

Jushi Holdings Inc. Reports Fourth Quarter and Full Year 2020 Financial Results and First Quarter 2021 Financial Results

[Jushi Holdings Inc. CEO, Chairman and Founder Jim Cacioppo Gives Companywide Update: June 2021](#)

Jim Cacioppo, the CEO, Chairman and Founder of [Jushi Holdings Inc.](#) (“Jushi” or the “Company”) (CSE: [JUSH](#)) (OTCMKTS: [JUSHF](#)), a vertically integrated, multi-state cannabis operator, provides a detailed operational update on the Company’s recent activities and progress, along with an overview of Jushi’s First Quarter 2021 Financial Results.

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Fourth Quarter 2020 Revenue Increases 29.6% to \$32.3 million as compared to the Third Quarter 2020;

First Quarter 2021 Revenue Increases 29.0% to \$41.7 million as compared to the Fourth Quarter 2020;

Provides Second Quarter 2021 Revenue and Adjusted EBITDA Guidance

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Boca Raton, Florida – June 9, 2021 - [Jushi Holdings Inc.](#) (“Jushi” or the “Company”) (CSE: [JUSH](#)) (OTCMKTS: [JUSHF](#)), a vertically integrated, multi-state cannabis operator, announced its financial results for the fourth quarter and full year ended December 31, 2020, and its first quarter 2021 ended March 31, 2021 financial results. All financial information is provided in U.S. dollars unless otherwise indicated.

Fourth Quarter 2020 Highlights

- Total revenue increased 29.6% sequentially to \$32.3 million
- Gross profit of \$19.2 million, an increase of 56.6% sequentially
- Net loss of \$156.7 million, driven primarily by the fair value losses on derivative warrant liabilities
- Adjusted EBITDA¹ of \$2.6 million

Full Year 2020 Highlights

- Total revenue increased approximately 689.6% year-over-year to \$80.8 million
- Gross profit of \$43.1 million, an increase of 793.0% year-over-year
- Net loss of \$211.9 million, driven primarily by the fair value losses on derivative warrant liabilities
- Adjusted EBITDA¹ loss of \$3.0 million

First Quarter 2021 Highlights

- Total revenue of \$41.7 million, an increase of 29.0% sequentially
- Gross profit of \$20.1 million, an increase of 4.7% sequentially
- Net loss of \$26.8 million, driven primarily by the fair value losses on derivative warrant liabilities, income tax expense, interest expense and finance charges
- Adjusted EBITDA¹ of \$3.0 million
- \$167.9 million of cash and cash equivalents and short-term investments in securities on the balance sheet as of March 31, 2021

¹ See “Reconciliation of Non-IFRS Financial Measures” at the end of this press release for more information regarding the Company’s use of non-IFRS financial measures.

Adjusted EBITDA, which is a non-IFRS measure, excludes certain items which are detailed and reconciled to the most comparable IFRS-reported measure in the attached "Reconciliation of Non-IFRS Measures."

Recent Developments

- Announced it will open its 20th BEYOND/HELLO™ retail location nationwide and 13th store in Pennsylvania on June 11th, 2021
- Opened its 19th BEYOND/HELLO™ retail location nationwide and 12th store in Pennsylvania
- Closed acquisition of a 93,000 sq. ft. facility and nine acres of surrounding land operated by its wholly-owned subsidiary and Virginia-based pharmaceutical processor, Dalitso LLC
- Acquired 100% of the equity of Organic Solutions of the Desert, LLC, an operating dispensary located in Palm Springs, California, and approximately 78% of the equity of a retail license holder located in Grover Beach, California with the rights to acquire the remaining equity in the future
- Signed a definitive agreement to acquire OhiGrow, LLC, one of 34 licensed cultivators in Ohio, and Ohio Green Grow LLC (collectively, "OhiGrow")
- Signed a definitive agreement to acquire Nature's Remedy of Massachusetts, Inc., a vertically integrated, single-state operator in Massachusetts, operating two adult-use retail dispensaries and a 50,000 sq. ft. cultivation and production facility
- Completed previously announced acquisition of an established Nevada operator
- Commenced first phase of its previously announced expansion project at its Pennsylvania grower-processor facility

Financial Results for the Fourth Quarter and Full Year 2020

The following is a tabular summary and commentary of revenue, gross profit, net income (loss) and net income (loss) per share for the three-month periods ended December 31, 2020 and September 30, 2020 as well as the twelve-month periods ended December 31, 2020 and December 31, 2019.

