



Trulieve Reports Fourth Quarter and Full Fiscal Year 2019 Financial Results

April 08, 2020

A strong year end with continued operational success supported by industry leading profitability

TALLAHASSEE, FL, April 8, 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 financial results for the three and 12 months ended December 31, 2019. Unless otherwise stated, all currency is expressed in U.S. dollars.

Fourth Quarter 2019 Financial & Operational Highlights

- Achieved record revenue of \$79.7 million, an increase of 13% on a sequential quarter-to-quarter basis
- Adjusted EBITDA^{1,2} increased from \$36.9 million in Q3 2019 to \$45.0 million in Q4 2019
- Significant, sustained market share in Florida, demonstrating Trulieve's ability to maintain its brand and customer loyalty
- Continued initiatives for the optimization of efficiencies and economies of scale
- Enhanced strategic capabilities with the appointment of Susan Thronson and Thomas Millner to serve as advisors to the Trulieve Board of Directors
- Appointed Valda Coryat as Chief Marketing Officer, adding extensive consumer packaged goods and agricultural experience
- Opened seven additional dispensaries in Florida in the fourth quarter, to reach 44 stores nationally at December 31, 2019
- Increased total current cultivation capacity to approximately 1.7 million square feet, with plans to continue indoor cultivation build-out at Jefferson County, FL location to match expected demand

Recent Highlights & Developments

- Implemented quick changes in response to COVID-19 pandemic, including adding health and safety procedures for employees and facilities, increasing production rates to ensure adequate supply in stores, and investments in vehicles in anticipation of increased delivery demand

"Our fourth quarter results reflect our strong brand and customer loyalty, which were key factors in our success for the year. We continued to grow our footprint in Florida and made significant strides building out the infrastructure needed to maximize efficiencies and achieve economies of scale," stated [Kim Rivers, Trulieve CEO](#).

"Despite recent developments surrounding COVID-19 and the uncertainty in the global economy, we see strong medical cannabis demand in our target markets and expect to continue maintaining our over 50% market share in Florida. Our solid foundation and cash position enable us to monitor opportunities that meet our disciplined criteria and we remain optimistic about expansion in 2020."

2019 Quarterly and Full Year Financial Highlights

Results of operations (Figures in millions and % change based on these figures)	For the three months ended			For the three months ended December 31			For the year ended December 31		
	Dec 31 2019	Sept 30 2019	% change	2019	2018	% change	2019	2018	% change
Total Revenue	\$79.7	\$70.7	13%	\$79.7	\$35.9	122%	\$252.8	\$102.8	146%
Revenue less production expenses and cost of goods purchased²	\$51.5	\$44.0	17%	\$51.5	\$20.8	148%	\$163.0	\$68.6	138%

Revenue less production expenses and cost of goods purchased %	65%	62%	-	65%	58%	-	64%	67%	-
Operating Expenses	\$23.4	\$18.0	30%	\$23.4	\$10.4	124%	\$68.0	\$44.2	54%
Operating Expenses %	29%	25%	-	29%	29%	-	27%	43%	-
Adjusted EBITDA ^{1,2,3}	\$45.0	\$36.9	22%	\$45.0	\$12.0	276%	\$132.5	\$51.2	159%

Reconciliation of Non-IFRS Adjusted EBITDA (Figures in millions)	For the three months ended December 31, 2019	For the year ended December 31, 2019
Net Income (IFRS)	\$45.5	\$178.0
Add (Deduct) Impact of Net Effect of Change in Fair Value of Biologicals	\$(56.7)	\$(199.3)
Grow Cost adjustment for Biological Assets & Unsold Inventory	\$12.5	\$28.7
Interest Expense, Net	\$5.8	\$12.8
Depreciation and Amortization	\$2.4	\$8.4
Depreciation included in Cost of Goods Sold	\$4.4	\$8.8
Provision for Income Taxes	\$25.4	\$94.4
Other Income, Net	\$5.7	\$0.6
Total Adjustments	\$(0.5)	\$(45.6)
Adjusted EBITDA ^{1,2,3}	\$45.0	\$132.5

- 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.
- ease refer to "RECONCILIATIONS OF NON-IFRS FINANCIAL AND PERFORMANCE MEASURES" of the Company's 2019 Annual MD&A for Adjusted EBITDA calculations.

The Company determined that share-based compensation expense for previously disclosed warrants was understated by approximately \$15.0 million in the reported financial statements for the year ended December 31, 2018. Adjustments to the audited consolidated financial statements for the year ended 2018 to account for the understatement are summarized in Note 2 of the audited consolidated financial statements for the year ended 2019.

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 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 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 2020, April 8, 2020 at 8:30 A.M. Eastern time, to discuss its fourth quarter 2019 financial results.

All interested parties can join the conference call by dialing 1-888-231-8191 or 1-647-427-7450, conference ID: 9576534. Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until April 14, 2020 at midnight, ET. To access the archived conference call, please dial 1-855-859-2056 and enter the encore code 9576534.

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

https://produceredition.webcasts.com/starthere.jsp?ei=1294031&tp_key=ea54bd8915

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 year ended December 31, 2019 for additional information.

About Trulieve Cannabis Corp.

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 operates 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. 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.

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

SOURCE Trulieve Cannabis Corp.