facility in development
Columbia Care New Jersey LLC	New Jersey	93%	• 1 co-located cultivation and manufacturing facility in operation • 1 dispensary in development
Columbia Care NY, LLC	New York	100%	• 1 co-located cultivation and manufacturing facility in operation • 4 dispensaries in operation
Columbia Care OH LLC	Ohio	100% (1)	• 1 cultivation facility in operation • 4 dispensaries in operation (2) • 1 manufacturing facility in development (3)
Columbia Care Pennsylvania LLC	Pennsylvania	100%	• 3 dispensaries in operation
CCPA Industrial Hemp LLC	Pennsylvania	100%	• 1 industrial hemp facility in operation
Columbia Care Puerto Rico, LLC	Puerto Rico	49%	• 1 co-located cultivation and manufacturing facility in development • 1 dispensary in operation • 1 dispensary in development
Columbia Care UT LLC	Utah	100%	• 1 manufacturing and processing facility in development
CCUT Pharmacy LLC	Utah	100%	• 1 dispensary in development
Columbia Care WV LLC	West Virginia	100%	• 1 cultivation facility under development • 1 processor facility under development

			• 5 dispensaries under development
Curative Health, LLC	Illinois	100%	• 2 dispensaries in operation
Curative Health Cultivation, LLC	Illinois	100%	• 1 co-located medical and adult use cultivation (in operation) and manufacturing (in development) facility
Focused Health LLC	California	100%	• 1 co-located cultivation, manufacturing and distribution facility in development
Infuzionz, LLC	Colorado	100%	• 1 manufacturing facility in operation
Mission Bay, LLC	California	100%	• 1 dispensary in operation
Patriot Care Corp.	Massachusetts	100%	• 1 co-located medical and adult-use cultivation and manufacturing facility in operation • 3 medical dispensaries (2 of which are co-located with adult-use retail) in operation
PHC Facilities, Inc.	California	100%	• 1 co-located dispensary, cultivation and distribution facility in operation
Resource Referral Services, Inc.	California	100%	• 1 dispensary in operation
Rocky Mountain Tillage, LLC	Colorado	100%	• 4 cultivation facilities in operation (operating under 8 licenses)
Salubrious Wellness Clinic, Inc.	Arizona	90%	• 1 off-site cultivation facility in operation • 1 dispensary in operation with co-located cultivation
The Green Solution, LLC	Colorado	100%	• 23 dispensaries in operation • 1 medical cultivation license (not operational)
The Healing Center of San Diego, LLC	California	100%	• 1 dispensary in operation
The Wellness Earth Energy Dispensary, Inc.	California	100%	• 1 dispensary in operation
VentureForth LLC	Washington D.C.	0%	• 1 co-located cultivation and manufacturing facility in operation • 1 dispensary in operation

Notes:

1. Columbia Care OH LLC currently operates pursuant to the terms of a management services arrangement with Columbia Care. Ownership interest shown above assumes the completion of the transfer of membership interests to Columbia Care pursuant to an executed membership interest transfer agreement, including regulatory approval.
2. The dispensaries are under option to be acquired upon receipt of regulatory approval.
3. The processing facility is under option to be acquired upon receipt of regulatory approval.

The following table is intended to assist readers in identifying those parts of this Annual Information Form that address the disclosure expectations outlined in Staff Notice 51-352 issued by the Canadian Securities Administrators for issuers that currently have marijuana-related activities in U.S. States where such activity has been authorized within a state regulatory framework.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Annual Information Form Cross-Reference
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	• "*Description of the Business"*
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	• *"United States Regulatory Environment"* • *"Risk Factors - Cannabis Continues to be a Controlled Substance under the CSA"*
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	• *"United States Regulatory Environment"*
	Outline related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	• *"Risk Factors - Cannabis Continues to be a Controlled Substance under the CSA"* • *"Risk Factors - Service Providers"* • *"Risk Factors - Heightened Scrutiny by Regulatory Authorities"*
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	• *"Risk Factors – Columbia Care May Have Difficulty Accessing Public and Private Capital"* • "*Risk Factors – Anti-Money Laundering Laws and Regulations"* • *"Risk Factors – Columbia Care may have Difficulty Accessing the Services of Banks, which may make it Difficult to Operate its Business"*
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana related activities.	As of the date of this Annual Information Form, 100% of Columbia Care's business was directly derived from U.S. cannabis-related activities. As such, Columbia Care's balance sheet and operating statement

		exposure to U.S. cannabis related activities is 100%.
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	Columbia Care has received and continues to receive legal input regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law in certain respects. Columbia Care has received such advice in the form of a legal opinion.
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	• *"United States Regulatory Environment – State Regulatory Environment"* • *"Columbia Care Compliance Program"*
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's license, business activities or operations.	• *"Columbia Care Compliance Program"* Columbia Care is in compliance with U.S. state law and the related licensing framework. Columbia Care will promptly disclose any material non-compliance, citations or notices of violation which may have a material impact on its licenses, business activities or operations.

COLUMBIA CARE COMPLIANCE PROGRAM

Compliance Overview

Columbia Care has a demonstrated history of operating compliant marijuana manufacturing, processing, cultivating, and dispensing facilities in heavily regulated environments across the United States. This successful history of regulatory compliance is the result of significant investments in personnel, training, technology, legal services, and the development of best practices and procedures. Columbia Care has significant expertise in cultivating, producing, and dispensing medical and adult-use cannabis products that satisfy strict program requirements. In over eight years of operation across multiple jurisdictions, cannabis and derivative products cultivated and manufactured at Columbia Care's affiliate facilities have consistently passed safety tests conducted by regulators and independent laboratories.

Tatiana Calvo, Columbia Care's Vice President, Regulatory Compliance, is responsible for Columbia Care's company-wide regulatory compliance programs.

Columbia Care is and during its eight years of operation has been in compliance with state law and the state licensing framework in each of the states in which it operates. Columbia Care has not experienced any material non-compliance of applicable state law or state licensing framework, nor has it received citations or notices of any such violations which may have a material impact on its licenses, business activities or operations.

This summary of Columbia Care's compliance operations provides an overview of Columbia Care's employee training programs, inventory and security policies, operational policies for marijuana-related activities, and investments in legal services.

Employee Training

Throughout its organization, Columbia Care requires its employees to complete training to safely cultivate, accurately produce, and dispense unadulterated medical cannabis products. New employees receive comprehensive training from Columbia Care's seasoned management staff and must pass a performance assessment before continuing employment.

Columbia Care's training protocol begins with a new-hire orientation that varies depending on the employee's job responsibilities. As applicable, covered topics include: patient confidentiality and privacy; security policies and procedures; record-keeping and inventory protocols; alcohol, smoke and drug-free workplace policies; general dispensing, transportation and sanitation processes (as applicable); and product storage protocols.

Columbia Care then has a general training program focusing more acutely on mitigating risks that may arise in employees' day-to-day responsibilities. These training sessions take place in a classroom setting or in a one-on-one session. The content of the training varies depending on the employee's job responsibilities, and, as applicable, covered topics include: patient, parent, and legal guardian interaction training; proper usage and dosing of products; risks, benefits and side effects of medical cannabis; dispensing error prevention policies and procedures; quality assurance training; additional reporting, inventory and recordkeeping procedures; jurisdiction-specific rules; counterfeit currency detection; and additional security and emergency procedure trainings.

Inventory and Security Policies

Inventory Compliance

Columbia Care uses industry-best practices and technologies to maintain sophisticated inventory control systems in several regulatory environments. Its products are tracked by batch number, lot number, strain, and amounts from each batch/lot in Columbia Care's electronic tracking system. Columbia Care also utilizes its electronic tracking system and bar-coding inventory control system to track from "seed to sale." Information recorded includes batch number, lot number, strain and weights from each plant/batch/lot to enable Columbia Care to identify, among other things, the dates of harvest, storage, packaging, labeling, and delivery of usable product. Both systems enable Columbia Care to trace harvested medical cannabis to a specific plant and processed products to a specific batch/lot in duplicate to verify information.

