



## Trulieve Achieves Record Third Quarter Results, Enters 6th State

November 17, 2020

*Expands MSO footprint while achieving its 11<sup>th</sup> consecutive quarter of profitability*

TALLAHASSEE, FL, Nov. 17, 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 results for the quarter ended September 30, 2020. As previously disclosed, the Company is transitioning to U.S. generally accepted accounting principles ("GAAP") and a number of its financial measures associated with third quarter results are included and presented in accordance with GAAP. All currency is expressed in U.S. dollars.

### Third Quarter 2020 Financial Highlights

On an IFRS basis

- Achieved record revenue of \$136.3 million, an increase of 13% on a sequential quarter-over-quarter basis
- Unaudited pro forma revenue, which includes our Pennsylvania acquisitions of PurePenn and Solevo and assumes the acquisitions had occurred on January 1, 2020, would have been \$154.9 million for the current quarter and \$392.0 million for the nine months ended September 30th
- Achieved adjusted EBITDA<sup>1,2,3</sup> of \$67.5 million, or 50% of revenue, representing the 11<sup>th</sup> quarter of consecutive growth and profitability
- Delivered \$73.7M in cash flows from operations for the nine months ended September 30, 2020.<sup>4</sup>
- Maintained strong cash position with cash and cash equivalents of \$193.4 million as of September 30, 2020

On a GAAP converted basis

- Attained positive net income of \$17.4 million, or \$0.15 per diluted share
- Achieved GAAP adjusted EBITDA of \$65.8 million

### Operational Highlights and Recent Events

- Expanded operational footprint into Pennsylvania through acquisitions of PurePenn LLC and Solevo Wellness, which closed on November 12, 2020
- Awarded a processor permit in West Virginia, providing a presence in six states
- First to market with edible cannabis products for patients in Florida, providing a full suite of edibles, including gels, chocolates, cookies, and brownies
- Opened nine stores in the third quarter, and recently achieved our 2020 goal of 68 stores nationwide

"Following an outstanding quarter, industry leading profitability, and our recent entry into two additional states in the northeast, Trulieve has never been better positioned for the future. Our third quarter was especially memorable because we introduced the long-awaited edibles product lines to our offerings and announced our acquisitions in Pennsylvania, where we see tremendous growth potential. Just last week the Pennsylvania acquisitions closed, and we were awarded a processor license in West Virginia. We also recently achieved our 2020 goal of opening 68 stores nationwide and expect our strong growth to continue," stated [Kim Rivers, Trulieve CEO](#). "Going forward, we will continue to provide best-in-class customer experiences for our Trulievers while strategically expanding our operations to accelerate growth."

### 2020 Quarterly Financial Highlights

Results of operations	IFRS Quarter over Quarter			GAAP Three Months Ended	IFRS Year over Year		
	Sep 30 2020	June 30 2020	% change	Sep 30 2020	2020	2019	% change
<b>(Figures in millions and % change based on these figures)</b>							
<b>Total Revenue</b>	<b>\$136.3</b>	\$120.8	13%	<b>\$136.3</b>	<b>\$136.3</b>	\$70.7	93%
<b>Revenue less production expenses and cost of goods purchased<sup>2</sup></b>	<b>\$102.2</b>	\$91.1	12%	<b>\$102.2</b>	<b>\$102.2</b>	\$44.0	132%
<b>Revenue less production expenses and cost of goods purchased %</b>	<b>75%</b>	75%	-	<b>75%</b>	<b>75%</b>	62%	-
<b>Operating Expenses</b>	<b>\$37.9</b>	\$33.1	15%	<b>\$39.4</b>	<b>\$37.9</b>	\$18.0	111%
<b>Operating Expenses %</b>	<b>28%</b>	27%	-	<b>29%</b>	<b>28%</b>	25%	-
<b>Adjusted EBITDA<sup>1,2,3</sup></b>	<b>\$67.5</b>	\$60.5	12%	<b>\$65.8</b>	<b>\$67.5</b>	\$36.9	83%

Reconciliation of Non-IFRS Adjusted EBITDA (Figures in millions)	IFRS For the three months ended September 30, 2020	GAAP For the three months ended September 30, 2020
Net Income (IFRS)	\$4.7	\$17.4
Add (Deduct) Impact of Net Effect of Change in Fair Value of Biologicals	\$16.8	--
Grow Cost adjustment for Biological Assets & Unsold Inventory	\$(0.7)	--
Share-Based Compensation	\$0.5	\$0.5
Interest Expense, Net	\$6.4	\$5.4
Depreciation and Amortization	\$4.0	\$3.3
Depreciation included in Cost of Goods Sold	\$3.4	\$2.5
Provision for Income Taxes	\$21.6	\$25.9
Other Income, Net	\$10.7	\$10.8
Total Adjustments	\$62.8	\$48.4
Adjusted EBITDA <sup>1,2,3</sup>	\$67.5	\$65.8

1. Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Measures section of this news release.

2. Adjusted EBITDA and Revenue less production expenses and cost of goods from third party suppliers do not include the net effect of changes in the fair value of biological assets.

3. Please refer to "RECONCILIATIONS OF NON-IFRS FINANCIAL AND PERFORMANCE MEASURES" of the Company's Q3 2020 MD&A for Adjusted EBITDA calculations.
4. Second and third quarter combined cash flows from operations were \$49.1 million. The Company made tax payments of \$70.9 million in the third quarter, which included \$45.4 million of previously deferred tax payments due to the COVID tax extension.

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.

#### **Conference Call**

The Company will host a conference call and live audio webcast on, November 17, 2020 at 8:30 A.M. Eastern time, to discuss its third 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: 9836737. Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until November 24, 2020 at midnight, ET. To access the archived conference call, please dial 1-855-859-2056 and enter the encore code 9836737.

A live audio webcast of the conference call will be available at: [https://produceredition.webcasts.com/starthere.jsp?ei=1387660&tp\\_key=770fb804fb](https://produceredition.webcasts.com/starthere.jsp?ei=1387660&tp_key=770fb804fb)

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 September 30, 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, Connecticut and Pennsylvania. 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.