(\$ in millions, except per share amounts)

	Quarter Ended December 31, 2020	Quarter Ended September 30, 2020	% Change	Year Ended December 31, 2020	Year Ended December 31, 2019	% Change
Revenue	\$ 32.3	\$ 24.9	29.6 %	\$ 80.8	\$ 10.2	689.6 %
Gross Profit	\$ 19.2	\$ 12.3	56.6 %	\$ 43.1	\$ 4.8	793.0 %
Net (loss) income	(156.7)	(30.0)		(211.9)	(30.8)	
Net (loss) income per share - basic	\$ (1.35)	\$ (0.31)		\$ (2.11)	\$ (0.37)	
Net (loss) income per share - diluted	\$ (1.35)	\$ (0.31)		\$ (2.11)	\$ (0.37)	

Revenue in the fourth quarter of 2020 ("Q4 2020") increased 29.6% to \$32.3 million, compared to \$24.9 million in the third quarter of 2020 ("Q3 2020"). For the full year 2020, revenue increased 689.6% to \$80.8 million, compared to \$10.2 million in 2019. For the fourth quarter 2020, the increase in revenue was primarily driven by strong organic growth at the Company's BEYOND/HELLO™ stores in Pennsylvania and Illinois, an increase in cultivation and manufacturing activity due to the acquisition of Pennsylvania Medical Solutions, LLC ("PAMS"), a Pennsylvania grower-processor permit holder, and increased operating activity at its Nevada cultivation and processing facility. For the full year 2020, the increase in

revenue was primarily driven by the expansion of the Company's retail portfolio, including the addition of nine new stores during the year, and an increase in wholesale revenue, driven by the acquisition of PAMS and increased operating activity at its Nevada cultivation and processing facility.

Gross profit in Q4 2020 was \$19.2 million, or 59.4% of revenue compared to \$12.3 million or 49.2% of revenue in Q3 2020. For the full year 2020, gross profit was \$43.1 million, or 53.3% of revenue, compared to \$4.8 or 47.2% of revenue in 2019. The increases in gross profit was primarily driven by the increase in revenue and an increase in unrealized gains on biological assets.

Q4 2020 net loss was \$156.7 million, or \$1.35 per diluted share, compared to a net loss of \$30.0 million, or \$0.31 per diluted share, in Q3 2020. The \$126.7 million increase in net loss in the fourth quarter was driven primarily by an increase in the derivative warrant liability prompted by the rise of the Company's share price and an increase in operating expenses, partially offset by higher revenue and gross profit. Full year 2020 net loss was \$211.9 million, or \$2.11 per diluted share, compared to a net loss of \$30.8 million, or \$0.37 per diluted share, in 2019.

Adjusted EBITDA¹ in Q4 2020 was \$2.6 million, or 8.2% of revenue, compared to Adjusted EBITDA of \$1.9 million, or 7.7% of revenue, in Q3 2020. Adjusted EBITDA¹ for the full year 2020 was a negative \$2.6 million. The improvement in Adjusted EBITDA was driven by strong organic growth at the Company's BEYOND/HELLO™ stores in Pennsylvania and Illinois, and initial contributions from its recently acquired subsidiary Pennsylvania Medical Solutions, LLC ("PAMS"), a Pennsylvania grower-processor permit holder, partially offset by an increase in staffing related costs in advance of certain assets becoming fully operational and revenue generating.

Financial Results for the First Quarter Ended March 31, 2021

The following is a tabular summary and commentary of revenue, gross profit, net income (loss) and net income (loss) per share for the three-month period ended March 31, 2021 and the three-month period ended December 31, 2020.

(\$ in millions, except per share amounts)

	Quarter Ended March 31, 2021	Quarter Ended December 31, 2020	% Change
Revenue	\$ 41.7	\$ 32.3	29.0%
Gross Profit	\$ 20.1	\$ 19.2	4.7%
Net (loss) income	\$ (26.8)	\$ (156.7)	
Net (loss) income per share - basic	\$ (0.18)	\$ (1.35)	
Net (loss) income per share - diluted	\$ (0.18)	\$ (1.35)	

Revenue in the first quarter of 2021 ("Q1 2021") increased 29.0% to \$41.7 million, compared to \$32.3 million in Q4 2020. The 29.0% increase in revenue was driven primarily by solid revenue growth at the Company's BEYOND/HELLO™ stores in Pennsylvania and Illinois, early revenue contributions from its Virginia retail operations and increased operating activity at its PAMS and Nevada facilities.

