



## Trulieve Reports Strong Consecutive Growth and Raises Guidance

August 12, 2020

*Solid operational results from achieving scale of cultivation and store footprint, provides industry leading free cash flow this quarter*

TALLAHASSEE, Fla., Aug. 12, 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 second quarter of 2020 ended June 30, 2020. Unless otherwise stated, all currency is expressed in U.S. dollars.

### Second Quarter 2020 Financial & Operational Highlights

- Achieved record revenue of \$120.8 million, an increase of 26% on a sequential quarter-to-quarter basis
- Adjusted EBITDA<sup>1,2,3</sup> was \$60.5 million, or 50% of revenue, representing the 10<sup>th</sup> quarter of consecutive growth and profitability
- Achieved free cash flow of \$39.6 million
- Sustained strong cash position with cash and cash equivalents of \$150.3 million at June 30, 2020
- Achieved GAAP adjusted margin<sup>4</sup> of 75%
- Announcement of transitioning to a U.S. domestic issuer subject to SEC reporting requirements as of January 2021
- Opened five new stores in Florida, ending the second quarter with 52 stores nationwide
- Continued to implement best-in-class, industry leading health and safety protocols in response to COVID

### Recent Highlights & Developments

- Company provides updated 2020 financial guidance

"Once again our financial results reflect our exceptional ability to grow our business quarter over quarter, through continued organic expansion of our retail footprint, while maintaining industry leading profitability. We are pleased to be able to demonstrate strong financial performance in revenue, adjusted EBITDA and free cash flow while pivoting our business to meet the changing behaviors and needs due to COVID," stated [Kim Rivers, Trulieve CEO](#). "Looking ahead, we are excited about the second half of the year and will continue focusing on execution and expansion. We anticipate exceeding our goal of 68 stores and will continue our strong growth in Florida. Massachusetts is getting closer to completion and we are excited to enter that market in 2021. And, we believe the M&A pipeline and application processes underway will present new opportunities for expansion. Lastly, we are moving quickly down the path toward registering with the SEC and SOX compliances. This is a great start on our next level of strategic growth."

## 2020 Quarterly Financial Highlights

Results of operations  (Figures in millions and % change based on these figures)	For the three months ended			For the three months ended June 30		
	June 30 2020	Mar. 31, 2020	% change	2020	2019	% change
<b>Total Revenue</b>	<b>\$120.8</b>	\$96.1	26%	<b>\$120.8</b>	\$57.9	109%
<b>Revenue less production expenses and cost of goods purchased<sup>2</sup></b>	<b>\$91.1</b>	\$67.1	36%	<b>\$91.1</b>	\$37.6	143%
<b>Revenue less production expenses and cost of goods purchased %</b>	<b>75%</b>	70%	-	<b>75%</b>	65%	-
<b>Operating Expenses</b>	<b>\$33.1</b>	\$28.3	17%	<b>\$33.1</b>	\$14.8	124%
<b>Operating Expenses %</b>	<b>27%</b>	29%	-	<b>27%</b>	26%	-
<b>Adjusted EBITDA<sup>1,2,3</sup></b>	<b>\$60.5</b>	\$49.4	23%	<b>\$60.5</b>	\$31.6	92%

Reconciliation of Non-IFRS Adjusted EBITDA (Figures in millions)	For the three months ended June 30, 2020
Net Income (IFRS)	<b>\$6.6</b>
Add (Deduct) Impact of Net Effect of Change in Fair Value of Biologicals	<b>\$16.8</b>
Grow Cost adjustment for Biological Assets & Unsold Inventory	<b>\$(1.1)</b>
Share-Based Compensation	<b>\$0.5</b>
Interest Expense, Net	<b>\$6.8</b>
Depreciation and Amortization	<b>\$3.7</b>
Depreciation included in Cost of Goods Sold	<b>\$3.1</b>
Provision for Income Taxes	<b>\$19.2</b>
Other Income, Net	<b>\$5.0</b>
Total Adjustments	<b>\$54.0</b>
Adjusted EBITDA <sup>1,2,3</sup>	<b>\$60.5</b>

<sup>1</sup> 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 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 Q2 2020 MD&A for Adjusted EBITDA calculations.

Our revenue less production expense and cost of goods sold from third party suppliers was \$91.1 million, or a 75% margin. Our Q2 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 75%. Please refer to "REVENUE LESS PRODUCTION EXPENSE AND COST OF GOODS SOLD FROM THIRD PARTY SUPPLIERS" in the Company's Q2 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.

### Updated Financial Guidance

Given Trulieve's strong financial performance in the first half of 2020, the Company expects full year 2020 financial results to materially exceed previously issued revenue and adjusted EBITDA guidance ranges, driven principally by continued market share gains and operating leverage. The Company is raising its guidance as follows:

<i>In millions</i>	Previous Guidance	Updated Guidance
<b>Revenue</b>	\$380.0 - \$400.0	<b>\$465.0 - \$485.0</b>
<b>Adjusted EBITDA</b>	\$140.0 - \$160.0	<b>\$205.0 - \$225.0</b>

### Conference Call

The Company will host a conference call and live audio webcast on, August 12, 2020 at 8:30 A.M. Eastern time, to discuss its second 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: 4364705. Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until August 19, 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=1343087&tp\\_key=9a0059bf7b](https://produceredition.webcasts.com/starthere.jsp?ei=1343087&tp_key=9a0059bf7b)

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.**

🔗 View original content: <http://www.prnewswire.com/news-releases/trulieve-reports-strong-consecutive-growth-and-raises-guidance-301110586.html>

SOURCE Trulieve Cannabis Corp.