



THESE FINANCIAL STATEMENTS FOR JUSHI HOLDINGS INC. ARE ALSO INCLUDED IN THE FORM 10-Q FOR
THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2025, FILED ON SEDAR IN ITS ENTIRETY

JUSHI HOLDINGS INC.

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For the quarterly period ended September 30, 2025

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “report”) may contain “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws, including Canadian securities legislation and United States (“U.S.”) securities legislation (collectively, “forward-looking information”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. All information, other than statements of historical facts, included in this report that address activities, events or developments that the Company expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information is often identified by the words, “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes, among others, information regarding: future business strategy; competitive strengths, goals, expansion and growth of the Company’s business, operations and plans, including new revenue streams; the implementation by the Company of certain product lines; the implementation of certain research and development; the application for additional licenses and the grant of licenses that will be or have been applied for; the expansion or construction of certain facilities; the reduction in the number of our employees; the expansion into additional U.S. and international markets; any potential future legalization of adult use and/or medical marijuana under U.S. federal law; expectations of market size and growth in the U.S. and the states in which the Company operates; expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of the management of the Company at the time they were provided or made and such information involves known and unknown risks, uncertainties, including our ability to continue as a going concern, and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: the limited operating history of the industry and the Company; risks related to managing the growth of the Company including completed, pending or future acquisitions or dispositions, including potential future impairment of goodwill or intangibles acquired and/or post-closing disputes; risks related to the continued performance, expansion and/or optimization of existing operations in California, Illinois, Massachusetts, Nevada, Ohio, Pennsylvania, and Virginia; risks related to the anticipated openings of additional dispensaries or relocation of existing dispensaries subject to licensing approval; the Company’s history of operating losses and negative operating cash flows; increasing competition in the industry; risks inherent in an agricultural business, such as the effects of natural disasters; reliance on the expertise and judgment of senior management of the Company; risks associated with cannabis products manufactured for human consumption including potential product recalls; limited research and data relating to cannabis; constraints on marketing products; risk of litigation; insurance-related risks; public opinion and perception of the cannabis industry; risks related to the economy generally; fraudulent activity by employees, contractors and consultants; risks relating to the Company’s current amount of indebtedness; reliance on key inputs, suppliers and skilled labor, and third party service provider contracts; reliance on manufacturers and contractors; risks of supply shortages or supply chain disruptions; risks relating to pandemics and forces of nature; risks related to the enforceability of contracts; risks related to inflation, the rising cost of capital, and stock market instability; risks relating to U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; cannabis-related tax risks and challenges from governmental authorities with respect to the Company’s application for Employee Retention Tax Credits (ERC); other governmental and environmental regulation; risks related to proprietary intellectual property and potential infringement by third parties; sales of a significant amount of shares by existing shareholders; the limited market for securities of the Company; risks relating to the need to raise additional capital either through debt or equity financing; costs associated with the Company being a publicly-traded company and a U.S. and Canadian filer; risks related to co-investment with parties with different interests to the Company; conflicts of interest and related party transactions; cybersecurity risks; and risks related to the Company’s critical accounting policies and estimates. Refer to Part I - Item 1A. Risk Factors in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 6, 2025, for more information.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on the forward-looking information contained in this report or other forward-looking statements made by the Company. Forward-looking information is provided and made as of the date of this Quarterly Report on Form 10-Q and the Company does not undertake any obligation to revise or update any forward-looking information or statements other than as required by applicable law.

Unless the context requires otherwise, references in this report to “Jushi,” “Company,” “we,” “us” and “our” refer to Jushi Holdings Inc. and our subsidiaries.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

JUSHI HOLDINGS INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands of U.S. dollars, except share amounts)

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 23,173	\$ 19,521
Accounts receivable, net	872	1,461
Inventory, net	36,797	36,138
Prepaid expenses and other current assets	7,759	15,030
Total current assets	68,601	72,150
NON-CURRENT ASSETS:		
Property, plant and equipment, net	144,462	144,063
Right-of-use assets - finance leases	59,063	60,627
Other intangible assets, net	94,802	100,472
Goodwill	30,910	30,910
Other non-current assets	31,634	30,273
Restricted cash - non-current	2,225	1,825
Total non-current assets	363,096	368,170
Total assets	\$ 431,697	\$ 440,320
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	\$ 20,210	\$ 21,459
Accrued expenses and other current liabilities	29,030	32,786
Income tax payable	771	2,299
Debt, net - current portion (including related party principal amounts of \$15,600 and \$800 as of September 30, 2025 and December 31, 2024, respectively)	48,886	2,758
Finance lease obligations - current	10,291	9,593
Total current liabilities	109,188	68,895
NON-CURRENT LIABILITIES:		
Debt, net - non-current (including related party principal amounts of \$25,667 and \$35,296 as of September 30, 2025 and December 31, 2024, respectively)	155,691	183,449
Finance lease obligations - non-current	53,871	52,742
Derivative liabilities - non-current	9,395	3,128
Unrecognized tax benefits (including interest and penalties of \$36,271 and \$27,839 as of September 30, 2025 and December 31, 2024, respectively)	171,180	143,688
Other liabilities - non-current	33,841	38,653
Total non-current liabilities	423,978	421,660
Total liabilities	533,166	490,555
COMMITMENTS AND CONTINGENCIES (Note 16)		
EQUITY (DEFICIT):		
Common stock, no par value: authorized shares - unlimited; issued and outstanding shares - 196,696,597 and 196,696,597 Subordinate Voting Shares as of September 30, 2025 and December 31, 2024, respectively	—	—
Paid-in capital	510,187	508,386
Accumulated deficit	(611,656)	(558,621)
Total Jushi shareholders' deficit	(101,469)	(50,235)
Non-controlling interests	—	—
Total deficit	(101,469)	(50,235)
Total liabilities and equity (deficit)	\$ 431,697	\$ 440,320