Gross profit in Q1 2021 was \$20.1 million, or 48.2% of revenue, compared to \$19.2 million, or 59.4% of revenue in Q4 2020. The increase in gross profit was primarily driven by strong revenue growth at the Company's BEYOND/HELLO™ stores in Pennsylvania and Illinois, early revenue contributions from its Virginia retail operations and increased operating activity at its PAMS and Nevada facilities.

Q1 2021 net loss was \$26.8 million, or \$0.18 per diluted share, compared to a net loss of \$156.7 million, or \$1.35 per diluted share, in Q4 2020. The \$129.9 million improvement in net loss in the first quarter was driven primarily by a decrease in fair value losses on derivative liabilities, along with higher revenue and gross profit.

Adjusted EBITDA¹ in Q1 2021 was \$3.0 million, compared to Adjusted EBITDA \$2.6 million in Q4 2020. The increase in Adjusted EBITDA on a sequential quarterly basis was driven by higher revenues and gross profit, partially offset by an increase in staffing related expenses in advance of new store openings, the increase in staffing at our Ohio facility before the commencement of operations, and the expansion of our Pennsylvania and Virginia grower-processor assets grower-processor assets.

Balance Sheet and Liquidity

As of March 31, 2021, the Company had \$167.9 million of cash and short-term investments. Total current assets of \$197.0 million and current liabilities of \$49.6 million as of March 31, 2021. Net working capital at the end of March 31, 2021 was \$147.3 million. The Company incurred approximately \$9 million in cash capital expenditures during the first quarter of 2021. The Company expects to incur a total of approximately \$90 million to \$110 million in capital expenditures during 2021, subject to market conditions and regulatory changes. As of March 31 2021, the Company had \$82.4 million principal amount of total debt, excluding leases and property, plant and equipment financing obligations.

Outlook

Mr. Cacioppo commented, “For the second quarter of 2021, we expect revenues to be between \$45 to \$48 million and Adjusted EBITDA to be between \$4 to \$6 million. We continue to believe our strong momentum, enviable footprint, and solid balance sheet positions the Company well to execute on its current plans and drive long-term shareholder value through 2021 and beyond.”

The Company’s MD&A and consolidated financial statements for the first quarter ended March 31, 2021, along with all previous public filings of the Company, may be found on SEDAR at www.SEDAR.com.

Conference Call and Webcast Information

Management will host a conference call and audio webcast on Wednesday, June 9th at 9:00 a.m. ET to answer questions about the Company's operational and financial highlights. The dial-in numbers for the conference call are +1-877-407-0792 (U.S. Toll-Free) or +1-201-689-8263 (International). Please dial in 10 to 15 minutes prior to the start time of the conference call and an operator will register your name and organization.

The conference call will also be available via webcast, which can be accessed through the Investor Relations section of Jushi's website, <http://ir.jushico.com/>.

For interested individuals unable to join the conference call, an audio webcast replay will be available and can be accessed on Jushi’s Investor Relations site, <http://ir.jushico.com/>.

About Jushi Holdings Inc.

We are a vertically integrated cannabis company led by an industry-leading management team. In the United States, Jushi is focused on building a multi-state portfolio of branded cannabis-derived assets through opportunistic acquisitions, distressed workouts, and competitive applications. Jushi strives to maximize shareholder value while delivering high-quality products across all levels of the cannabis ecosystem. For more information, please visit jushico.com/, twitter.com/wearejushi and beyond-hello.com/.

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current conditions but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, involve estimates, projections, plans, goals, forecasts, and assumptions that may prove to be inaccurate. As a result, actual results could differ materially from those expressed by such forward-looking statements and such statements should not be relied upon. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases or may contain statements that certain actions, events or results "may," "could," "would," "might" or "will be taken," "will continue," "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein may include but are not limited to, information concerning the expectations regarding Jushi, or the ability of Jushi to successfully achieve business objectives, and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, the Company has certain expectations and has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward- looking information and statements are the following: the ability of Jushi to successfully and/or timely achieve business objectives, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; and compliance with extensive government regulation, as well as other risks and uncertainties which are more fully described in the Company's Management, Discussion and Analysis for the three months ended March 31, 2021, and other filings with securities and regulatory authorities which are available at www.sedar.com. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward- looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward- looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