Columbia Care maintains standard operating procedures and utilizes seed to sale tracking systems in each of the jurisdictions in which it operates to track inventory. Tracking inventory ensures compliance with applicable state laws and regulations and protects against diversion and loss of product. Such processes include, without limitation:

- Assigning proper oversight of inventory management to managerial personnel;
- Ensuring inventory is inputted into the seed to sale tracking system;
- Ensuring state regulators are able to access the seed to sale tracking system;
- Conducting daily, weekly, monthly and annual inventory counts, as required by applicable state law and regulation;
- Tracking retail/sales data;
- Ensuring that all plants are tagged and tracked in Columbia Care's cultivation centers, in accordance with state law and regulation;
- Following processes to report any discrepancies in inventory to senior management, law enforcement and regulators, in accordance with applicable state law and regulation;

- Ensuring camera/surveillance equipment is functioning properly and provides appropriate view access for all areas of Columbia Care's cultivation and dispensary locations; and

- Resolution of any discrepancies in inventory through a thorough review of camera video footage.

In addition to its electronic inventory-control practices, Columbia Care requires its employees to conduct regular inventory procedures. Physical inventory counts are regularly conducted by authorized employees who then generate, sign, and date a written report of their activities. Inventory audits are also conducted at weekly, monthly, and/or annual intervals as required by regulation. Inventory audit procedures include a comparison of the physical inventory reports against the electronic tracking system data to ensure accuracy. If the audit identifies a discrepancy that is not due to documented causes, staff is trained to immediately implement corrective actions and document the issue in accordance with Columbia Care's protocols and with regulation. Columbia Care maintains records, reports, and similar documentation for at least as many years as is required in each jurisdiction in which it operates. Columbia Care makes such reports available to regulators for inspection upon request.

Relatedly, Columbia Care maintains patient and customer records in a manner that protects the privacy of such records. A unique patient record is established during a patient's first visit to a dispensary and includes the patient's name, date of birth, designated caregiver, date and time the entry was recorded, registration card identification number, recommending doctor, qualified condition, expiration date, description of any patient education and support materials provided and the dispensary registration card number for the dispensary agent recording the entry. Authorized employees are assigned unique ID numbers that are used as their electronic signatures and all entries to a patient's record are dated, signed electronically by the authorized employee, and a record is kept of logins and records created or edited. Paper documents that require retention are stored in a locked cabinet with access limited to management. Hard-copy information not stored at the facility is shredded and disposed of in a secure receptacle. Employees are trained to not disclose confidential patient-specific information received nor patient records kept, and security personnel oversee the work of electronic data intermediaries to confirm they do not have access to data involving medical cannabis, patients, caregivers, or other data from a dispensary, its suppliers, or any agents thereof.

Security Compliance

Columbia Care recognizes that the safety and security of its customers, patients, employees, and members of the public are essential to its operational reputation and continued growth as an organization. To that end, the Company has made substantial investments in experienced security personnel and state-of-the-art security equipment. Columbia Care's facilities maintain sophisticated analytical surveillance and alarm systems and 24-hour a day live monitoring by on-site and remote security personnel.

Columbia Care's dispensary locations have standard protocols for cash management. Examples of such standard protocols include, without limitation:

- Daily cash reconciliation by dispensary managerial staff;

- Verification of cash reconciliation by the corporate accounting department;

- Cash is stored in a secured safe/vault in full view of cameras;

- Daily cash count is completed in full view of the camera;

- Daily cash counts are recorded daily on the "Reconciliation Sheet";

- Currency is scanned/checked to ensure the bills are not counterfeit; and

- Cash is picked up by armored guards for transport to the bank.

Columbia Care's security systems are installed and designed by expert third party security companies. Furthermore, Columbia Care's security plans have been developed and in operation for over six years in several highly-regulated medical and adult-use cannabis markets across the United States. Those security plans and operations have been vetted and selected, following competitive application processes, across the United States.

Columbia Care and its affiliates' security and real-time surveillance measures are based on a combination of years of real-world, industry-specific experience as well as the professional recommendations of leading security experts. Columbia Care has adopted the concepts of Crime Prevention Through Environmental Design and enhanced security by utilizing the most sophisticated analytical CCTV systems, airport level access controls, vibration, glass break and motion detection as well as other redundant and independent measures in its facilities to deter unlawful access and record events as they occur. Columbia Care regularly exceeds state and local security requirements and provides redundancy where possible. Furthermore, Columbia Care and its affiliates routinely initiate partnerships with local law enforcement and community leaders to maintain open lines of communications, to promote public support, and to maintain overall comfort with Columbia Care's activities.

As a result of its significant experience and investments, Columbia Care is able to identify and maintain controls against diversion, theft, or loss of cannabis products, and to comply with stringent regulations regarding security operations.

Operational Compliance

Columbia Care has expertise in the cultivation, production, and dispensing of pharmaceutical-quality medical cannabis products which have a history of satisfying strict program requirements, as demonstrated through successful operations in programs throughout the United States for over eight years.

Columbia Care's cultivation and production staff have an impeccable record of producing safe, adult-use and pharmaceutical quality medicinal cannabis products. In the jurisdictions where affiliates are licensed and currently operate, Columbia Care produces and delivers independently tested, formulated, consistently dosed adult-use products and pharmaceutical-quality products for patients. Adult-use and medical cannabis and derivative products (e.g., oils, gels, capsules, suppositories, etc.) cultivated, manufactured and sold at Columbia Care's affiliate facilities have undergone all required safety tests conducted by independent laboratories commissioned to identify and measure the presence of various contaminants such as mold, fungus, pesticides, heavy metals and other harmful contaminants. Columbia Care's pharmaceutical operations management personnel have decades of experience at world class business organizations like Pfizer, Pharmaceutical Associates Inc., and PL Developments.

Columbia Care's dispensing techniques have been refined over eight years of compliant operations in numerous highly regulated programs. Its dispensary operations are governed by detailed administrative plans and processes to seek to ensure uniformly strict compliance by, and high performance from, Columbia Care's staff. Columbia Care's operational plans include procedures for: (1) counseling customers and patients to ensure appropriate dosing; (2) maintaining customer and patient flow while providing extra attention to those who need it; (3) redundant age verifications and verifications of patient status; (4) operating state-of-the-art inventory management systems; (5) strict recordkeeping practices; (6) high sanitary standards; (7) offering discounts and subsidies to patients with documented financial hardship; and (8) offering culturally competent and comprehensive educational and counseling services and materials, under appropriate supervision.

DIVIDENDS AND DISTRIBUTIONS

Columbia Care has never paid any dividends on its Common Shares. While Columbia Care is not restricted from paying dividends other than pursuant to certain solvency tests prescribed under the *Business Corporations Act* (British Columbia), Columbia Care does not intend to pay dividends on any of its Common Shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the rights, privileges, restrictions and conditions attaching to the outstanding securities of Columbia Care. Columbia Care previously applied to and was granted by the Canadian provincial securities regulatory authorities an exemption from the provisions of National Instrument 41-101 – *General Prospectus Requirements* relating to restricted securities. Columbia Care also previously applied for and was granted exemptive relief from the requirements under Part 10 of NI 51-102 - *Continuous Disclosure Obligations*, and from the requirements under Part 2 of OSC Rule 56-501 – *Restricted Shares*. The relief was granted pursuant to an order dated March 1, 2019.

Authorized Share Capital

The authorized share capital of Columbia Care consists of (i) an unlimited number of Common Shares of which 282,438,046 Common Shares are issued and outstanding as of March 26, 2021; (ii) an unlimited number of Proportionate Voting Shares, of which 172,631.04 are issued and outstanding as of March 26, 2021; and (iii) an unlimited number of preferred shares (the "**Preferred Shares**"), issuable in series, none of which are issued and outstanding. All Proportionate Voting Shares are owned or controlled, directly or indirectly, by the former Old Columbia Care members. The Common Shares and Proportionate Voting Shares are collectively referred to as the "**Shares**".

