



THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR JUSHI HOLDINGS INC. ARE ALSO INCLUDED IN THE FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2026, FILED ON SEDAR IN ITS ENTIRETY

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Management’s Discussion and Analysis (“MD&A”) covers the consolidated financial statements of Jushi Holdings Inc. and its controlled subsidiaries as of and for the three months ended March 31, 2026 (the “Financial Statements”). Unless the context indicates or requires otherwise, the terms “Jushi”, “the Company”, “we”, “us” and “our” refers to Jushi Holdings Inc. and its controlled entities. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three months ended March 31, 2026 (the “Quarterly Financial Statements”). The Quarterly Financial Statements have been prepared by management and are in accordance with generally accepted accounting principles in the United States (“GAAP”) and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 31, 2026 (the “2025 Form 10-K”) and also filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) on March 31, 2026. All amounts are expressed in U.S. dollars unless otherwise noted.

Company Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. We are focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license jurisdictions and capitalizing on such assets through strategic deployment in our day-to-day operations. We have targeted assets in highly populated, limited license medical markets on a trajectory toward adult-use legalization, including Pennsylvania, markets that are in the process of transitioning to adult use, namely Virginia, and limited license, large adult-use markets, such as Illinois, Massachusetts, Nevada, New Jersey and Ohio and certain municipalities of California.

Factors Affecting our Performance and Related Trends

Competition and Pricing Pressure

The cannabis industry is subject to significant competition and pricing pressures, which is often market specific and can be caused by an oversupply of cannabis in the market, and may be transitory from period to period. We may experience significant competitive pricing pressures as well as competitive products and service providers in the markets in which we operate. Several significant competitors may offer products and/or services with prices that may match or are lower than ours. We believe that the products and services we offer are generally competitive with those offered by other cannabis companies. It is possible that one or more of our competitors could develop a significant research advantage over us that allows them to provide superior products or pricing, which could put us at a competitive disadvantage. Continued pricing pressure due to competition, increased cannabis supply or shifts in customer preferences could adversely impact our customer base or pricing structure, resulting in a material impact on our results of operations, or asset impairments in future periods.

Recent Developments

(Amounts expressed in thousands of U.S. dollars)

Debt Refinancing

On March 27, 2026, we refinanced both our existing 2024 Term Loan and our Second Lien Notes, which were scheduled to mature within twelve months of December 31, 2025. The refinancing was completed through the issuance of a \$160,000 senior secured term loan (“2026 Term Loan”) to a syndicate of lenders, issued at a 4% original issue discount and bearing interest at a rate of 12.5% per annum payable in cash monthly, with maturity in March 2029. We used the proceeds from the 2026 Term Loan to repay in full the outstanding principal, accrued but unpaid interest, exit fee and make-whole on the 2024 Term Loan, as well as the outstanding principal and accrued but unpaid interest on the Second Lien Notes. The proceeds were also used to pay certain fees and expenses associated with the issuance of the 2026 Term Loan. Remaining excess proceeds of \$17,483 were retained on the balance sheet for general corporate purposes.

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Serpentine Capital Management III, LLC, an entity controlled by James Cacioppo, our Chief Executive Officer, Chairman and founder, participated in the 2026 Term Loan with a principal amount of \$27,993. Denis Arsenault, a founder and significant equity holder of the Company, participated in the 2026 Term Loan with a principal amount of \$21,016.

Federal Cannabis Rescheduling

On April 28, 2026, the U.S. Department of Justice issued a rule in the Federal Register reclassifying certain state-licensed medical marijuana products and FDA-approved marijuana products from Schedule I to Schedule III under the Controlled Substances Act. The action does not federally legalize recreational cannabis or broadly legalize marijuana-related activities, but it represents a significant shift in federal cannabis policy and may facilitate expanded medical research, product development and potential changes in tax treatment for qualifying operators.

We are evaluating the potential impact of these developments on our business, including implications for federal income tax treatment under Section 280E of the Internal Revenue Code. However, the scope, timing and applicability of any resulting benefits remain uncertain and may depend on future rulemaking, enforcement priorities, judicial developments and additional federal or state regulatory actions.

While we believe these developments could create long-term opportunities for the regulated cannabis industry, no assurance can be provided regarding the extent to which such actions will materially affect our financial condition, results of operations or liquidity.

