

Major Cannabis Player Liquidates Florida Holdings in Restructuring Move

The Cannabist Company has unveiled a series of strategic initiatives aimed at boosting profitability and streamlining operations. These measures include a corporate restructuring expected to save around \$10 million annually.

Divestiture of Florida Assets

The company is in the process of divesting its entire asset portfolio and license in the Florida market, with LOIs for multiple transactions in place and \$2.75 million of deposits in escrow. Upon divesting these assets, including 14 retail locations, three cultivation and manufacturing facilities, and its license, the company will exit the Florida market, which represented less than 5% of total revenue in the first quarter of 2024.

Closure of Underperforming Assets

In addition, the company has closed one retail location in Trinidad, Colorado, and has adjusted the operational hours of its New York medical dispensaries. It has also permanently closed locations in Manhattan and Rochester due to lease expirations.

Expansion in Other States

Despite these closures, The Cannabist Company is expanding its presence in other states. It recently opened its 11th location in Virginia and expects to open its third retail location in New Jersey later this year. The company is also preparing for the upcoming launch of adult-use sales in Ohio by expanding its cultivation capacity and upgrading its retail locations.

Focus on Profitable Growth

Overall, The Cannabist Company is focusing on markets that offer profitable growth opportunities while divesting from underperforming assets. The company's strategic initiatives are aimed at improving its margin profile and generating cash flow to support its long-term growth strategy.

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