



# Trulieve Reports Strong Operational Results and Record Revenue in the First Quarter of 2020

*Market leading presence in Florida fueled record revenue growth*

TALLAHASSEE, FL, May 20, 2020 /CNW/ - Trulieve Cannabis Corp. ("Trulieve" or the "Company") (CSE: TRUL) (OTCQX: TCNNF), a leading and top-performing cannabis company in the United States, today announced its first quarter of 2020 ended March 31, 2020. Unless otherwise stated, all currency is expressed in U.S. dollars.

## First Quarter 2020 Financial & Operational Highlights

- Achieved record revenue of \$96.1 million, an increase of 21% on a sequential quarter-to-quarter basis
- Adjusted EBITDA<sup>1,2,3</sup> was \$49.4 million, or 51%, for the first quarter 2020
- Achieved earnings per share (EPS) of \$0.12
- Achieved GAAP adjusted margin<sup>4</sup> of 77%
- Sustained strong cash position with cash and cash equivalents of \$100.8 million at March 31, 2020
- Launched new products including TruPowder, TruTincture drops, and our ground flower product offering during the quarter
- Opened three new stores in Florida, ending the first quarter with 47 stores nationwide
- Introduced additional, industry leading measures in response to COVID-19

## Recent Highlights & Developments

- Celebrated 4/20 with two record revenue days of approximately \$2 million each day
- Appointed Alex D'Amico as Chief Financial Officer, improving our bench-strength and adding broad accounting and finance background to support the Company as it continues to grow

"Trulieve posted exceptional operational results for the quarter, continuing to grow our market share in Florida as we saw our dedicated team along with our scale and supply chain efficiencies successfully meet the increased demand for our products," stated Kim Rivers, Trulieve CEO. "Trulieve's execution of key fundamentals and financial discipline coupled with market share growth this quarter contributed to positive free cash flow, further strengthening our balance sheet and validating our financial stewardship. Our financial position continues to differentiate us in the market by providing flexibility to support both organic and external growth initiatives which is increasingly important during these times."

## COVID-19 Update

The Company's response to COVID-19 remains a priority for the health, safety and well-being of its employees, patients, customers, and communities. Trulieve has put into effect additional company-wide measures from its previous initiatives in response to COVID-19, and is well prepared for the phased re-opening of businesses and public spaces in Florida.

Furthermore, to date the Company has not experienced any material COVID-19 impacts affecting its ability to serve patients and customers. For additional information on COVID-19 and associated risks to our business, refer to the "Risk Factors" in the Company's Management Discussion and Analysis for Q1 2020, available on its website at <https://www.trulieve.com/investors>.

## 2020 Quarterly Financial Highlights

| Results of operations<br>(Figures in millions and % change based on these figures) | For the three months ended |             |          | For the three months ended March 31 |        |          |
|--|----------------------------|-------------|----------|-------------------------------------|--------|----------|
|  | Mar 31 2020                | Dec 31 2019 | % change | 2020                                | 2019   | % change |
| Total Revenue  | \$96.1                     | \$79.7      | 21%      | \$96.1                              | \$44.5 | 116%     |
| Revenue less production expenses and cost of goods purchased <sup>2</sup>          | \$67.1                     | \$51.5      | 30%      | \$67.1                              | \$29.9 | 125%     |

|  |        |        |     |        |        |      |
|--|--------|--------|-----|--------|--------|------|
| Revenue less production expenses and cost of goods purchased % | 70%    | 65%    | -   | 70%    | 67%    | -    |
| Operating Expenses   | \$28.3 | \$23.4 | 21% | \$28.3 | \$11.9 | 138% |
| Operating Expenses %   | 29%    | 29%    | -   | 29%    | 27%    | -    |
| Adjusted EBITDA <sup>1,2,3</sup>                               | \$49.4 | \$45.0 | 10% | \$49.4 | \$19.0 | 161% |

| Reconciliation of Non-IFRS Adjusted EBITDA (Figures in millions)         | For the three months ended March 31, 2020 |
|--|---|
| Net Income (IFRS)  | \$14.0                                    |
| Add (Deduct) Impact of Net Effect of Change in Fair Value of Biologicals | \$4.4                                     |
| Grow Cost adjustment for Biological Assets & Unsold Inventory            | \$6.6                                     |
| Share-Based Compensation   | \$1.2                                     |
| Interest Expense, Net  | \$6.9                                     |
| Depreciation and Amortization  | \$3.3                                     |
| Depreciation included in Cost of Goods Sold                              | \$2.8                                     |
| Provision for Income Taxes   | \$15.2                                    |
| Other Income, Net  | \$(4.9)                                   |
| Total Adjustments  | \$35.4                                    |
| Adjusted EBITDA <sup>1,2,3</sup>   | \$49.4                                    |

- Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Measures section of this news release.
- Adjusted EBITDA and Revenue less production expenses and cost of goods sold from third party suppliers do not include the net effect of changes in the fair value of biological assets.
- Please refer to "RECONCILIATIONS OF NON-IFRS FINANCIAL AND PERFORMANCE MEASURES" of the Company's Q1 2020 MD&A for Adjusted EBITDA calculations.
- Our revenue less production expense and cost of goods sold from third party suppliers was \$28.9 million, or a 70% margin. Our Q1 2020 GAAP adjusted margin, a non-IFRS financial measure, calculated by adding back grow costs expensed to revenue less production expense and cost of goods sold from third party suppliers, would be 77%. Please refer to "REVENUE LESS PRODUCTION EXPENSE AND COST OF GOODS SOLD FROM THIRD PARTY SUPPLIERS" in the Company's Q1 2020 MD&A.

The Management Discussion and Analysis for the period and the accompanying financial statements and notes are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on its website at <https://www.trulieve.com/investors>.

This news release is not in any way a substitute for reading those financial statements, including the notes to the financial statements.

## Financial Guidance

Reflecting continued leverage of scale and financial discipline, the Company is reaffirming guidance for full year 2020. Guidance for 2020 can be found in our first quarter 2019 press release available at: <https://www.newswire.ca/news-releases/trulieve-reports-another-quarter-of-record-revenue-898676764.html>

## Conference Call

The Company will host a conference call and live audio webcast on, May 20, 2020 at 8:30 A.M. Eastern time, to discuss its first quarter 2020 financial results.

All interested parties can join the conference call by dialing 1-888-231-8191 or 1-647-427-7450, conference ID: 3582877. Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until May 27, 2020 at midnight, ET. To access the archived conference call, please dial 1-855-859-2056 and enter the encore code 3582877.

A live audio webcast of the conference call will be available at:

[https://produceredition.webcasts.com/starthere.jsp?ei=1290780&tp\\_key=167d2603ba](https://produceredition.webcasts.com/starthere.jsp?ei=1290780&tp_key=167d2603ba)

Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. An archived replay of the webcast will be available for 90 days by clicking the link above.

## Non-IFRS Measures

Adjusted EBITDA is not a recognized performance measure under IFRS, does not have a standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain

material non-cash items and certain other adjustments Management believes are not reflective of the Company's ongoing operations and performance. Adjusted EBITDA has limitations as an analytical tool as it excludes from net income as reported interest, tax, depreciation, non-cash expenses, RTO expense, other income, grow cost expensed for biological assets and unsold inventory, and the non-cash fair value effects of accounting for biological assets and inventories. Because of these limitations, Adjusted EBITDA should not be considered as the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, analysis of the Company's results as reported under IFRS. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is operating income (loss). See "Reconciliation of non-IFRS measures" in the Company's Management's Discussion and Analysis for the quarter ended March 31, 2020 for additional information.

## **About Trulieve**

Trulieve is a vertically integrated "seed-to-sale" company and is the first and largest fully licensed medical cannabis company in the State of Florida. Trulieve cultivates and produces all of its products in-house and distributes those products to Trulieve-branded stores (dispensaries) throughout the State of Florida, as well as directly to patients via home delivery. Trulieve also has operations in California, Massachusetts and Connecticut. Trulieve is listed on the Canadian Securities Exchange under the symbol TRUL and trades on the OTCQX Best Market under the symbol TCNNF.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

## **Forward-Looking Statements**

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include statements regarding the future demand for the Company's products, the financial performance of the Company, potential acquisitions and expansion of the Company's operations. Words such as "expects", "continue", "will", "anticipates" and "intends" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the Company's current projections and expectations about future events and financial trends that management believes might affect its financial condition, results of operations, business strategy and financial needs, and on certain assumptions and analysis made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein, including, without limitation, the risk factors discussed in the Company's filings on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

To learn more about Trulieve, visit [www.Trulieve.com](http://www.Trulieve.com).

**The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.**

SOURCE Trulieve Cannabis Corp.

View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/May2020/20/c7053.html>

%SEDAR: 00008577E

**For further information:** Investor Contact: Lynn Ricci, Director, Investor Relations, 1-850-270-5691, IR@trulieve.com; Media Contact: InkHouse, 781-966-4100, trulieve@inkhouse.com

CO: Trulieve Cannabis Corp.

CNW 06:30e 20-MAY-20