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For further information, please contact:

Investor Relations

Michael Perlman

301 Yamato Road
Suite 3250
Boca Raton, FL 33431

Executive Vice President of Investor Relations and Treasury

Investors@jushico.com

(561) 453-1308

Media Contact

Ellen Mellody

MATTIO Communications

Ellen@Mattio.com

(570) 209-2947

JUSHI HOLDINGS INC.
CONSOLIDATED FINANCIAL STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
	<i>(unaudited)</i>	<i>(unaudited)</i>		
REVENUE, NET	\$ 41,675	\$ 32,294	\$ 80,772	\$ 10,229
COST OF GOODS SOLD	(22,934)	(17,616)	(43,546)	(5,665)
GROSS PROFIT BEFORE FAIR VALUE CHANGES	\$ 18,741	\$ 14,678	\$ 37,226	\$ 4,564
Realized fair value changes included in inventory sold	(4,783)	(13)	(934)	—
Unrealized fair value changes included in biological assets	6,135	4,523	6,776	259
GROSS PROFIT	\$ 20,093	\$ 19,188	\$ 43,068	\$ 4,823
OPERATING EXPENSES:				
General, administrative and selling expenses	\$ 17,394	\$ 13,966	\$ 44,198	\$ 30,627
Share-based compensation expense	3,563	3,488	7,292	4,868
Acquisition and deal costs	238	78	810	2,663
Loss on inventory impairment	—	—	—	820
Total operating expenses	\$ 21,195	\$ 17,532	\$ 52,300	\$ 38,978
(LOSS) INCOME FROM OPERATIONS BEFORE OTHER (EXPENSE) INCOME	\$ (1,102)	\$ 1,656	\$ (9,232)	\$ (34,155)
OTHER (EXPENSE) INCOME:				
Interest income	\$ 97	\$ 48	\$ 231	\$ 378
Fair value changes in derivatives	(9,358)	(135,659)	(173,707)	—
Interest expense and finance charges	(6,653)	(5,956)	(19,133)	(3,253)
Net gains on business combinations	—	(11,043)	6,472	—
Gains (losses) on investments and financial assets	1,173	2,616	(1,609)	11,321
Net loss on debt and warrant modifications	(3,815)	(1,862)	(1,853)	—
Listing expense	—	—	—	(1,360)
Pre-acquisition expense	—	—	—	(4,000)
Goodwill impairment	—	(170)	(170)	—
Other (expense) income	(710)	(104)	(2,464)	4,807
Total net other (expense) income	\$ (19,266)	\$ (152,130)	\$ (192,233)	\$ 7,893
NET LOSS AND COMPREHENSIVE LOSS INCOME BEFORE TAX	\$ (20,368)	\$ (150,474)	\$ (201,465)	\$ (26,262)
Current income tax expense	(6,473)	(5,897)	(14,439)	(2,417)
Deferred income tax benefit (expense)	40	(291)	4,038	(2,092)
NET LOSS AND COMPREHENSIVE LOSS	\$ (26,801)	\$ (156,662)	\$ (211,866)	\$ (30,771)
Net loss attributable to non-controlling interests	(175)	(626)	(1,908)	(160)
NET LOSS AND COMPREHENSIVE LOSS ATTRIBUTABLE TO JUSHI SHAREHOLDERS	\$ (26,626)	\$ (156,036)	\$ (209,958)	\$ (30,611)
NET LOSS AND COMPREHENSIVE LOSS PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - BASIC	\$ (0.18)	\$ (1.35)	\$ (2.11)	\$ (0.37)
Weighted average shares outstanding - basic	149,933,639	115,362,054	99,560,553	82,058,059
NET LOSS AND COMPREHENSIVE LOSS PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - DILUTED	\$ (0.18)	\$ (1.35)	\$ (2.11)	\$ (0.37)
Weighted average shares outstanding - diluted	149,933,639	115,362,054	99,560,553	82,058,059

JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands of U.S. dollars)