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

JUSHI HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
REVENUE, NET	\$ 65,679	\$ 61,611	\$ 194,571	\$ 191,665
COST OF GOODS SOLD	(35,015)	(33,612)	(109,208)	(98,770)
GROSS PROFIT	30,664	27,999	85,363	92,895
OPERATING EXPENSES	28,326	27,819	81,294	80,192
INCOME FROM OPERATIONS	2,338	180	4,069	12,703
OTHER INCOME (EXPENSE):				
Interest expense, net	(10,267)	(9,382)	(30,486)	(27,997)
Fair value gain (loss) on derivatives	(6,325)	2,628	(5,875)	2,840
Other, net	(606)	(477)	6,992	4,186
Total other income (expense), net	(17,198)	(7,231)	(29,369)	(20,971)
LOSS BEFORE INCOME TAX	(14,860)	(7,051)	(25,300)	(8,268)
Income tax expense	(8,829)	(8,965)	(27,735)	(28,041)
NET LOSS	<u>\$ (23,689)</u>	<u>\$ (16,016)</u>	<u>\$ (53,035)</u>	<u>\$ (36,309)</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>\$ (0.12)</u>	<u>\$ (0.08)</u>	<u>\$ (0.27)</u>	<u>\$ (0.19)</u>
Weighted average shares outstanding - basic and diluted	<u>195,196,597</u>	<u>195,165,913</u>	<u>195,196,597</u>	<u>195,145,417</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

JUSHI HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(In thousands of U.S. dollars, except share amounts)

	Nine Months Ended September 30, 2025					
	Subordinate Voting Shares	Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity (Deficit)	Non- Controlling Interests	Total Equity (Deficit)
Balances - January 1, 2025	196,696,597	\$ 508,386	\$ (558,621)	\$ (50,235)	\$ —	\$ (50,235)
Share-based compensation (including related parties)	—	(307)	—	(307)	—	(307)
Reclassification of warrants	—	1,377	—	1,377	—	1,377
Recognition of non-controlling interest in acquisition	—	—	—	—	300	300
Net loss	—	—	(17,015)	(17,015)	—	(17,015)
Balances - March 31, 2025	196,696,597	\$ 509,456	\$ (575,636)	\$ (66,180)	\$ 300	\$ (65,880)
Share-based compensation (including related parties)	—	374	—	374	—	374
Net loss	—	—	(12,331)	(12,331)	—	(12,331)
Balances - June 30, 2025	196,696,597	\$ 509,830	\$ (587,967)	\$ (78,137)	\$ 300	\$ (77,837)
Share-based compensation (including related parties)	—	\$ 357	\$ —	\$ 357	\$ —	\$ 357
Non-controlling interest paid in acquisition	—	\$ —	\$ —	\$ —	\$ (300)	\$ (300)
Net loss	—	\$ —	\$ (23,689)	\$ (23,689)	\$ —	\$ (23,689)
Balances - September 30, 2025	196,696,597	\$ 510,187	\$ (611,656)	\$ (101,469)	\$ —	\$ (101,469)

JUSHI HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(In thousands of U.S. dollars, except share amounts)

	Nine Months Ended September 30, 2024					
	Subordinate Voting Shares	Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity (Deficit)	Non- Controlling Interests	Total Equity (Deficit)
Balances - January 1, 2024	196,631,598	\$ 503,612	\$ (509,844)	\$ (6,232)	\$ (1,387)	\$ (7,619)
Shares issued upon exercise of stock options	3,333	2	—	2	—	2
Share-based compensation (including related parties)	—	1,524	—	1,524	—	1,524
Issuance of warrants	—	863	—	863	—	863
Net loss	—	—	(18,355)	(18,355)	—	(18,355)
Balances - March 31, 2024	196,634,931	\$ 506,001	\$ (528,199)	\$ (22,198)	\$ (1,387)	\$ (23,585)
Shares issued upon exercise of stock options	8,333	5	—	5	—	5
Share-based compensation (including related parties)	—	347	—	347	—	347
Deconsolidation of Jushi Europe	—	—	—	—	1,387	1,387
Net loss	—	—	(1,938)	(1,938)	—	(1,938)
Balances - June 30, 2024	196,643,264	\$ 506,353	\$ (530,137)	\$ (23,784)	\$ —	\$ (23,784)
Shares issued upon exercise of stock options	53,333	32	—	32	—	32
Share-based compensation (including related parties)	—	1,082	—	1,082	—	1,082
Net loss	—	—	(16,016)	(16,016)	—	(16,016)
Balances - September 30, 2024	196,696,597	\$ 507,467	\$ (546,153)	\$ (38,686)	\$ —	\$ (38,686)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