Proposed Continuance from British Columbia to Nevada

On April 24, 2026, we announced our intention to seek shareholder approval of a proposed arrangement (the "Arrangement") which involves, among other things, the continuance of the Company out from the province of British Columbia, Canada and the concurrent domestication of the Company in the State of Nevada in the United States (the "Continuance"). To become effective, the Arrangement must be approved by 66 2/3% of the votes cast by shareholders at our annual general and special meeting of the shareholders. If approved by the shareholders, the Arrangement, including the Continuance, is not expected to cause any material change in the Company's business or operations.

Virginia Adult Use

In March 2026, legislation permitting the sale of cannabis for adult-use was passed by the Virginia General Assembly ("General Assembly") and submitted to the Governor for consideration. In April 2026, the Governor returned the legislation with proposed amendments. The General Assembly rejected the Governor's amendments and returned the legislation to the Governor for further consideration. Under Virginia law, the Governor has until May 23, 2026 to either sign or veto the legislation, or allow it to become law without her signature..

The transition to adult use is expected to expand our customer base and result in increased demand for our products. While we believe the introduction of adult-use sales presents a potential opportunity for revenue growth, the extent and timing of any such impact remain uncertain and will depend on factors including consumer demand, competitive dynamics and pricing pressure.

Results of Operations

(Amounts expressed in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31,				
	2026		2025		2026 vs.
	Amount	% of Revenue	Amount	% of Revenue	\$ Change
REVENUE, NET	\$ 66,432	100%	\$ 63,846	100%	\$ 2,586
COST OF GOODS SOLD	(36,555)	(55)%	(38,071)	(60)%	1,516
GROSS PROFIT	29,877	45%	25,775	40%	4,102
OPERATING EXPENSES	28,294	43%	27,646	43%	648
INCOME (LOSS) FROM OPERATIONS	1,583	2%	(1,871)	(3)%	3,454
OTHER INCOME (EXPENSE):					
Interest expense, net	(10,388)	(16)%	(10,000)	(16)%	(388)
Fair value gain on derivatives	2,312	3%	637	1%	1,675
Other, net	(4,637)	(7)%	3,197	5%	(7,834)
Total other income (expense), net	(12,713)	(19)%	(6,166)	(10)%	(6,547)
LOSS BEFORE INCOME TAX	(11,130)	(17)%	(8,037)	(13)%	(3,093)
Income tax expense	(8,717)	(13)%	(8,978)	(14)%	261
NET LOSS	\$ (19,847)	(30)%	\$ (17,015)	(27)%	(2,832)
LOSS PER SHARE - BASIC AND DILUTED	\$ (0.10)		\$ (0.09)		\$ (0.01)
Weighted average shares outstanding - basic and diluted	198,163,264		195,196,597		2,966,667

Three Months Ended March 31, 2026 Compared with the Three Months Ended March 31, 2025

(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)

Revenue, Net

The following table presents revenue by type for the periods indicated:

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Retail	\$ 57,874	\$ 56,844	\$ 1,030	2 %
Wholesale	8,558	7,002	1,556	22 %
Total revenue, net	\$ 66,432	\$ 63,846	\$ 2,586	4 %

Total revenue, net, was \$66,432 compared to \$63,846, an increase of \$2,586 or 4%.

Retail revenue increased \$1,030. While the overall units sold in our retail channel increased by approximately 6%, the average price per unit declined. The increase in retail revenue was primarily due to:

- An increase in sales in Ohio of \$4,432 due to the opening of four new dispensaries since the first quarter of 2025; and
- An increase in sales in Virginia of \$691 driven primarily by an approximately 8% increase in units sold. All dispensary locations in Virginia reflected revenue growth.

These increases in retail revenue were partially offset by:

- A decline in sales in Illinois of \$1,503 - the number of units sold decreased by approximately 3% and the average price per unit declined as we increased our use of promotions due to continued competition;
- A decline in sales in Pennsylvania of \$1,445 - the number of units sold decreased by approximately 6% and the average price per unit declined due to increased competition and price compression;
- A decline in sales in Massachusetts of \$904 - the number of units sold decreased by approximately 9% and the average price per unit declined due to continued competition; and
- A decline in sales in Nevada of \$443 - the number of units sold decreased by approximately 2%, primarily due to the closure of one dispensary in May 2025, and the average price per unit declined as a result of price compression.

Jushi branded product sales as a percentage of retail revenue were 58% across the Company's five vertical markets compared to 56% in the prior year. We ended the quarter with forty-two dispensaries in eight states, as compared to forty in seven states on March 31, 2025.