	March 31, 2021 <i>(unaudited)</i>	December 31, 2020	December 31, 2019
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 162,085	\$ 85,857	\$ 38,936
Accounts receivable	893	859	395
Investments in securities and short-term notes receivable	5,832	7,934	17,913
Inventory	18,414	12,966	1,958
Biological assets	5,548	3,962	271
Prepaid expenses and other current assets	4,180	4,691	2,753
Deferred acquisition costs	—	—	2,320
Total current assets	\$ 196,952	\$ 116,269	\$ 64,546
NON-CURRENT ASSETS:			
Property, plant and equipment	\$ 86,236	\$ 72,471	\$ 22,592
Other intangible assets	136,337	132,028	93,686
Goodwill	31,055	31,055	28,055
Other long-term assets	7,691	7,456	1,181
Total long-term assets	\$ 261,319	\$ 243,010	\$ 145,514
Total assets	\$ 458,271	\$ 359,279	\$ 210,060
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Accounts payable, accrued expenses and other current liabilities	\$ 42,051	\$ 30,700	\$ 8,875
Short-term promissory notes payable	1,339	1,338	15,635
Short-term lease obligations	6,250	4,716	969
Redemption liability	—	—	8,440
Total current liabilities	\$ 49,640	\$ 36,754	\$ 33,919
LONG-TERM LIABILITIES:			
Long-term promissory notes payable	\$ 3,149	\$ 3,081	\$ 9,988
Senior notes	48,974	50,566	10,736
Derivative liabilities	211,440	205,361	5,529
Long-term lease obligations	37,844	34,494	5,529
Deferred tax liabilities	23,759	23,798	20,334
Other debt	4,642	3,475	—
Total liabilities	\$ 379,448	\$ 357,529	\$ 86,035
COMMITMENTS AND CONTINGENCIES			
EQUITY:			
Share capital and share reserves	\$ 370,095	\$ 263,914	\$ 163,032
Accumulated deficit	(292,579)	(264,091)	(48,667)
Total Jushi shareholders' equity	\$ 77,516	\$ (177)	\$ 114,365
Non-controlling interests	1,307	1,927	9,660
Total equity	\$ 78,823	\$ 1,750	\$ 124,025
Total liabilities and equity	\$ 458,271	\$ 359,279	\$ 210,060

JUSHI HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Three Months Ended March 31, 2021 <i>(unaudited)</i>	Year Ended December 31, 2020	Year Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (26,801)	\$ (211,866)	\$ (30,771)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization, including amounts in costs of goods sold	1,769	5,412	2,227
Share-based payments	3,563	7,292	4,868
Fair value changes in derivatives	9,358	173,707	—
Net gains on business combinations	—	(6,472)	—
(Gains) losses on investments and financial assets	(1,173)	1,609	(11,321)
Losses on debt and warrant modifications	3,815	1,853	—
Non-cash interest expense	4,558	10,702	2,318
Deferred income taxes	(40)	(4,038)	2,092
Fair value changes on sale of inventory and on biological assets	(1,352)	(5,842)	(259)
Goodwill impairment	—	170	—
Non-cash listing expense	—	—	1,361
Inventory impairment adjustment	—	—	820
Pre-acquisition expense and exclusivity payment	—	—	5,000
Non-cash other (income) expense, net	(13)	2,912	195
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(16)	(51)	(32)
Prepaid expenses and other current assets	511	(1,724)	(2,083)
Inventory and biological assets	(5,680)	(4,254)	(1,366)
Other long-term assets	(115)	(2,049)	(674)
Accounts payable, accrued expenses and other current liabilities	12,077	28,919	4,855
Net cash flows provided by (used in) operating activities	\$ 461	\$ (3,720)	\$ (22,770)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions and non-controlling interests, net of cash acquired	\$ (3,592)	(28,564)	(44,895)
Payment for PADS Purchase Option	—	(1,553)	—
Payments for deferred acquisition costs	—	—	(2,270)
Payments for advances for acquisitions	—	—	(5,000)
Purchases of property, plant and equipment	(8,623)	(20,092)	(8,171)
Payments for deposits and escrows - property and equipment	(76)	(1,614)	—
Payments for other intangibles	—	—	(646)
Sales and redemptions of investments in securities	3,252	13,404	135
Payments for investments	—	(11,500)	—
Proceeds from (investment in) financial asset	—	5,193	(100)
Net cash flows used in investing activities	\$ (9,039)	\$ (44,726)	\$ (60,947)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of shares for cash, net	\$ 85,660	29,243	79,519
Proceeds from exercise of warrants and options	9,886	46,587	1,319
(Payments for) proceeds from issuance of senior notes and derivative warrants, net of interest payments and costs	(10,109)	45,493	16,126
Payments on promissory notes, including financing costs	(115)	(26,033)	(11,549)
Payments on lease obligations	(1,609)	(3,168)	(853)
Proceeds from other debt, net of repayments	1,133	3,529	—
Payments for acquisitions from non-controlling interests	—	(2,231)	—
Contributions from non-controlling interests, net	—	1,994	—
Net cash flows provided by financing activities	\$ 84,846	\$ 95,414	\$ 84,562
Effect of currency translation on cash	(40)	(47)	(23)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 76,228	\$ 46,921	\$ 822
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	85,857	\$ 38,936	\$ 38,114
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 162,085	\$ 85,857	\$ 38,936