JUSHI HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (53,035)	\$ (36,309)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization, including amounts in cost of goods sold	23,798	21,981
Share-based compensation	424	2,953
Fair value changes in derivatives	5,875	(2,840)
Non-cash interest expense, including amortization of deferred financing costs	7,213	5,062
Deferred income taxes and uncertain tax positions	26,225	25,652
Loss on debt extinguishment	—	362
Gain on asset disposals	(2,712)	(565)
Gain on deconsolidation of Jushi Europe	—	(1,896)
Other non-cash items, net	923	318
Changes in operating assets and liabilities:		
Accounts receivable	(245)	1,662
Inventory	(397)	(9,148)
Prepaid expenses and other current and non-current assets	1,087	(2,109)
Accounts payable, accrued expenses and other current liabilities	2,518	9,292
Net cash flows provided by operating activities	11,674	14,415
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(13,003)	(2,534)
Investments in intangible assets	(1,099)	—
Proceeds from sale of assets	3,950	2,723
Net cash flows (used in) provided by investing activities	(10,152)	189
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from second lien notes, net of debt discount of \$512	4,608	—
Proceeds from exercise of options	—	39
Payments on promissory notes	—	(6,350)
Proceeds from term loans, net of debt discount of \$970	—	47,530
Payments on acquisition related credit facility	—	(60,125)
Payments of finance leases	(1,768)	(1,661)
Proceeds from mortgage loans, net of issuance cost of \$20	3,473	—
Payments of term loans	(1,213)	—
Payments of loan financing costs	—	(2,357)
Payments of mortgage loans	(444)	(270)
Proceeds from other financing activities	—	1,585
Payments of other financing activities	(1,365)	(1,409)
Net cash flows provided by (used in) financing activities	3,291	(23,018)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	4,813	(8,414)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	21,346	31,305
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 26,159	\$ 22,891

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

JUSHI HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2025	2024
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest (excluding capitalized interest)	\$ 22,581	\$ 22,798
Cash paid (received) for income taxes	\$ 1,607	\$ (3,829)
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Capital expenditures	\$ 2,758	\$ 1,944
Right-of-use assets from finance lease liabilities	\$ 3,347	\$ 703
Issuance of promissory notes for acquisitions	\$ 5,909	\$ —
Issuance of second lien notes for settlement of accrued bonus	\$ —	\$ 1,382
Warrants issued for second lien notes	\$ 1,769	\$ —
Financed insurance premiums	\$ 1,459	\$ —
Issuance of second lien notes for debt exchange	\$ —	\$ 4,750
Warrants issued for debt exchange	\$ —	\$ 863
Property, plant and equipment from finance lease liabilities	\$ 991	\$ —
Mortgage loans used for capital expenditures	\$ 507	\$ —
Warrants issued for term loans	\$ —	\$ 6,765

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

JUSHI HOLDINGS INC.

Notes to the Unaudited Condensed Consolidated Financial Statements

(Amounts Expressed in Thousands of U.S. dollars, Except Share and Per Share Amounts)



1. NATURE OF OPERATIONS

Jushi Holdings Inc. (the “Company” or “Jushi”) is incorporated under British Columbia’s Business Corporations Act. The Company is a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing in both medical and adult-use markets. As of September 30, 2025, Jushi, through its subsidiaries, owns or manages cannabis operations and/or holds licenses in the adult-use and/or medicinal cannabis marketplace in California, Illinois, Massachusetts, Nevada, Ohio, Pennsylvania and Virginia. The Company’s head office is located at 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431, United States of America, and its registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada.

The Company is listed on the Canadian Securities Exchange (“CSE”) and trades its subordinate voting shares (“SVS”) under the ticker symbol “JUSH”. The Company’s SVS trade in the United States on the OTCQX® Best Market (“OTCQX”) under the symbol “JUSHF”.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ materially from those estimates.

In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments, of a normal recurring nature, that are necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods, and at the dates, presented. The results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024, which are included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 6, 2025 (the “2024 Form 10-K”), and also filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) on March 6, 2025. Consolidated balance sheet information as of December 31, 2024 presented herein is derived from the Company’s audited consolidated financial statements for the year ended December 31, 2024.

Summary of Significant Accounting Policies

The Company’s significant accounting policies are described in Note 2 in the audited consolidated financial statements and notes thereto for the year ended December 31, 2024, which is included in the 2024 Form 10-K. There have been no material changes to the Company’s significant accounting policies.

JUSHI HOLDINGS INC.**Notes to the Unaudited Condensed Consolidated Financial Statements***(Amounts Expressed in Thousands of U.S. dollars, Except Share and Per Share Amounts)***Cash, Cash Equivalents and Restricted Cash**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	September 30, 2025 (unaudited)	December 31, 2024
Cash and cash equivalents	\$ 23,173	\$ 19,521
Restricted cash included in Prepaid expenses and other current assets	761	—
Restricted cash - non-current	2,225	1,825
Cash, cash equivalents and restricted cash	<u>\$ 26,159</u>	<u>\$ 21,346</u>

Recent Accounting Pronouncements*Adoption of New Accounting Standards*

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires two primary enhancements of 1) disaggregated information on a reporting entity’s effective tax rate reconciliation, and 2) information on income taxes paid. For public business entities, the new requirement is effective for annual periods beginning after December 15, 2024. The guidance is to be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company adopted this pronouncement on January 1, 2025, which will result in enhanced income tax disclosures in its annual consolidated financial statements.