Generally, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by Columbia Care as if they were shares of one class only.

Conversion Rights and Transfers

Issued and outstanding Proportionate Voting Shares, including fractions thereof, may at any time, subject to the FPI Condition (as defined below), 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 Board 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 Board shall not be entitled to issue any more Proportionate Voting Shares under the Articles thereafter.

The Proportionate Voting Shares are not transferrable without Board approval, except to Permitted Holders (as defined below) and in compliance with U.S. securities laws.

Conversion Conditions

The right of the Proportionate Voting Shares to convert into Common Shares is subject to certain conditions in order to maintain Columbia Care's status as a "foreign private issuer" under U.S. securities laws. Unless otherwise waived by Columbia Care, the right to convert the Proportionate Voting Shares is subject to the condition that the aggregate number of Common Shares and Proportionate Voting Shares (calculated as a single class) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended) may not exceed fifty percent (50%) of the aggregate number of Common Shares and Proportionate Voting Shares issued and outstanding after giving effect to such conversions (calculated as a single class) (the "**FPI Condition**").

A holder of Common Shares may at any time, at the option of the holder and with the consent of Columbia Care, convert such Common Shares into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share.

No fractional Common Shares will be issued on any conversion of any Proportionate Voting Shares and any fractional Common Shares will be rounded down to the nearest whole number.

For the purposes of the foregoing:

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

"**Permitted Holders**" means (i) the initial holders of Proportionate Voting Shares; and (ii) any Affiliate or Person controlled, directly or indirectly, by one or more of the Persons referred to in clause (i) above.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

A Person is "**controlled**" by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

Voting Rights

All holders of Shares are entitled to receive notice of any meeting of shareholders of Columbia Care, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the BCBCA. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not fewer than 25% of the votes attaching to the outstanding voting shares of the Company entitled to vote at the meeting are present in person or represented by proxy.

On all matters upon which holders of Shares are entitled to vote:

- each Common Share is entitled to one vote per Common Share; and
- each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share, and each fraction of a Proportionate Voting Share is entitled to the number of votes calculated by multiplying the fraction by 100.

The number of votes represented by fractional Proportionate Voting Shares will be rounded down to the nearest whole number. Unless a different majority is required by law or the Articles, resolutions to be approved by holders of Shares require approval by a simple majority of the total number of votes of all Shares cast at a meeting of shareholders at which a quorum is present based on the voting entitlements of each class of Shares described above.

Dividend Rights

Holders of Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the Board may from time to time determine, subject to any preferential rights of the holders of any outstanding Preferred Shares, on the following basis, and otherwise without preference or distinction among or between the Shares: each Proportionate Voting Share will be entitled to 100 times the amount paid or distributed per Common Share (including by way of share dividends, which holders of Proportionate Voting Shares will receive in Proportionate Voting Shares, unless otherwise determined by the Board) and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof. See "Conversion Rights and Transfers" above.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of Columbia Care or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Shares will be entitled to receive all of Columbia Care's assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares, on the basis that each Proportionate Voting Share will be entitled to 100 times the amount distributed per Common Share (and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share), and otherwise without preference or distinction among or between the Shares. See "Conversion Rights and Transfers" above.

Pre-emptive and Redemption Rights

Holders of Shares will not have any pre-emptive or redemption rights.

Subdivision or Consolidation

No subdivision or consolidation of any class of Shares may be carried out unless, at the same time, the Common Shares and Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of Shares.

Certain Amendments

In addition to any other voting right or power to which the holders of Common Shares and Proportionate Voting Shares shall be entitled by law or regulation or other provisions of the Articles from time to time in effect, but subject to the provisions of the Articles, holders of Common Shares and Proportionate Voting Shares shall each be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of our Articles which would adversely affect the rights or special rights of the holders of Common Shares or Proportionate Voting Shares, or which would affect the rights of the holders of the Common Shares and the holders of Proportionate Voting Shares differently, on a per share basis, including an amendment to the terms of the Articles that provide that any Proportionate Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Common Shares.

Pursuant to the Articles, holders of Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of the Common Shares and Proportionate Voting Shares, each voting separately as a class.

Issuance of Additional Proportionate Voting Shares

Columbia Care may issue additional Proportionate Voting Shares upon the approval of the Board. Approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Common Shares and the Proportionate Voting Shares.

Take-Over Bid Protection

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the Articles, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than 100 (an "**Odd Lot**") will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Compliance Provisions

Columbia Care's Articles contain certain provisions (the "**Compliance Provisions**"), including a combination of certain remedies such as an automatic suspension of voting and/or dividend rights, a discretionary right to force a share transfer to a third party and/or a discretionary redemption right in favour of Columbia Care, in each case to seek to ensure that Columbia Care and its subsidiaries are able to comply with applicable regulatory and licensing regulations. The purpose of the Compliance Provisions is to provide Columbia Care with a means of protecting itself from having a shareholder, or as determined by the Board, a group of shareholders acting jointly or in concert, with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over) ("**Owning or Controlling**"), five percent (5%) or more of the issued and outstanding shares of Columbia Care, or such other number as is determined by the Board from time to time, and: (i) who a governmental authority granting licenses to, or otherwise governing the operations of, Columbia Care or its subsidiaries has determined to be unsuitable to own Common Shares and/or Proportionate Voting Shares, as applicable; (ii) whose ownership of Common Shares and/or Proportionate Voting Shares, as applicable, may reasonably result in the loss, suspension or revocation (or similar action) with respect to any licenses or permits relating to Columbia Care's or its subsidiaries' conduct of business (being the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products in the United States, which include the owning and operating of cannabis licenses) or in Columbia Care being unable to obtain any new licenses or permits in the normal course, all as determined by the Board; or (iii) who have not been determined by the applicable regulatory authority to be an acceptable person or otherwise have not received the requisite consent of such regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, in each case within a reasonable time period acceptable to the Board or prior to acquiring any Common Shares and/or Proportionate Voting Shares, as applicable (in each case, an "**Unsuitable Person**"). The ownership restrictions in Columbia Care's notice of articles and articles are also subject to an exemption for applicable depositaries and clearing houses as well as underwriters (as defined in the Securities Act (Ontario)) in the course of a distribution of securities of Columbia Care.

Notwithstanding the foregoing, the Compliance Provisions provide that any shareholder (or group of shareholders acting jointly or in concert) proposing to Own or Control five percent (5%) or more of the issued and outstanding shares of Columbia Care (or such other number as is determined by the Board from time to time) will be required to provide not less than 30 days' advance written notice to Columbia Care by mail sent to Columbia Care's registered office to the attention of the Corporate Secretary and to obtain all necessary regulatory approvals. Upon any such shareholder(s) Owning or Controlling five percent (5%) or more of the issued and outstanding shares of Columbia Care (or such other number as is determined by the Board from time to time), and having not received the requisite approval of any applicable regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, the Compliance Provisions provide: (i) that such shareholder(s) may, in the discretion of the Board, be prohibited from exercising any voting rights and/or receiving any dividends from Columbia Care, unless and until all requisite regulatory approvals are obtained; and (ii) Columbia Care with a right, but not the obligation, at its option, upon notice to the Unsuitable Person, to: (A) redeem any or all Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held by an Unsuitable Person; and/or (B) forcibly transfer any or all Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held directly or indirectly by an Unsuitable Person to a third party. Such rights are required in order for Columbia Care to comply with regulations in various jurisdictions where Columbia Care or its subsidiaries conduct business or are expected to conduct business.