JUSHI HOLDINGS INC.
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

EBITDA and Adjusted EBITDA are financial measures that are not defined under IFRS. Management believes EBITDA is a useful measure to assess the performance of the Company as it provides meaningful operating results by excluding the effects of expenses that are not reflective of our operating business performance. Management defines EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation and amortization. We believe Adjusted EBITDA is a useful measure to assess the performance of the Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of the Company’s operating business performance and other one-time or non-recurring expenses. We define Adjusted EBITDA as EBITDA before: (i) fair value changes included in inventory sold and fair value changes included in biological assets; (ii) share-based compensation expense; (iii) fair value changes in derivatives; (iv) net gains on business combinations; (v) gains and losses on investments and financial assets; (vi) net loss on debt and warrant modification; (vii) gains and losses on legal settlements; (viii) pre-acquisition expense; (ix) listing expense; and (x) goodwill impairment. The financial measures noted above are metrics that have been adjusted from the IFRS 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 IFRS net income measure. Other companies in the Jushi’s industry may calculate this measure differently, limiting their usefulness as comparative 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 we believe 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 we believe 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).

Jushi includes a store in the same-store base if the store is operational for two consecutive full quarters. A store is not included in same-store sales if it is closed for one week or longer, such as for business interruption, remodeling, during the stated period. Same-store sales growth is primarily a result of changes in the number of customer transactions and changes in the average transaction size. Jushi’s same-store sales growth is primarily impacted by the expansion of its brand awareness, continued menu innovation and the use technology. Jushi’s same-store sales growth is also impacted by external factors including the macro-economic environment that could affect consumer spending.

Reconciliation of Non-IFRS Measures

JUSHI HOLDINGS INC. AND SUBSIDIARIES
Unaudited Reconciliation of Net Loss to Adjusted EBITDA
(in thousands of U.S. dollars)
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
NET LOSS ⁽¹⁾	\$ (26,801)	\$ (156,662)	\$ (29,999)	\$ (211,866)	\$ (30,771)
Income tax expense	6,433	6,188	1,849	10,401	4,509
Interest expense, net	6,556	5,908	6,722	18,902	2,875
Depreciation and amortization ⁽²⁾	1,769	1,903	1,370	5,412	2,227
EBITDA (Non-IFRS)	\$ (12,043)	\$ (142,663)	\$ (20,058)	\$ (177,151)	\$ (21,160)
Non-cash share-based compensation	3,563	3,488	1,274	7,292	4,868
Fair value changes on sale of inventory and on biological assets	(1,352)	(4,510)	(1,225)	(5,842)	(259)
Fair value changes in derivatives	9,358	135,659	36,888	173,707	—
Net reduction (gains) on business combinations	—	11,043	(15,313)	(6,472)	—
(Gains) losses on investments and financial assets ⁽³⁾	(1,173)	(2,616)	(1,654)	1,609	(11,321)
Net loss on debt and warrant modification	3,815	1,862	—	1,853	—
Goodwill impairment	—	170	—	170	—
Pre-acquisition expense	—	—	—	—	4,000
Listing expense	—	—	—	—	1,360
Losses (gains) on legal settlements ⁽³⁾	807	200	2,018	2,217	(5,000)
Adjusted EBITDA (Non-IFRS)	\$ 2,976	\$ 2,633	\$ 1,930	\$ (2,616)	\$ (27,512)

(1) Net loss includes amounts attributable to non-controlling interests.

(2) From the statement of cash flows. Includes amounts that are included in cost of goods sold and in operating expenses.

(3) Certain prior period data has been added to conform to current period presentation and as a result:

- a. \$5,000 in gain on legal settlement for the year ended December 31, 2019 has been included in the adjustments to calculate Adjusted EBITDA.
- b. (Gains) losses on investments and financial assets of \$11,321 for the year ended December 31, 2019, have been included in the adjustments to calculate Adjusted EBITDA.