Accounting Standards Issued But Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires an entity to improve disclosures about public business entities’ expenses and to provide more detailed information around the types of expenses included in commonly presented expense captions. Additionally, in January 2025 the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods for fiscal years beginning after December 15, 2027, and can be applied on a prospective basis or on a retrospective basis to all periods presented. Early adoption is permitted. The Company is currently evaluating the effect of these pronouncements on its consolidated financial statements and related disclosures.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which clarifies that when a business that is a VIE is acquired primarily with equity interests, the determination of the accounting acquirer should follow ASC 805 rather than defaulting to the primary beneficiary under ASC 810. ASU 2025-03 is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the effect of this pronouncement on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provide entities with a practical expedience approach to simplify the estimation of expected credit losses on current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*, by allowing the assumption that current conditions as of the balance sheet date will not change during the remaining life of the asset. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the effect of this pronouncement on its consolidated financial statements and related disclosures.

JUSHI HOLDINGS INC.**Notes to the Unaudited Condensed Consolidated Financial Statements***(Amounts Expressed in Thousands of U.S. dollars, Except Share and Per Share Amounts)***3. INVENTORY, NET**

The components of inventory, net, are as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Cannabis plants	\$ 3,181	\$ 3,621
Harvested cannabis and packaging	8,123	11,290
Total raw materials	11,304	14,911
Work in process	6,898	4,493
Finished goods	18,595	16,734
Total inventory, net	<u>\$ 36,797</u>	<u>\$ 36,138</u>

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets are as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Prepaid expenses and deposits	\$ 3,728	\$ 3,452
Employee retention credit receivable	1,625	9,181
Assets held for sale	382	611
Other current assets	2,024	1,786
Total prepaid expenses and other current assets	<u>\$ 7,759</u>	<u>\$ 15,030</u>

Employee Retention Credit Receivable

The Coronavirus Aid, Relief, and Economic Security Act, passed in March 2020 and subsequently amended in 2021, allowed eligible employers to take credits on certain amounts of qualified wages if the Company experienced either a full or partial suspension of operations due to COVID related government orders. During the year ended December 31, 2023, the Company, with guidance from a third-party specialist, determined it was entitled to employee retention credit (“ERC”) claims for previous business interruptions related to COVID and filed for such claims with the Internal Revenue Service (“IRS”). As of December 31, 2024, the ERC claims were recorded as deferred income in Accrued expenses and other current liabilities, with an offsetting receivable amount in Prepaid expenses and other current assets within the consolidated balance sheet.

On February 11, 2025, the Company executed an agreement with an unrelated third party to sell certain ERC claims, and received \$5,081 in net cash proceeds on February 14, 2025. If the Company does not receive an ERC claim, in whole or in part, the Company is required to repay a portion of the funds equal to the amount of the rejected claim plus interest of 10% accrued from the date of the agreement through the repayment date. The Company is entitled to receive a portion of any interest paid on its respective ERC claims through the transaction date. The factored claims are included in Other liabilities - non-current within the consolidated balance sheet as of September 30, 2025. Amounts will be recognized in the consolidated statements of operations when the claims are paid by the IRS. As of September 30, 2025, \$1,349 is included in Other liabilities, non-current.

The Company retained \$4,162 of ERC claims. The amount reflected in Prepaid expenses and other current assets as of September 30, 2025, of \$1,625 represents the portion of retained claims that have not yet been refunded by the IRS.

JUSHI HOLDINGS INC.**Notes to the Unaudited Condensed Consolidated Financial Statements***(Amounts Expressed in Thousands of U.S. dollars, Except Share and Per Share Amounts)*

During the three and nine months ended September 30, 2025, the Company received payments on retained claims from the IRS in the amount of \$0 and \$2,474, respectively, plus interest on such amounts, which were recorded in other income (expense), net in the consolidated statements of operations. In addition, during the three and nine months ended September 30, 2025, the IRS paid \$609 and \$3,733, respectively, of factored claims plus interest on such amounts, which is also recorded in other income (expense), net in the consolidated statements of operations.

Assets Held for Sale

As of December 31, 2024, the Company determined that certain assets relating to one of its dispensaries located in Nevada, with total carrying value of \$611, met the criteria to be classified as assets held for sale, and is included in Prepaid expenses and other current assets in the consolidated balance sheet. In May 2025, the Company sold the assets for a net gain of \$2,243, which was recorded in operating expenses in the consolidated statements of operations for the nine months ended September 30, 2025.

5. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment ("PPE") are as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Buildings and building components	\$ 90,932	\$ 89,124
Land	12,956	12,956
Leasehold improvements	51,710	47,514
Machinery and equipment	24,392	23,959
Furniture, fixtures and office equipment (including computer)	23,711	22,597
Construction-in-process	7,451	2,533
Total property, plant and equipment - gross	211,152	198,683
Less: Accumulated depreciation	(66,690)	(54,620)
Total property, plant and equipment - net	<u>\$ 144,462</u>	<u>\$ 144,063</u>

Construction-in-process represents assets under construction for manufacturing and retail build-outs not yet ready for use.

Depreciation was \$4,214 and \$4,520 for the three months ended September 30, 2025 and 2024, respectively, and \$13,151 and \$14,403 for the nine months ended September 30, 2025 and 2024, respectively. Interest expense capitalized to PPE totaled \$149 and \$0 for the three months ended September 30, 2025 and 2024, respectively, and \$254 and \$0 for the nine months ended September 30, 2025 and 2024, respectively.