Wholesale revenue increased \$1,556 primarily attributable to higher wholesale revenue of \$1,243 in Massachusetts. The increase in Massachusetts was driven by increased bulk sales, expanded wholesale distribution including placement in new dispensaries, and higher production volumes that supported greater product availability. Growth in Massachusetts also reflected limited product availability in the prior-year period when we prioritized supplying our retail stores in this market. Additionally, increased production capacity in Ohio contributed to higher wholesale revenue of \$444. Increased wholesale revenue of \$153 in Pennsylvania reflected market conditions in the prior-year period similar to those in Massachusetts, where product availability was limited. These increases were partially offset by a decline of \$197 in Virginia due to lower demand from our wholesale partners.

Gross Profit

Gross profit was \$29,877 compared to \$25,775, an increase of \$4,102 or 16%. Gross profit margin increased to 45% compared to 40%. The increases in gross profit and gross profit margin were driven by higher production volumes, and improved product quality at our grower-processor facilities, particularly in Ohio, Massachusetts, and Pennsylvania. Higher gross profit also reflected the benefit of new dispensary openings since Q1 2025 in Ohio. These benefits were partially offset by continued pricing pressure and increased promotional activity across our retail footprint.

Operating Expenses

Operating expenses were \$28,294 compared to \$27,646, an increase of \$648 or 2%. The following table presents information on our operating expenses for the periods indicated:

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Salaries, wages and employee related expenses	\$ 14,720	\$ 14,149	\$ 571	4 %
Depreciation and amortization expenses	3,698	4,597	(899)	(20)%
Rent and related expenses	3,222	3,197	25	1 %
Professional fees and legal expenses	2,338	1,925	413	21 %
Software and technology expenses	1,243	1,073	170	16 %
Share-based compensation expense (forfeiture)	392	(307)	699	(228)%
Other expenses ⁽¹⁾	2,681	3,012	(331)	(11)%
Total operating expenses	\$ 28,294	\$ 27,646	\$ 648	2 %

⁽¹⁾ Other expenses are primarily comprised of marketing and selling expenses, insurance costs, administrative and licensing fees, travel, entertainment and other.

Operating expenses increased primarily as a result of higher employee costs resulting from expanded operations, including new store openings, and higher share-based compensation expense as the prior year quarter reflected higher forfeitures. These increases were partially offset by a reclassification of certain depreciation expense to cost of goods sold.

Other Income (Expense)

Interest Expense, Net

Interest expense, net was \$10,388 compared to \$10,000, an increase of \$388, or 4%.

Fair Value gain on Derivatives

Fair value gain on derivatives was \$2,312 compared to \$637. Fair value gain on derivatives includes the fair value changes relating to the derivative warrants. The derivative warrants are required to be remeasured at fair value at each reporting period. The fair value changes in derivatives were primarily attributable to the movement in our stock price during the corresponding period.

Other, Net

Other, net was an expense of \$4,637, compared to income of \$3,197, a change of \$7,834. The current quarter is primarily comprised of \$4,977 in loss on debt extinguishment/modification. The prior quarter is primarily comprised of \$2,850 in employee retention credit claims, including interest, received from the IRS.

Income Tax Expense

Total income tax expense was \$8,717 compared to \$8,978, a decrease of \$261 or 3%.

Non-GAAP Measures and Reconciliation

In addition to providing financial measurements based on GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP. We use non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. These non-GAAP financial measures are EBITDA and Adjusted EBITDA (each as defined below). We believe that these non-GAAP financial measures reflect our ongoing business by excluding the effects of expenses that are not reflective of our operating business performance and allow for meaningful comparisons and analysis of trends in our business. These non-GAAP financial measures also facilitate comparing financial results across accounting periods and to those of peer companies. As there are no standardized methods of calculating these non-GAAP measures, our methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similar measures used by others, thus limiting their usefulness. Accordingly, these non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are financial measures that are not defined under GAAP. We define EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA before: (i) non-cash share-based compensation expense; (ii) inventory-related adjustments; (iii) fair value changes in derivatives; (iv) other (income)/expense items; (v) transaction costs; (vi) asset impairment; and (vii) gain/loss on debt extinguishment. These financial measures are metrics that have been adjusted from the GAAP net income (loss) measure in an effort to provide readers with a normalized metric in making comparisons more meaningful across the cannabis industry, as well as to remove non-recurring, irregular and one-time items that may otherwise distort the GAAP net income measure. Other companies in our industry may calculate this measure differently, limiting their usefulness as comparative measures.

