

Curaleaf Buys Competitor to Break Into Virginia Cannabis Market

Curaleaf Moves Into Virginia With \$110 Million Acquisition of The Cannabist Company's Local Assets

Cannabis multistate operator Curaleaf Holdings is officially entering the Virginia medical cannabis market with a major acquisition from competitor The Cannabist Company Holdings, the companies announced Tuesday. The deal positions Curaleaf to become a major player in a state that could launch adult-use sales as early as November 2026.

A \$110 Million Deal That Grants Curaleaf a Vertically Integrated Foothold in Virginia

Curaleaf will pay \$110 million to acquire a vertically integrated medical marijuana license one of only five permitted in the state.

The transaction includes:

- Five operating dispensaries,
- Rights to open a sixth retail location, and
- An 82,000-square-foot cultivation canopy near Richmond, owned by a Cannabist subsidiary.

The purchase gives Curaleaf full seed-to-sale authority in one of the most tightly regulated cannabis markets in the country.

The Cannabist Company's Continued Strategic Shift Amid Market Pressures

The announcement is part of a broader strategy by The Cannabist Company (formerly Columbia Care), which earlier this year formed a special committee to explore mergers, asset sales, and other pathways to financial stability.

The company has been systematically restructuring its footprint and balance sheet:

- Proceeds from the Curaleaf transaction will be used to pay down debt, according to the company.
- A 2023 debt restructuring pushed maturities originally scheduled for 2026–2027 out to 2028.
- In August, Cannabist sold its three medical dispensaries in Pennsylvania, choosing instead to focus on wholesale operations.

The Virginia sale marks one of the company's most significant divestitures to date.

Deal Structure and Expected Timeline for Curaleaf's Entry

According to Curaleaf's announcement, the \$110 million purchase price is structured as follows:

- **\$80 million** in upfront cash
- **\$20 million** payable within 30 days
- A **\$10 million promissory note** at **6% interest**

If approved and closed as expected in Q1 2026, Curaleaf will acquire Green Leaf Medical of Virginia, the Cannabist entity that holds the regional license.

Virginia law limits the state to five vertically integrated operators, each assigned to a specific geographic region making this license one of the most valuable assets available in the market.

Virginia Prepares for Adult-Use Sales and a Rapidly Expanding Market

With 8.6 million residents, Virginia is poised to become one of the largest new adult-use cannabis markets to come online in recent years.

The medical market is already showing signs of steady traction, with nearly \$30 million in sales during July and August, coinciding with the rollout of track-and-trace requirements.

Forecasts point to explosive growth once adult-use launches:

- **\$780 million** in sales expected in the first full year
- Over **\$1.09 billion** projected by year two
(Data: MJBiz Factbook)

What remains unclear is how the state will approach licensing for adult-use. Regulators could choose to prioritize existing medical operators or instead open opportunities for small, minority-owned, or equity-focused businesses.

Market Capacity: What Virginia Could Support, According to Analysts

A 2020 state-commissioned study estimated Virginia could sustain:

- **100–800 cultivation permits**
- **30–150 processing/distribution licenses**
- **200–600 retail dispensaries**

If adult-use is implemented with broad licensing, Virginia could become one of the most diverse and competitive East Coast markets.

The State's Other Medical Marijuana License Holders

Curaleaf's entry into the state rounds out a lineup of national players holding the other four vertically integrated permits:

- **Ayr Wellness** (Miami): Has not yet opened a dispensary and recently sold multiple assets—including its Virginia permit—to creditors.
- **Jushi Holdings** (Boca Raton, FL)
- **Green Thumb Industries** (Chicago)
- **Verano Holdings Corp.** (Chicago)

With Curaleaf joining the market, Virginia will soon host five of the most prominent MSOs in the industry.

A Transformative Move Ahead of a Potential Multi-Billion-Dollar Market Launch

The acquisition sets Curaleaf up for an advantageous position ahead of Virginia's anticipated adult-use era. For The Cannabist Company, the sale provides liquidity and a streamlined path as it continues to restructure operations.

As regulatory uncertainty persists, both companies are repositioning to navigate what could become one of the East Coast's most lucrative cannabis markets one that is edging closer each year to full legalization.

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