JUSHI HOLDINGS INC.**Notes to the Unaudited Condensed Consolidated Financial Statements***(Amounts Expressed in Thousands of U.S. dollars, Except Share and Per Share Amounts)***6. OTHER NON-CURRENT ASSETS**

The components of other non-current assets are as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Operating lease assets	\$ 20,712	\$ 18,114
Indemnification assets	3,137	4,808
Net deferred tax assets	5,288	5,048
Deposits and escrows - properties	1,694	1,723
Deposits - equipment	386	422
Other	417	158
Total other non-current assets	<u>\$ 31,634</u>	<u>\$ 30,273</u>

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	September 30, 2025 (unaudited)	December 31, 2024
Deferred income - ERC ⁽¹⁾	\$ 1,625	\$ 9,181
Goods received not invoiced	2,613	4,366
Accrued employee related expenses and liabilities	6,396	4,095
Operating lease obligations	5,627	4,966
Accrued sales and excise taxes	1,800	1,928
Accrued interest	1,845	1,531
Deferred revenue (loyalty program)	1,417	1,321
Accrued professional and management fees	737	470
Other accrued expenses and current liabilities	6,970	4,928
Total accrued expenses and other current liabilities	<u>\$ 29,030</u>	<u>\$ 32,786</u>

⁽¹⁾ Refer to Note 4 - Prepaid Expenses and Other Current Assets for more information.

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8. DEBT

The components of the Company's debt are as follows:

	Effective Interest Rate	Maturity Date	September 30, 2025 (unaudited)	December 31, 2024
Principal amounts:				
Second Lien Notes	17%	December 2026	\$ 85,866	\$ 80,131
Term Loans	26%	September 2026 ⁽¹⁾	47,288	48,500
Acquisition-related promissory notes payable	8% - 13%	October 2025 - April 2027	28,512	22,289
Mortgage loans	6% - 10%	January 2027 - September 2030	32,612	29,054
Total debt subject to scheduled repayments			194,278	179,974
Promissory notes payable to Sammartino ⁽²⁾	10%	September 2024 - September 2026	21,500	21,500
Total debt			215,778	201,474
Less: debt issuance costs and original issue discounts			(11,201)	(15,267)
Total debt, net			\$ 204,577	\$ 186,207
Debt, net - current portion			\$ 48,886	\$ 2,758
Debt, net - non-current portion			\$ 155,691	\$ 183,449

⁽¹⁾ Matures the earlier of (a) January 31, 2027 and (b) the date that is 91 days prior to the final maturity of the Second Lien Notes. The Second Lien Notes are set to mature December 2026.

⁽²⁾ This amount is related to the promissory notes issued to Sammartino Investments LLC ("Sammartino") in connection with the acquisition of Nature's Remedy of Massachusetts, Inc. ("Nature's Remedy") in September 2021. The Company currently has no obligation to pay the principal and interest. See further discussion of the Sammartino Matter in Note 16 - Commitments and Contingencies for more information.

Second Lien Notes

In February 2025, the Company issued US\$3,719 principal amount of 12% second lien notes due 2026 ("Second Lien Notes") and C\$2,000 principal amount of Second Lien Notes. The issuances of the Second Lien Notes were also accompanied by 8,010,626 five-year detached warrants to purchase the Company's subordinate voting shares, no par value per share, in a private placement at a strike price of US\$0.48 per subordinate voting share.

An entity affiliated with James Cacioppo, the Company's Chief Executive Officer, purchased US\$3,719 principal amount of Second Lien Notes for a purchase price of US\$3,347, and received 5,810,938 warrants. Denis Arseneault, a significant equity holder of the Company, purchased C\$2,000 of Second Lien Notes for a purchase price of C\$1,800, and received 2,199,688 warrants.

Term Loans

In July 2024, a syndicate of lenders provided \$48,500 in secured term loans ("Term Loans") to the Company. The Term Loans were issued with a 2% original issue discount, bear interest at a rate of 12.25% per annum and mature the earlier of (a) January 31, 2027 and (b) the date that is 91 days prior to the final maturity of the Second Lien Notes. Beginning August 1, 2025, the Company commenced quarterly principal payments of \$1,213 on the first business day of each calendar quarter with a final payment of \$42,438 at maturity date, plus a 4% exit premium on such amounts. As of September 30, 2025, the remaining principal balance was classified as short-term. The Term Loans' upcoming maturity in September 2026 raises substantial doubt about the Company's ability to continue as a going concern without refinancing.

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Given the Company's plan to refinance before maturity and its consistent history of successful refinancing, substantial doubt has been alleviated.

Acquisition-related promissory notes payableStatewide

In February 2025, in connection with an Asset Purchase Agreement with Statewide Property Holdings Ohio, LLC ("Statewide"), the Company issued a promissory note in an aggregate total principal amount of \$2,161 with a stated interest rate of 9% per annum and which matures on or before the one-year anniversary of the third closing date (for the license and inventory assets at the Warren, Ohio dispensary). Following the third closing in June 2025, the promissory note, which provides for full principal and interest payments on the maturity date, will mature in June 2026.

RJK

In February 2025, in connection with an Asset Purchase Agreement with RJK Holdings of Ohio, LLC ("RJK"), the Company issued a promissory note in an aggregate total principal amount of \$4,063 with a stated interest rate of 9% per annum and which matures on or before the one-year anniversary of the third closing date (for the license and inventory assets at the Mansfield, Ohio dispensary). Following the third closing in September 2025, the promissory note, which provides for full principal and interest payments on the maturity date, will mature in September 2026.