Reconciliation of EBITDA and Adjusted EBITDA (Non- GAAP Measures)

Adjusted EBITDA for the three months ended March 31, 2026 and 2025, was \$11,394 and \$9,827, respectively, an increase of \$1,567 or 16%. The increase was due primarily to higher margin resulting from stronger performance at our grower processor facilities and new dispensary openings.

The table below reconciles net loss to EBITDA and Adjusted EBITDA for the periods indicated.

(Amounts expressed in thousands of U.S. dollars)

	Three Months Ended March 31,	
	2026	2025
NET LOSS	\$ (19,847)	\$ (17,015)
Income tax expense	8,717	8,978
Interest expense, net	10,388	10,000
Depreciation and amortization ⁽¹⁾	7,946	8,035
EBITDA (Non-GAAP)	7,204	9,998
Non-cash share-based compensation	392	(307)
Fair value changes in derivatives	(2,312)	(637)
Loss on debt extinguishment/modification	4,977	—
Other (income) expense, net ⁽²⁾	1,133	773
Adjusted EBITDA (Non-GAAP)	\$ 11,394	\$ 9,827

⁽¹⁾ Includes amounts that are included in cost of goods sold and in operating expenses.

⁽²⁾ Includes: (i) remeasurement of contingent consideration related to acquisitions; (ii) losses (gains) on legal settlements; (iii) losses (gains) on asset disposals; (iv) foreign exchange losses (gains); (v) indemnification asset adjustments related to acquisitions; and (vi) start-up costs.

Liquidity and Capital Resources

(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)

Sources and Uses of Cash

We had cash, cash equivalents and restricted cash of \$42,271 as of March 31, 2026.

The major components of our statements of cash flows for the three months ended March 31, 2026 and 2025, are as follows:

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Net cash flows provided by operating activities	\$ 8,612	\$ 7,529	\$ 1,083	14 %
Net cash flows used in investing activities	(4,080)	(4,375)	295	(7)%
Net cash flows provided by financing activities	11,123	3,387	7,736	(228)%
Net change in cash, cash equivalents and restricted cash	<u>\$ 15,655</u>	<u>\$ 6,541</u>	<u>\$ 9,114</u>	<u>139 %</u>

Operating activities

Cash provided by operations was \$8,612, as compared to \$7,529. The increase is primarily attributable to an improvement in our operating results, partially offset by lower cash flows provided by working capital changes.

Investing activities

Net cash used in investing activities was \$4,080 compared to \$4,375. The current year includes \$3,034 for the purchase of property, plant and equipment for use in our operations, and \$1,550 relating to intangible assets acquired, which were partially offset by \$504 proceeds from sale of non-core assets. The prior year includes \$4,021 for the purchase of property, plant and equipment for use in our operations and \$354 of intangible assets acquired.

Financing activities

Net cash provided by financing activities was \$11,123 compared to \$3,387.

The current year net cash flows provided by financing activities reflect borrowings under the 2026 Term Loan of \$160,000, which included \$17,483 of cash proceeds received by the Company, \$6,400 of non-cash original issue discount, and \$136,117 that was used by the lender to settle the Second Lien Notes and 2024 Term Loan and to pay certain related refinancing fees. These inflows were partially offset by \$5,013 of debt principal payments, \$254 of loan financing costs, \$534 of finance lease obligations, and \$559 of other financing activities.

The prior year net cash flows provided by financing activities include \$4,608 of net proceeds from Second Lien Notes, which were partially offset by payments of \$465 of finance lease obligations, \$603 of other financing activities, and \$153 of debt principal payments.

Liquidity

On March 27, 2026, we refinanced our 2024 Term Loan and our Second Lien Notes, which had outstanding principal balances of \$46,075 and \$86,194, respectively, as of December 31, 2025, and were scheduled to mature within twelve months of December 31, 2025. The refinancing was completed through the issuance of a \$160,000 2026 Term Loan to a syndicate of lenders, issued at a 4% original issue discount and bearing interest at a rate of 12.5% per annum payable in cash monthly, with maturity in March 2029. The 2026 Term Loan includes a financial covenant that requires us to maintain a minimum unrestricted cash balance of \$15,000 at all times. As of March 31, 2026, we were in compliance with this financial covenant.

We believe that our existing cash and cash equivalents, and cash from operations will be sufficient to meet our working capital and capital expenditure needs, and minimum unrestricted cash balance requirement under the 2026 Term Loan for at least the next twelve months. We may choose to take advantage of additional opportunistic capital raising or refinancing transactions at any time depending on future capital expenditure needs.

Off-Balance Sheet Arrangements and Contractual Obligations

As of March 31, 2026, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.