Upon receipt by the holder of a notice to redeem or to transfer any or all of its Common Shares and/or Proportionate Voting Shares, the holder will be entitled to receive, as consideration therefor, no less than 95% of the lesser of: (i) the closing price of the Common Shares on the NEO Exchange Inc. (the "**NEO Exchange**") (or the then principal

exchange on which Columbia Care's securities are quoted for trading) on the trading day immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Common Shares on the NEO Exchange (or the then principal exchange on which Columbia Care's securities are quoted for trading) for the five trading days immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates).

Further, a holder of the Common Shares and/or Proportionate Voting Shares, as applicable, will be prohibited from acquiring five percent (5%) or more of the issued and outstanding shares of Columbia Care, directly or indirectly, in one or more transactions, without providing 30 days' advance written notice to Columbia Care by mail sent to Columbia Care's registered office to the attention of the Corporate Secretary. The foregoing restriction will not apply to the ownership, acquisition or disposition of Common Shares and/or Proportionate Voting Shares, as applicable, as a result of: (i) transfer of Common Shares and/or Proportionate Voting Shares, as applicable, occurring by operation of law including, *inter alia*, the transfer of Common Shares and/or Proportionate Voting Shares, as applicable, to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters who hold Common Shares and/or Proportionate Voting Shares, as applicable, for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with the foregoing restriction, or (iii) conversion, exchange or exercise of securities issued by Columbia Care or a subsidiary into or for Common Shares and/or Proportionate Voting Shares, as applicable, in accordance with their respective terms. If the Board reasonably believes that any such holder of the Common Shares may have failed to comply with the foregoing restrictions, Columbia Care may apply to the Supreme Court of British Columbia, or any other court of competent jurisdiction, for an order directing that such shareholder disclose the number of Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held.

Notwithstanding the adoption of the proposed Compliance Provisions, Columbia Care may not be able to exercise such rights in full or at all, including its redemption rights. Under the BCBCA, a corporation may not make any payment to redeem shares if there are reasonable grounds for believing that the company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the company to be unable to pay its liabilities as they become due in the ordinary course of its business. Furthermore, Columbia Care may become subject to contractual restrictions on its ability to redeem its Common Shares and/or Proportionate Voting Shares, as applicable, by, for example, entering into a secured credit facility subject to such restrictions. In the event that restrictions prohibit Columbia Care from exercising its redemption rights in part or in full, Columbia Care will not be able to exercise its redemption rights absent a waiver of such restrictions, which Columbia Care may not be able to obtain on acceptable terms or at all.

Preferred Shares

The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the BCBCA and the Articles, the Board may, by resolution, from time to time before the issue thereof determine the maximum number of shares of each series, create an identifying name for each series, attach special rights or restrictions to the Preferred Shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights upon liquidation, dissolution or winding up and any sinking fund or other provisions, the whole to be subject to filing a Notice of Alteration to the Notice of Articles to create the series and altering the Articles to include the special rights or restrictions attached to the Preferred Shares of the series. Except as provided in any special rights or restrictions attaching to any series of Preferred Shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of shareholders.

Preferred Shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the Preferred Shares of every other series and be entitled to preference over the Common Shares, the Proportionate Voting Shares and any other shares of Columbia Care ranking junior to the Preferred Shares with respect to payment of dividends.

In the event of the liquidation, dissolution or winding up of Columbia Care, whether voluntary or involuntary, the holders of Preferred Shares will be entitled to preference with respect to distribution of the property or assets of Columbia Care over the Common Shares, the Proportionate Voting Shares and any other shares of Columbia Care ranking junior to the Preferred Shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred Shares.

Advance Notice Provisions

Columbia Care's Articles includes certain advance notice provisions with respect to the election of its directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of director nominations to the Board and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide Columbia Care notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "Notice Date") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

Columbia Care's Articles includes a forum selection provision that provides that, unless Columbia Care consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on Columbia Care's behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of Columbia Care's directors, officers or other employees to Columbia Care; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or the Articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among Columbia Care, its Affiliates and their respective shareholders, directors and/or officers, but excluding claims related to Columbia Care's business or such Affiliates. The forum selection provision also provides that Columbia Care's securityholders are deemed to have consented to personal jurisdiction in the Province of British Columbia and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

RIGHTS TO PURCHASE SECURITIES

CGGC Warrants

As of the date hereof, 5,394,945 CGGC Warrants issued pursuant to the warrant agency agreement (the "**Warrant Agreement**") between CGGC and Odyssey Trust Company, as warrant agent, dated September 20, 2018 are outstanding. The CGGC Warrants were issued as part of the initial public offering of the Company. The CGGC Warrants are governed by the terms of the Warrant Agreement. Three CGGC Warrants are exercisable for one Common Share at an exercise price of $10.35.

Columbia Care Warrants

The chart below sets out the issued and outstanding common share purchase warrants ("**Columbia Care Warrants**") of Columbia Care.

Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
May 8, 2021	921,753	$ 5.71
May 14, 2023	1,610,250	3.10
May 14, 2023	113,000	3.10
May 14, 2023	2,250,188	2.95
May 14, 2023	300,000	4.53
May 14, 2023	1,200,000	5.84
May 14, 2023	504,000	5.84
May 14, 2023	180,000	5.84
May 14, 2023	25,000	5.84
April 26, 2024	5,394,945	10.35
October 1, 2025	648,783	8.12
	13,147,919	

Options

Columbia Care has 55,384 outstanding common share purchase options (the "**Options**"), of which 13,846 are vested. All Options have an exercise price of $10.90. Each of the Options is exercisable at any time prior to its expiry. The Options expire on the earlier of (i) the second anniversary of issuance, or (ii) the consummation of a sale of Columbia Care, subject to a 12-month extension option in favour of Columbia Care.

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The Common Shares are listed and posted for trading on the NEO Exchange and the Canadian Securities Exchange (the "**CSE**" and together with the NEO Exchange, the "**Exchanges**"), having the symbol "CCHW". The following table shows the monthly ranges of high and low prices per Common Share at the close of market, as well as total monthly volumes and average daily volumes of the Common Shares traded on the Exchanges for Fiscal 2020:

NEO:

Month	Price per Common Share Monthly High	Price per Common Share Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
December 2020.....	$7.90	$5.36	8,717,338	415,111
November 2020	$5.84	$4.83	9,298,331	442,778
October 2020.....	$5.25	$4.24	4,500,334	214,302
September 2020	$5.24	$4.17	3,336,464	158,879
August 2020 ….....	$5.35	$4.23	2,703,522	135,176
July 2020	$4.85	$3.25	2,157,544	98,070
June 2020 ……...…….	$3.93	$3.41	828,277	37,649
May 2020 ….....	$4.05	$2.11	1,221,387	61,069
April 2020.....	$2.62	$2.30	1,750,618	83,363
March 2020	$4.00	$1.75	3,112,971	141,499
February 2020	$4.76	$3.80	796,925	41,943
January 2020	$5.01	$3.31	1,425,553	64,798

CSE:

Month	Price per Common Share Monthly High	Price per Common Share Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
December 2020.....	$7.90	$5.36	1,565,555	74,550
November 2020	$5.85	$4.84	1,802,507	85,834
October 2020.....	$5.25	$4.25	1,144,285	54,490
September 2020	$5.25	$4.16	563,413	26,829

August 2020 ….....	$5.25	$4.23	806,700	40,335
July 2020	$4.63	$3.24	351,696	15,986
June 2020 ……..……	$3.93	$3.50	279,896	12,723
May 2020 ….....	$4.05	$2.11	616,684	30,834
April 2020.....	$2.60	$2.30	732,193	6,394

Warrants

The Warrants are listed and posted for trading on the NEO Exchange having the symbol "CCHW.WT". The following table shows the monthly ranges of high and low prices per Warrant at the close of market, as well as total monthly volumes and average daily volumes of the Warrants traded on the NEO Exchange for Fiscal 2020:

NEO:

Month	Price per Warrant Monthly High	Price per Warrant Monthly Low	Warrants Total Monthly Volume	Warrants Average Daily Volume
December 2020.....	1.75	0.53	1,913,832	119,615
November 2020	0.74	0.31	262,836	17,522
October 2020.....	0.30	0.20	28,700	2,870
September 2020	0.30	0.20	54,300	7,757
August 2020 ….....	0.31	0.21	59,573	6,619
July 2020	0.25	0.17	19,000	3,800
June 2020 ……..……	0.44	0.15	102,575	11,397
May 2020 ….....	0.30	0.30	272,464	54,493
April 2020.....	0.34	0.10	72,670	7,267
March 2020	0.35	0.09	704,602	88,075
February 2020	0.35	0.28	71,678	17,920
January 2020	0.45	0.31	243,630	34,804

Prior Sales

The following table shows details with respect to the issuance by the Company of securities other than Common Shares during Fiscal 2020:

Date	Type of Security Issued	Issuance Price per Security	Number of Securities Issued
March 17, 2020……..	Restricted Stock Units	$2.07	744,903
March 31, 2020……..	Restricted Stock Units	$2.54	6,609,203
March 31, 2020……..	Warrants	$3.10	1,723,250
May 14, 2020…….	Warrants	$2.95	2,424,188
July 7, 2020……	Warrants	$4.53	300,000
August 17, 2020…….	Restricted Stock Units	$4.90	72,013
November 19, 2020……..	Restricted Stock Units	$5.14	327,178

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets out the number of securities of Columbia Care that are subject to a contractual restriction on as of the date hereof. To the knowledge of Columbia Care, no other securities of Columbia Care are subject to contractual restrictions on transfer.

Designation of Class	Number of Securities Subject to Contractual Restriction	Percentage of Class [2]
Common Shares [1]	106,557,477	35.55% [2]

Notes:
(1) Assuming conversion of all Proportionate Voting Shares into Common Shares. See below for a summary of the contractual restrictions on transfer and forfeiture.
(2) On a non-diluted basis.

DIRECTORS AND OFFICERS

The Articles of the Company provide that the Company shall have a minimum of three (3) and a maximum of fifteen (15) directors. Each director shall hold office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The board of directors (the "**Board**") currently consists of seven (7) directors, of whom five (5) can be defined as an "unrelated director" or a director who is independent of management and is free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Company.

The following table sets out, for each of Columbia Care's directors and executive officers, the person's name, state and country of residence, position with Columbia Care, principal occupation(s) during the last five years, and, to the best of the Company's knowledge, the number of securities of the Company directly or indirectly held by such directors and executive officers as of March 26, 2021.

Name and Province/State and Country of Residence	Position(s) with Columbia Care	Principal Occupations For Last Five Years	Number of Securities of the Company Directly or Indirectly Held
Nicholas Vita [3] Connecticut, United States	Chief Executive Officer and Director (director since April 26, 2019)	Chief Executive Officer, Columbia Care	36,804,482 Common Shares; 0 Proportionate Voting Shares
Michael Abbott [3] New York, United States	Executive Chairman and Director (director since April 26, 2019)	Executive Chairman, Columbia Care	36,727,863 Common Shares; 0 Proportionate Voting Shares
Frank Savage [1] [2] [3] Connecticut, United States	Director (since January 31, 2020)	Managing Partner of Savage Holdings, LLC	47,753 Common Shares; 0 Proportionate Voting Shares
James A.C. Kennedy [2] [3] Maryland, United States	Director (since April 26, 2019)	President and Chief Executive Officer of T. Rowe Price Group	27,076 Common Shares; 20,740 Proportionate Voting Shares
Jonathan P. May [1] [2] New York, United States	Director (since April 26, 2019)	Managing Director, Floresta Ventures, LLC	24,000 Common Shares; 29,468 Proportionate Voting Shares
Jeff Clarke [1] [3] California, United States	Director (since January 31, 2020)	Co-CEO, Emerge Technology Acquisition Corporation; Chairman, FTD LLC; Chief Executive Officer, Eastman Kodak Company	453,039 Common Shares; 47.29 Proportionate Voting Shares
Alison Worthington California, United States	Director (since November 2, 2020)	Principal, Worthington Growth Partners	None
David Hart Connecticut, United States	Chief Operating Officer	Chief Operating Officer, Columbia Care; Chief Operating Officer of Abyrx	27,350 Common Shares; 4,972 Proportionate Voting Shares
Lars Boesgaard New Jersey, United States	Chief Financial Officer	Chief Financial Officer, Columbia Care; Chief Financial Officer, Roka Bioscience	72,281 Common Shares; 250 Proportionate Voting Shares
Dr. Rosemary Mazanet Massachusetts, United States	Chief Scientific Officer	Chief Scientific Officer, Columbia Care	788,538 Common Shares; 1,558 Proportionate Voting Shares
Bryan Olson Florida, United States	Chief People & Administrative Officer	Chief People & Administrative Officer, Columbia Care;	167,222 Common Shares; 764 Proportionate Voting Shares

		Chief Human Resources Officer; K&L Gates	
Guy Hussussian California, United States	Chief Data Officer	Director Cloud Infrastructure Engineering and Operations, Aspera, an IBM Company; Director, vCloud Air Infrastructure Automation, VMware Inc.	44,656 Common Shares; 62 Proportionate Voting Shares
Jesse Channon New York, United States	Chief Growth Officer	Chief Revenue Officer, Social Native; Chief Revenue Officer, Unified	79,319 Common Shares; 0 Proportionate Voting Shares

Notes:
(1) Audit Committee Member
(2) Compensation Committee Member
(3) Nomination and Governance Committee Member
(4) Collectively, the directors and executive officers of the Company own approximately 40% of the issued and outstanding Common Shares assuming conversion of all Proportionate Voting Shares into Common Shares.

Biographies

The following are brief profiles of the directors and executive officers of Columbia Care.

Nicholas Vita, Director and Chief Executive Officer

Nicholas Vita co-founded Columbia Care in 2012. Mr. Vita began his career as a strategic advisor at S.G. Warburg and then as a member of the Healthcare Investment Banking Department at Goldman Sachs. Mr. Vita has more than 20 years' experience as an executive and an entrepreneur in finance and healthcare.

Michael Abbott, Director and Executive Chairman

Michael Abbott co-founded Columbia Care in 2012. Mr. Abbott started his financial career at Swiss Bank Corporation/SBC O'Connor and later worked at Goldman Sachs. Mr. Abbott has since launched and run several companies. Prior to his career in finance, Mr. Abbott served on the London Police Force.

Frank Savage, Director

Frank Savage is currently 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, Downtown Baltimore Partnership and University of Maryland, Baltimore Foundation.

Jonathan P. May, 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 sits on the Board of Trustees of Griffin Industrial Realty, a publicly traded real estate company. Mr. May formerly was a board member of Sneaker Villa and Marketwatch.com.

Jeff Clarke, Director

Mr. Clarke currently serves as Co-CEO of Emerge Technology Acquisition Corporation (NASDAQ: ETACU), a special purpose acquisition corporation. Mr. Clarke also serves as Chairman of FTD, LLC, leading the restructure of the company following its acquisition by Nexus Capital Management in August 2019. 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, chief financial officer at Compaq Computer and executive vice president of global operations at Hewlett-Packard. Mr. Clarke is currently a director at California Cyrobank and is a former director at Docker, 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 leads a marketing consulting practice, where she engages 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 leverages 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 has been fortunate to work with great companies like GoPro, Ancestry, Bragg Live Foods and multiple startups. Ms. Worthington also serves on the board of directors for Generate, a privately held life sciences company helping to grow and protect families through newborn stem cell, reproductive and healthcare technology services. Ms. Worthington earned an MBA from the Harvard Graduate School of Business Administration and an AB in Economics from Smith College.

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.