Mortgage LoansArlington Mortgage

In December 2021, the Company entered into a \$6,900 mortgage loan agreement (the "Arlington Mortgage"), which is principally secured by the Company's retail property in Arlington, Virginia. The Arlington Mortgage bears a fixed interest rate of 5.875% per annum, payable monthly, and will mature in January 2027.

Dickson City Mortgage

In July 2022, the Company entered into a \$2,800 mortgage loan agreement (the "Dickson City Mortgage"), which is principally secured by the Company's retail property in Dickson City, Pennsylvania. The Dickson City Mortgage matures in July 2027 and bears interest at a variable rate equal to prime rate plus 2%. The interest rate as of September 30, 2025 was 9.5%.

Manassas Mortgage

In April 2023, the Company entered into a \$20,000 mortgage loan agreement (the "Manassas Mortgage"), which is principally secured by the Company's cultivation and manufacturing facility located in Manassas, Virginia (the "Property"). The Manassas Mortgage requires monthly payments and was originally scheduled to mature in April 2028. The interest rate is variable and determined based on the 30-day average secured overnight financing rate plus 3.55%.

In September 2025, the Company executed a modification agreement (the "Modification Agreement") related to the Manassas Mortgage, pursuant to which: (i) the outstanding principal balance was increased by \$4,000, (the "Additional Loan Proceeds"); (ii) the loan's maturity date was extended to September 2030; and (iii) the interest rate floor was lowered from 8.25% to 7.50% (the interest rate remains the average 30-day secured overnight financing rate plus 3.55%). The Manassas Mortgage, as modified, remains principally secured by the Property. In addition, as part of the Modification Agreement, the Company was required to deposit \$761 of the Additional Loan Proceeds into a restricted account, designated for use in fulfilling certain conditions associated with ongoing construction at the Property.

The interest rate as of September 30, 2025 was 7.936%.

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Financial Covenants
Term Loans

The Term Loans include a financial covenant that requires the Company to maintain a minimum unrestricted cash balance as of the last day of each calendar month during the term of the Term Loans, with an initial minimum cash balance of \$8,000, subject to certain “step-ups” for succeeding periods. As of September 30, 2025, the Company was in compliance with this financial covenant.

Mortgage loans

The Company’s three mortgage loan agreements contain certain financial and other covenants with which the Company is required to comply. As of September 30, 2025, the Company was in compliance with all financial covenants contained in each of the mortgage loan agreements.

Annual Maturities

As of September 30, 2025, aggregate future scheduled repayments of the Company’s debt were as follows:

	Remainder of the year	2026	2027	2028	2029	Thereafter	Total
Second Lien Notes	\$ —	\$ 85,866	\$ —	\$ —	\$ —	\$ —	\$ 85,866
Term Loans	1,213	46,075	—	—	—	—	47,288
Acquisition-related promissory notes payable	175	6,223	22,114	—	—	—	28,512
Mortgage loans	138	544	9,286	389	427	21,828	32,612
Total debt subject to scheduled repayments	\$ 1,526	\$ 138,708	\$ 31,400	\$ 389	\$ 427	\$ 21,828	\$ 194,278

The above table excludes the maturities of the Company’s promissory notes payable to Sammartino, as the repayment of these notes, if any, would arise in the context of a non-appealable final judgment by a court. Refer to Note 16 - Commitments and Contingencies for more information. Specifically, the promissory notes that were payable to Sammartino are as follows: \$16,500 in 2024 and \$5,000 in 2026. However, these balances are classified as long-term debt since the Company does not expect to repay these amounts within the next 12 months.

Interest Expense

Interest expense, net is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense				
Interest and accretion - Second Lien Notes	\$ 3,421	\$ 2,838	\$ 9,914	\$ 8,513
Interest and accretion - Term Loans	2,981	1,832	9,101	1,832
Interest and accretion - Finance lease liabilities	2,602	2,478	7,600	7,550
Interest and accretion - Promissory notes	911	1,043	2,646	3,699
Interest and accretion - Acquisition Facility	—	658	—	4,845
Interest and accretion - Mortgage loans and other financing activities	618	661	1,825	2,037
Capitalized interest	(149)	—	(254)	—
Total interest expense	10,384	9,510	30,832	28,476
Interest income	(117)	(128)	(346)	(479)
Total interest expense, net	\$ 10,267	\$ 9,382	\$ 30,486	\$ 27,997

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9. DERIVATIVE LIABILITIES

The following table summarizes the change in the Company's derivative liabilities for the nine months ended September 30, 2025.

	Total Derivative Liabilities ⁽¹⁾
Balance as of January 1, 2025	\$ 3,128
Derivative warrants issued ⁽²⁾	1,769
Fair value changes	5,875
Reclassification to equity ⁽²⁾	(1,377)
Balance as of September 30, 2025	<u>\$ 9,395</u>

⁽¹⁾ Refer to Note 10 - Equity for the change in number of warrants during the nine months ended September 30, 2025.

⁽²⁾ In February 2025, the Company issued 8,010,626 warrants in connection with Second Lien Notes issuances, which were reclassified to equity upon the finalization of the exercise price in March 2025. Refer to Note 8 - Debt for more information.

