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Ayr Strategies Announces Proposed Offering of Equity Shares

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TORONTO, Jan. 11, 2021 /CNW/ - Ayr Strategies Inc. (CSE: AYR.A) (OTCQX: AYRWF) ("**Ayr**" or the "**Company**"), a leading vertically integrated cannabis multi-state operator, announced today that it is commencing an overnight marketed offering (the "**Offering**") of subordinate voting shares, restricted voting shares or limited voting shares¹ (the "**Offered Securities**") of the Company.

Speaking on the financing, Ayr's CEO Jonathan Sandelman commented, "This is an unprecedented time in the evolution of the cannabis industry. The 2020 election results will lead to accelerated regulatory changes at both the federal and state level and accelerated consolidation in the industry. Only those companies of scale will become the market leaders. As such, we want to be ready to make accelerated investments in our business. While our current plans are already fully funded, this offering will give us flexibility around our current plans and will allow us to be opportunistic in the fast-moving environment we expect going forward."

The Offered Securities will be offered in each of the provinces of Canada, other than Québec, pursuant to a prospectus supplement to the Company's base shelf prospectus dated December 17, 2020 (the "**Prospectus**") and in the United States on a private placement basis to "qualified institutional buyers" pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**").

The Offering is expected to be priced in the context of the market, with the final terms of the Offering to be determined at the time of pricing. There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering. The closing of the Offering will be subject to market and other customary conditions, including requirements of the Canadian Securities Exchange.

In addition, the Company intends to grant the underwriters a 30-day option to purchase up to an additional 15% of the Offered Securities pursuant to the proposed Offering on the same terms and conditions.

The Company intends to use the net proceeds of the Offering for working capital and

general corporate purposes.

Canaccord Genuity Corp. is acting as the lead underwriter for the Offering.

Copies of the Prospectus, following filing thereof, may be obtained on SEDAR at www.sedar.com and from Canaccord Genuity Corp., 161 Bay Street, Suite 3000, Toronto, ON M5J 2S1. The Prospectus contains important detailed information about the Company and the proposed Offering. Prospective investors should read the Prospectus and the other documents the Company has filed on SEDAR at www.sedar.com before making an investment decision.

No securities regulatory authority has either approved or disapproved of the contents of this news release. None of the subordinate voting shares, restricted voting shares or limited voting shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Offered Securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "target", "expect", "anticipate", "believe", "foresee", "could", "would", "estimate", "goal", "outlook", "intend", "plan", "seek", "will", "may", "tracking", "pacing" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, the Offering. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; and Ayr may not be able to raise additional debt or equity capital. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete the pending acquisitions in or enter into agreements with respect to other acquisitions.

About Ayr Strategies Inc.

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focusing on high-growth markets. The Company cultivates and manufactures branded cannabis products for distribution through its network of retail outlets and through third-party stores. Ayr strives to enrich consumers' experience every day helping them to live their best lives, elevated.

Ayr's leadership team brings proven expertise in growing successful businesses through

disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrstrategies.com.

¹ As previously announced on December 3, 2020, the Company amended its share structure to ensure Ayr's status as a Foreign Private Issuer and reduce compliance costs. The subordinate voting shares and the newly implemented restricted voting shares and limited voting shares began trading on the Canadian Securities Exchange under the single and current ticker "AYR.A" on December 3, 2020.

SOURCE Ayr Strategies Inc.

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