Lars Boesgaard, Chief Financial Officer

Lars Boesgaard joined Columbia Care as Chief Financial Officer in 2018. Prior to joining Columbia Care, Mr. Boesgaard served as the CFO of Roka Bioscience which he helped take public through an initial public offering. Prior to Roka, Mr. Boesgaard was an executive with Insulet Corporation and Alexion Pharmaceuticals, Inc. Mr. Boesgaard began his career at Novo Nordisk A/S. Mr. Boesgaard has more than 20 years of finance leadership experience with public companies.

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 CHRO 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 2018. 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.

Other Experience

The following table sets out the directors and executive officers of Columbia Care that are officers of companies other than Columbia Care as of the date hereof:

Name	Name of Company	Industry of Company
Jeff Clarke	Emerge Technology Acquisition Corporation	special purpose acquisition corporation
Jeff Clarke	FTD, LLC	Consumer Goods
Jeff Clarke	Generate Life Sciences	Biotechnology
Frank Savage	Bloomberg LP	Technology

The following table sets out the directors of Columbia Care that are directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction as of the date hereof:

Name	Name of Reporting Issuer
James A.C. Kennedy	United Continental Holdings, Inc.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Columbia Care, no director or executive officer of Columbia Care has been, at the date hereof or within the last 10 years: (a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; or (b) a director or executive of a company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of Columbia Care has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

To the knowledge of Columbia Care, no director or executive officer of Columbia Care has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Majority Voting Policy

Columbia Care has in place a majority voting policy consistent with the NEO Exchange requirements.

Conflicts of Interest

Certain of the directors and executive officers of Columbia Care are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with Columbia Care from time to time. The BCBCA requires, among other things, that the directors and executive officers of Columbia Care act honestly and in good faith with a view to the best interest of Columbia Care, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with Columbia Care and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction. To the extent that conflicts of interest arise, such conflicts are required to be resolved in accordance with the provisions of the BCBCA.

Directors' and Officers' Liability Insurance

Columbia Care carries directors' and officers' liability insurance policy which is designed to protect Columbia Care and its directors and officers against any legal action which may arise as a result of wrongful acts on the part of directors and/or officers of Columbia Care as well as securities related litigation. Such policy is written with a maximum limit and subject to a corporate deductible on all claims.

RISK FACTORS

When evaluating Columbia Care and its business, investors should carefully review the information set out in this annual information form. The risks and uncertainties described are not the only ones Columbia Care faces. Additional risks and uncertainties, including those that Columbia Care is unaware of or that are currently deemed immaterial, may also adversely affect Columbia Care and its business.

Risks Specifically Related to the Cannabis Industry

Cannabis Continues to be a Controlled Substance under the CSA

Columbia Care both directly and indirectly engages in the cannabis industry in the United States where local state law permits such activities. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To Columbia Care's knowledge, thirty-six (36) states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients, while 15 of these states, the District of Columbia and Guam have legalized marijuana for adult use. 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 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 Memorandum or announce a substantive marijuana enforcement policy. Justice 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."[46] 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

[46] 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/

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 medical 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.

The Rohrbacher-Farr Amendment Must Be Renewed to Protect the Medical Cannabis Industry

The Rohrbacher-Farr Amendment has been adopted by U.S. Congress in successive budgets since 2015. The Rohrbacher-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 Rohrbacher-Farr Amendment was extended most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through September 30, 2021. Notably, Rohrbacher-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 Rohrbacher-Farr Amendment will be included in future legislation.

Risk of Civil Asset Forfeiture

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.

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. On September 25, 2019, the U.S. House of Representatives passed the *Secure and Fair Enforcement Banking Act of 2019* (commonly known as the *SAFE Banking Act*) which aims to provide safe harbor and guidance to financial institutions that work with legal U.S. cannabis businesses. The SAFE Banking Act will next require passage by the U.S. Senate.

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 started warning 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.

Lack of 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.

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.

Settlement by Securityholders Resident in the United States

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.

Risk of 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 47 states, and the District of Columbia, Puerto Rico,

the U.S. Virgin 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.

Columbia Care is aware that multiple states are considering special taxes or fees on businesses in the cannabis industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This 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 what impact the rescission of the Cole Memo will have, 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.

Unfavourable 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 favourable 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.

Results of Future Clinical Research

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

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 Joyce Amendment, meaning the risk of federal prosecution are higher for adult use businesses.

General Regulatory Risks; Risks Related to Licensure

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.

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.

Restrictions on Deduction of Certain Expenses

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 the Internal Revenue Code Section 280E generally causes such businesses to pay higher effective U.S. federal tax rates than similar businesses in other industries. The impact of Internal Revenue Code Section 280E on the effective tax rate of a cannabis business generally depends on how large the ratio of non-deductible expenses is to the business's total revenues. Columbia Care expects to be subject to Internal Revenue Code Section 280E. The application of Internal Revenue Code Section 280E to Columbia Care may adversely affect Columbia Care's profitability and, in fact, may cause Columbia Care to operate at a loss. While recent legislative proposals, if enacted into law, could eliminate or diminish the application of Internal Revenue Code Section 280E to cannabis businesses, the enactment of any such law is uncertain. Accordingly, Internal Revenue Code Section 280E may to apply to Columbia Care indefinitely.

Service Providers

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.

Enforceability of 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, and generally represent the personal opinions of Columbia Care's management team as of the applicable date of such research and projections.

Risks Related to Columbia Care's Business

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.

Low Quality Cannabis Risk

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.

Risks Inherent in an Agriculture 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 its products indoors under climate-controlled conditions and carefully monitors the growing conditions 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, that 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.

Product Liability

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, 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.

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

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.

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.

New Tax Legislation

There have been several recent legislative, judicial and administrative changes to the U.S. federal income tax laws, including changes pursuant to the enactment of P.L. 115-97, which is informally titled the "Tax Cuts and Jobs Act," in December, 2017. In many respects, the individual and collective impact of these changes in law on the U.S. federal income taxation of corporations and their shareholders is uncertain and may not become evident for some time. Moreover, additional changes to U.S. federal income tax laws are likely to continue in the future, and any such changes could adversely impact Columbia Care or its shareholders.

Limited Operating History

As a high growth enterprise, Columbia Care does not have a history of profitability. As such Columbia Care has no immediate prospect of generating profit from its intended operations. 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.

Negative Cash Flow from Operations

During Fiscal 2020, Columbia Care sustained net losses from operations and had negative cash flow from operating activities. Columbia Care's cash as at December 31, 2020 was approximately US$61.1 million. Columbia Care's cash as at March 1, 2021 was approximately US $175.6 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.

Reliance 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.

Competition

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 May Develop Large-Scale Operations

Currently, the medical 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 medical 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.

Vulnerability 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.

Reliance 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.

Dependence on Suppliers and Skilled Labour

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 labour, equipment, parts and components. No assurances can be given that Columbia Care will be successful in maintaining its required supply of skilled labour, 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.

Difficulty 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.

Litigation

Columbia Care may become 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 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.

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.

Patent Protection

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.

Trademark Protection

Apart from the federal illegality issues discussed above under "*Intellectual Property Risks*", 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.

Intellectual Property Rights Infringement

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 of which Columbia Care may be unaware. 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.

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. There may be unknown additional regulatory fees and taxes that may be assessed in the future.

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.

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.

Information Technology Systems and 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.

Security Breaches

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.

High Bonding and 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, labour 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.

Management of Growth

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.

Costs of being a Public Company

As a public issuer, Columbia Care is subject to the reporting requirements and rules and regulations under applicable 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 Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. 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.

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.

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.

International Regulatory Risks

Columbia Care intends to expand internationally and, as a result, it is and will become further 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. In addition, Columbia Care may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. 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.

Use of Customer Information and Other Personal and Confidential Information

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.

U.S. Domestic Corporation for U.S. Federal Income Tax Purposes

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.