The Company's derivative liabilities are primarily comprised of derivative warrants ("Derivative Warrants"). These are warrants to purchase SVS of the Company and were issued in connection with the Company's Second Lien Notes and the Term Loans. The Derivative Warrants may be net share settled.

As of September 30, 2025 and December 31, 2024 there were 21,400,000 Derivative Warrants outstanding, which consisted of (i) 2,000,000 warrants with an exercise price of \$2.086 per warrant and expiration date in December 2026, and (ii) 19,400,000 warrants with an exercise price of \$1.00 per warrant and expiration date in July 2029.

Derivative Warrants are considered derivative financial liabilities measured at fair value with all gains or losses recognized in profit or loss as the settlement amount for the Derivative Warrants may be adjusted during certain periods for variables that are not inputs to standard pricing models for forward or option equity contracts, i.e., the "fixed for fixed" criteria under ASC 815-40. The estimated fair value of the Derivative Warrants is measured at the end of each reporting period and an adjustment is reflected in fair value changes in derivatives in the consolidated statements of operations. These are Level 3 recurring fair value measurements. The estimated fair value of the Derivative Warrants was determined using the Black-Scholes model with stock price based on the OTCQX closing price of the Derivative Warrants issue date as of September 30, 2025 and December 31, 2024.

The assumptions used in the fair value calculations as of the balance sheet dates presented include the following:

	September 30, 2025 (unaudited)	December 31, 2024
Stock price per share	\$0.72	\$0.31
Risk-free annual interest rate	3.66% - 3.68%	4.24% - 4.35%
Range of estimated possible exercise price	\$1.00 - \$2.086	\$1.00 - \$2.086
Weighted average volatility	103%	93%
Remaining life	1.2 - 3.8 years	2 - 4.6 years
Forfeiture rate	0%	0%
Expected annual dividend yield	0%	0%

Volatility was estimated by using a weighting of the Company's historical volatility. The risk-free interest rate for the expected life of the Derivative Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term. The expected life is based on the contractual term. If any of the assumptions used in the calculation were to increase or decrease, this could result in a material or significant increase or decrease in the

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estimated fair value of the derivative liability. For example, the following table illustrates an increase or decrease in certain significant assumptions as of the balance sheet dates:

	As of September 30, 2025 (unaudited)			As of December 31, 2024		
	Input	Effect of 10% Increase	Effect of 10% Decrease	Input	Effect of 10% Increase	Effect of 10% Decrease
Stock price per share	\$ 0.72	\$ 1,209	\$ (1,186)	\$ 0.31	\$ 440	\$ (427)
Volatility	103 %	770	(841)	93 %	438	(465)

10. EQUITY
Authorized, Issued and Outstanding

The authorized share capital of the Company consists of an unlimited number of SVS, Multiple Voting Shares, Super Voting Shares, and Preferred Shares. As of September 30, 2025, the Company had 196,696,597 SVS issued and outstanding and no Multiple Voting Shares, Super Voting Shares or Preferred Shares issued and outstanding.

Warrants

Each warrant entitles the holder to purchase one SVS. Certain warrants may be net share settled. The following table summarizes the status of warrants and related transactions:

	Non-Derivative (Equity) Warrants	Derivative Liabilities Warrants	Total Number of Warrants	Weighted - Average Exercise Price
Balance as of January 1, 2025	50,518,536	21,400,000	71,918,536	\$ 1.03
Granted ⁽¹⁾	8,210,626	—	8,210,626	\$ 0.48
Balance as of September 30, 2025	58,729,162	21,400,000	80,129,162	\$ 0.98
Exercisable as of September 30, 2025	57,509,162	21,400,000	78,909,162	\$ 0.98

⁽¹⁾ In February 2025, the Company issued 8,010,626 warrants in connection with Second Lien Notes issuances. Refer to Note 8 - Debt for more information.

The grant date fair value of the non-derivative warrants issued was determined using the Black-Scholes option-pricing model. The following assumptions were used for the calculation at date of issuance:

Weighted average stock price	\$0.33
Weighted average expected stock price volatility	91.8%
Expected annual dividend yield	0%
Weighted average expected life of warrants	5.0 years
Weighted average risk-free annual interest rate	4.1%
Weighted average grant date fair value	\$0.22

Share-based Payment Award Plans
Plan summary and description

Under the Company's 2019 Equity Incentive Plan, as amended, (the "2019 Plan"), non-transferable options to purchase SVS and restricted SVS of the Company may be issued to directors, officers, employees, or consultants of the Company. The 2019 Plan authorizes the issuance of up to 15% (plus an additional 2% inducements for hiring employees and senior management) of the number of outstanding shares of common stock (of all classes) of the Company (the "Share

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Reserve”). Incentive stock options are limited to the Share Reserve, and the maximum number of incentive awards available for issuance under the 2019 Plan, including additional awards available for certain new hires, was 8,993,836 as of September 30, 2025.

Stock Options

The stock options issued by the Company are options to purchase SVS of the Company. All stock options issued have been issued to directors and employees under the Company’s 2019 Plan. Such options generally expire ten years from the date of grant and generally vest ratably over three years from the grant date. The options generally may be net share settled.