Net Operating Loss 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 Columbia Care was to undergo such an ownership change, Columbia Care potentially would be subject to limitations on the use of net operating loss carryforwards, which in turn could reduce Columbia Care's after-tax income from operations for future taxable years and adversely impact Columbia Care's financial condition

Withholding Tax on Dividends

Dividends received on the Common Shares by a Non-U.S. Holder (including a Canadian Resident Holder) of Common Shares will be subject to U.S. withholding tax. A foreign tax credit under the Tax Act in respect of such U.S. withholding taxes may not be available to such holder. Dividends received on the Common Shares by Non-Canadian Resident Holders who are U.S. Holders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. As discussed above, a U.S. foreign tax credit in respect of such Canadian withholding taxes may not be available to such holder.

A holder that is both a Non-Canadian Resident Holder and a Non-U.S. Holder may be subject to (a) Canadian withholding tax, and (b) U.S. withholding tax on dividends received on the Common Shares. Non-Canadian Resident Holders and Non-U.S. Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions in respect of any Canadian or U.S. withholding tax applicable to dividends on the Common Shares**.**

Risk of U.S. Tax Classification as a USRPHC

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. As a result, the taxation of Columbia Care's Non-U.S. Holders upon a disposition of Common Shares generally depends on whether Columbia Care is classified as a United States real property holding corporation (a "**USRPHC**") under the Internal Revenue Code. Columbia Care does not believe that it is or has been and does not anticipate becoming a USRPHC. However, Columbia Care is not expected to seek formal confirmation

of its status as a non-USRPHC from the IRS. If Columbia Care were to be considered a USRPHC, Non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of Common Shares.

The discussion of certain U.S. federal income tax and certain Canadian federal income tax risks under "*Risk Factors – Risks Related to Columbia Care's Business*" is subject in its entirety to the summaries set forth in "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*".

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 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 Long-Term Incentive Plan and upon the exercise of certain outstanding CGGC Warrants. 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.

Columbia Care may lose Foreign Private Issuer Status in the Future, which could Result in Significant Additional Costs and Expenses

The Proportionate Voting Shares are issued and outstanding in order to meet the definition of "foreign private issuer," as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act. Columbia Care will be a "foreign private issuer," and is not subject to the same requirements that are imposed upon U.S. domestic issuers by the Securities and Exchange Commission ("**SEC**"). Columbia Care may in the future lose its foreign private issuer status if a majority of its Common Shares are held in the U.S. and satisfies at least one of the additional requirements: (1) a majority of its directors or executive officers are U.S. citizens or residents; (2) a majority of its assets are located in the U.S.; or (3) its business is administered principally in the U.S.

If Columbia Care loses its foreign private issuer status and becomes a U.S. domestic issuer, its ability to rely on certain exemptions from U.S. federal securities laws for the offering and sale of securities outside of the United States may

be limited or impaired and increase the restrictions and burdens on any purchaser of Columbia Care's securities at such time as it is a domestic issuer.

Conflicts of Interest

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 unfavourable 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.

Difficulty in Enforcing Judgments and Effecting Service of Process on Directors and Officers

A majority of the directors and officers of Columbia Care reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Past Performance Not 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

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 favourable 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 labour 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.

Specifically, at the time this Annual Information Form is prepared, we caution that our business could be materially and adversely affected by the risks, or the public perception of the risks, related to the recent outbreak of COVID-19. 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 our 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 our properties, which could adversely affect our ability to adequately staff and manage our 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 our sourcing partners. Although our medical dispensaries may be considered essential services and therefore be allowed to remain operational, our adult-use operations may not be allowed to remain open during the COVID-19 crisis. For example, Massachusetts Governor, Charlie Baker on March 23, 2020 issued an order declaring adult-use dispensaries non-essential, and thereby requiring all adult-use dispensaries to stop sales. The Company's operations in certain markets, particularly Illinois and California, have been affected by rules related to social distancing and limiting our retail operations to curb-side pick-up. Institution of such rules in any of our markets may have a material impact on our sales, financial position and cash reserves.

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 our business, financial condition and results of operations.

Failure to Complete the Green Leaf Medical Acquisition or the Green Leaf Medical Acquisition May Be Completed On Different Terms

There can be no assurance that the Green Leaf Medical Acquisition will be completed, or if completed, that it will be completed on the same or similar terms to those set out in the definitive agreement. The completion of the Green Leaf Medical Acquisition is subject to the satisfaction of a number of conditions which include, among others: (i) obtaining necessary approvals; and (ii) performance by Columbia Care and the sellers of their respective obligations and covenants in the definitive agreement.

In addition, if the Green Leaf Medical Acquisition is not completed, the ongoing business of Columbia Care may be adversely affected as a result of the costs (including opportunity costs) incurred in respect of pursuing the Green Leaf Medical Acquisition, and Columbia Care could experience negative reactions from the financial markets, which could cause a decrease in the market price of Columbia Care's securities, particularly if the market price reflects market assumptions that the Green Leaf Medical Acquisition will be completed or completed on certain terms. Columbia Care may also experience negative reactions from its customers and employees and there could be a negative impact on Columbia Care's ability to attract future acquisition opportunities. Failure to complete the Green Leaf Medical Acquisition or a change in the terms of the Green Leaf Medical Acquisition could each have a material adverse effect on Columbia Care's business, financial condition and results of operations.

Regulatory Approvals May Have Material Adverse Effects on the Green Leaf Acquisition, Columbia Care and/or the Sellers

The Green Leaf Medical Acquisition is conditional upon, among other things, the receipt of certain regulatory approvals. A substantial delay in obtaining satisfactory approvals or the imposition of terms, covenants or conditions on such approvals, could have a material adverse effect on the ability to complete the Green Leaf Medical Acquisition and on Columbia Care's business, financial condition, operations, assets or future prospects. Delays in receiving the regulatory approvals may substantially hinder and delay the consummation of the Green Leaf Medical Acquisition and give rise to the sellers' and Columbia Care's right to terminate the definitive agreement. More specifically, in order to obtain the regulatory approvals, it may be necessary for the sellers and/or Columbia Care to provide certain other covenants or agreements to the regulatory authorities and there can be no assurance as to which such covenants or agreements that may be required.

Anticipated Benefits of the Green Leaf Medical Acquisition May Not Occur

Columbia Care may fail to realize growth opportunities and synergies currently anticipated due to, among other things, challenges associated with integrating the operations and personnel of Columbia Care and Green Leaf Medical and the ability of Columbia Care to attract capital.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of Columbia Care, there are no material legal proceedings to which Columbia Care is a party or to which its property is subject, nor were there any such proceeding since January 1, 2020.

A former minority owner of the Company's Florida-licensed business, Sun Bulb Company, Inc. ("Sun Bulb"), was sued by a former purported joint venture partner. The purported joint venture partner alleged various statutory and common law claims related to the terminated joint venture. The Company had agreed to indemnify Sun Bulb for litigation costs and any judgment rendered in the matter, in excess of $750,000. On January 20, 2021, the arbitration panel issued a Partial Final Award in the former joint venture partner's favor on three of the 11 claims asserted and awarded the former joint venture partner $10,553,214.30 plus prejudgment interest from July 26, 2017 through the present and reasonable attorneys' fees; on February 24, 2021, the parties stipulated that prejudgment interest equals

$2,234,997.31, and reasonable attorneys' fees equal $2,350,000. The Company expects a demand for indemnification to be made by Sun Bulb as soon as the award becomes final, pursuant to the indemnification agreement.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described herein, none of the directors or executive officers of Columbia Care, or any person or company that is expected to beneficially own, or control or direct more than 10% of any class or series of shares of Columbia Care, or any associate or Affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date hereof, or any proposed transaction, that has materially affected or would materially affect Columbia Care or any of its expected subsidiaries.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of Columbia Care is Davidson & Company LLP, having an address at 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6. Davidson & Company LLP is independent of Columbia Care within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar of the Common Shares is Odyssey Trust Company at its principal offices located at 350 – 300 5th Avenue SW, Calgary, Alberta.

MATERIAL CONTRACTS

The only material contracts the Company has entered into, other than those contracts entered into in the ordinary course of business since January 1, 2020, or entered into prior to such date but which contract is still in effect are:

- State cannabis licenses:
    - Arizona: See licenses enumerated in the United States Regulatory Environment section chart for Arizona on page 35.
    - California: See licenses enumerated in the United States Regulatory Environment section chart for California on pages 38 & 39.
    - Colorado: See licenses enumerated in the United States Regulatory Environment section chart for Colorado on pages 42 to 46.
    - Delaware: See licenses enumerated in the United States Regulatory Environment section chart for Delaware on pages 48 & 49.
    - Florida: See licenses enumerated in the United States Regulatory Environment section chart for Florida on page 51.
    - Illinois: See licenses enumerated in the United States Regulatory Environment section chart for Illinois on page 55.
    - Maryland: See licenses enumerated in the United States Regulatory Environment section chart for Maryland on page 58.
    - Massachusetts: See licenses enumerated in the United States Regulatory Environment section chart for Massachusetts on pages 62 & 65.
    - Missouri: See licenses enumerated in the United States Regulatory Environment section chart for Missouri on page 69.
    - New Jersey: See licenses enumerated in the United States Regulatory Environment section chart for New Jersey on page 71.
    - New York: See licenses enumerated in the United States Regulatory Environment section chart for New York on pages 72 & 73.
    - Ohio: See licenses enumerated in the United States Regulatory Environment section chart for Ohio on pages 76 & 77.
    - Pennsylvania: See licenses enumerated in the United States Regulatory Environment section chart for Pennsylvania on page 80.
    - Puerto Rico: See licenses enumerated in the United States Regulatory Environment section chart for Puerto Rico on pages 82 & 83.
    - Utah: See licenses enumerated in the United States Regulatory Environment section chart for Utah on page 86.
    - Virginia: See licenses enumerated in the United States Regulatory Environment section chart for Virginia on page 89.

- Washington D.C.: See licenses enumerated in the United States Regulatory Environment section chart for Washington D.C. on page 92.

- West Virginia: See licenses enumerated in the United States Regulatory Environment section chart for West Virginia on pages 92 & 94.

- The March 2020 Warrant Indenture;
- The May 2020 Trust Indenture;
- The May 2020 Warrant Indenture;
- The June Supplemental Indenture;
- The July 2020 Warrant Indenture;
- The October 2020 Warrant Indenture; and
- The Green Leaf Medical Agreement.

Copies of such agreements are available under the Company's profile at *www.sedar.com*.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Company's audit committee (the "**Audit Committee**") is governed by an audit committee charter, a copy of which is attached hereto as Schedule "A".

Composition of the Audit Committee

As of the date of this Information Circular, the following were the members of the Audit Committee:

Name	Independence	Financial Literacy
Jeff Clarke (1)	Yes	Yes
Jonathan P. May	Yes	Yes
Frank Savage	Yes	Yes

Note:
(1) Chair of Audit Committee.

Relevant Education and Experience

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 National Instrument 52-110 – *Audit Committees*. 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.

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements. The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Jeff Clarke, Director

Mr. Clarke currently serves as Co-CEO of Emerge Technology Acquisition Corporation (NASDAQ: ETACU), a special purpose acquisition corporation. Mr. Clarke also serves as Chairman of FTD, LLC, leading the restructure of the company following its acquisition by Nexus Capital Management in August 2019. 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, chief financial officer at Compaq Computer and executive vice president of global operations at Hewlett-Packard. Mr. Clarke is currently a director at California Cyrobank and is a former director at Docker, Autodesk, Red Hat, Compuware and UTStarcom. He earned his MBA from Northeastern University and now serves as a Northeastern University Trustee.

Jonathan P. May, 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 sits on the Board of Trustees of Griffin Industrial Realty, a publicly traded real estate company. Mr. May formerly was a board member of Sneaker Villa and Marketwatch.com.

Frank Savage, Director

Frank Savage is currently 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

Pre-Approval Policies and Procedures

The Audit Committee of the Company pre-approves all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Company was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the directors of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (Exemptions) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

External Auditor Service Fees

Davidson & Company LLP served as the Company's auditors for the year ended December 31, 2020. Fees paid to the Company's auditors for the year ended December 31, 2020 are detailed below:

Fee	For the year ended December 31, 2020
Audit Fees[(1)]	$600,000
Audit-Related Fees[(2)]	$75,000
Tax Fees[(3)]	$3,077
All Other Fees[(4)]	$81,242
Total	$759,319

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.

All permissible categories of non-audit services require pre-approval by the Audit Committee, subject to certain statutory exemptions.

ADDITIONAL INFORMATION

Additional information relating to Columbia Care Inc. may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the audited consolidated financial statements and management's discussion and analysis of Columbia Care for the year ended December 31, 2020, which has been filed on SEDAR. Shareholders may also contact the Vice President, Investor Relations of the Company by phone at (212) 271-0915, or by e-mail at ir@col-care.com to request a copy of this document.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Columbia Care Inc. (the "**Company**").

Statement of Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and related financial disclosure;
- the implementation of risk management and internal control over financial reporting and disclosure controls and procedures; and
- external and internal audit processes.

Committee Membership

The Committee shall consist of as many directors of the Board as the Board may determine (the "**Members**"), but in any event, not less than 3 (three) Members. Each Member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company's securities are listed, including National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") subject to any exceptions permitted under NI 52-110. NI 52-110 also requires that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

Members shall be appointed by the Board, taking into account any recommendation that may be made by the Nomination and Governance Committee of the Board. Any Member may be removed and replaced at any time by the Board and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the Nomination and Governance Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of its powers so long as there is a quorum.

Chair

The Board will designate one of the independent directors of the Board to be the chair of the Committee (the "**Chair**"), taking into account any recommendation that may be made by the Nomination and Governance Committee.

Qualifications

At least three Members shall be independent and financially literate as described above. Members must have suitable experience and must be familiar with auditing and financial matters.

Attendance of Ex Officio Members, Management and other Persons

The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

Delegation

Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

Committee Operations

Meetings

The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

Agenda and Reporting

To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require senior executives and other employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Directors following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

Secretary and Minutes

The secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other Director that requests that they be sent to him or her) on a timely basis.

Quorum and Procedure

A quorum for any meeting of the Committee will be a simple majority. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.

Exercise of Power between Meetings

Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board as well as any other functions that may be necessary or appropriate for the performance of its duties.

Financial Reporting and Disclosure

Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and other applicable financial disclosure, prior to the public disclosure of such information.

Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such documents or information.

Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.

Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

Internal Controls and Internal Audit

Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of: (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.

Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.

Review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

Review and make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

Periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

External Audit

Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Company.

Ensure the external auditors report directly to the Committee on a regular basis.

Review the independence of the external auditors.

Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

Review the audit plan of the external auditors prior to the commencement of any audit. Establish and maintain a direct line of communication with the Company's external auditors.

Meet in camera with only the auditors, senior executives of the Company, or the Members, where and to the extent that, such parties are present, at any meeting of the Committee.

Oversee the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors.

Review the results of the external audit and the external auditor's report thereon, including, discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.

Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors.

Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.

Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.

Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to address any such issues.

Associated Responsibilities

Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

- the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and

- if applicable, any violations of applicable law, rules or regulations that relates to corporate reporting and disclosure, or violations of the Company's Code of Ethics.

Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

Non-Audit Services

Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Other Duties

Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

The Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

Committee Evaluation

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

Access to Information and Authority to Retain Independent Advisors

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors of the Company, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. The Committee shall select such advisors, consultants and experts after taking into consideration factors relevant to their independence from management and other relevant considerations.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law.

The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and

liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its Directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

Review of Charter

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: April 26, 2019

Approved by: Board of Directors of the Company