The following table summarizes the status of stock options and related transactions:

	Number of Stock Options	Weighted-Average Per Share Exercise Price
Issued and Outstanding as of January 1, 2025	26,769,419	\$ 0.79
Granted	1,120,000	\$ 0.42
Cancelled/forfeited/expired	(3,444,834)	\$ 0.82
Issued and Outstanding as of September 30, 2025	24,444,585	\$ 0.77
Exercisable as of September 30, 2025	18,507,055	\$ 0.85

The fair value of the stock options granted was determined using the Black-Scholes option-pricing model. The following assumptions were used for the calculation at date of grant:

	Nine Months Ended September 30,	
	2025	2024
Weighted average stock price	\$0.41	\$0.56
Weighted average expected stock price volatility	92.8%	86.9%
Expected annual dividend yield	0%	0%
Weighted average expected life	5.1 years	5.0 years
Weighted average risk-free annual interest rate	3.9%	3.6%
Weighted average grant date fair value	\$0.30	\$0.21

Share-based Compensation Cost

The components of share-based compensation expense, net, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	\$ 261	\$ 982	\$ 187	\$ 2,931
Restricted stock	—	—	—	2
Warrants	96	100	237	20
Total share-based compensation expense, net	\$ 357	\$ 1,082	\$ 424	\$ 2,953

As of September 30, 2025, the Company had \$951 of unrecognized share-based compensation cost related to unvested stock options and warrants, which is expected to be recognized as share-based compensation cost over a weighted average period of 2.0 years.

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11. EARNINGS (LOSS) PER SHARE

The reconciliations of the net loss and the weighted average number of shares used in the computations of basic and diluted loss per share are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net loss	\$ (23,689)	\$ (16,016)	\$ (53,035)	\$ (36,309)
Denominator:				
Weighted-average shares of common stock - basic and diluted	195,196,597	195,165,913	195,196,597	195,145,417
Loss per common share:				
Basic and diluted	\$ (0.12)	\$ (0.08)	\$ (0.27)	\$ (0.19)

The following table summarizes weighted average instruments that may, in the future, have a dilutive effect on earnings (loss) per share, but were excluded from consideration in the computation of diluted net loss per share for the three and nine months ended September 30, 2025 and 2024, because the impact of including them would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	24,243,562	26,537,311	24,817,114	27,402,967
Warrants (derivative liabilities and equity)	80,129,162	101,726,848	78,392,223	92,766,898
Unvested restricted stock awards	—	1,679	—	1,800
	104,372,724	128,265,838	103,209,337	120,171,665

12. REVENUE

The Company has two revenue streams: (i) retail and (ii) wholesale. The Company's retail revenue is comprised of cannabis sales from its dispensaries. The Company's wholesale revenue is comprised of cannabis sales to its wholesale customers for resale through their dispensaries. Any intercompany revenue and costs are eliminated to arrive at consolidated totals.

The following table summarizes the Company's revenue from external customers, disaggregated by revenue stream:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Retail	\$ 58,774	\$ 55,441	\$ 175,058	\$ 169,802
Wholesale	6,905	6,170	19,513	21,863
Total revenue, net	\$ 65,679	\$ 61,611	\$ 194,571	\$ 191,665

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13. OPERATING EXPENSES

The major components of operating expenses are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Salaries, wages and employee related expenses	\$ 14,315	\$ 14,498	\$ 43,055	\$ 42,837
Depreciation and amortization expenses	4,512	3,985	13,702	11,090
Rent and related expenses	3,184	3,053	9,415	8,928
Professional fees and legal expenses	1,804	1,320	5,584	5,501
Share-based compensation expense	357	1,082	424	2,953
Loss (gain) on asset disposals and lease terminations	306	443	(2,992)	(2,233)
Other expenses ⁽¹⁾	3,848	3,438	12,106	11,116
Total operating expenses	<u>\$ 28,326</u>	<u>\$ 27,819</u>	<u>\$ 81,294</u>	<u>\$ 80,192</u>

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

14. INCOME TAXES

The following table summarizes the Company's income tax expense and effective tax rates for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Loss before income tax	\$ (14,860)	\$ (7,051)	\$ (25,300)	\$ (8,268)
Income tax expense	\$ 8,829	\$ 8,965	\$ 27,735	\$ 28,041
Effective income tax rate	59.4 %	127.1 %	109.6 %	339.2 %

The Company has computed its provision for income taxes based on the actual effective rate for the three and nine months ended September 30, 2025 and 2024 as the Company believes this is the best estimate for the annual effective tax rate. Therefore, the Company's effective income tax rates for the three and nine months ended September 30, 2025 and 2024 are not indicative of the effective income tax rate for each respective fiscal year of 2025 and 2024. The Company's effective income tax rate is significantly higher than the statutory income tax rates due in part to (i) an increase in the uncertain tax position liability due to tax positions based on legal interpretations that challenge the Company's tax liability under Internal Revenue Code Section 280E ("280E"), (ii) interest and penalties accrual for tax liabilities, and (iii) state income taxes.

The IRS has taken the position that cannabis companies are subject to the limitation of 280E, a position held by state tax regulators in Nevada, Ohio and Virginia. Under the IRS's interpretation of 280E, cannabis companies are only allowed to deduct expenses directly and indirectly related to the production of inventory.

In connection with the preparation and filing of the fiscal 2022 income tax return, the Company changed its previous application of 280E to exclude certain parts of its business. In regards to fiscal years 2023, 2024, and 2025 tax years, the Company has taken the position that it does not owe taxes attributable to the application of 280E. However, since the Company's tax positions on 280E may be challenged by taxing authorities, the Company elected to treat the deductibility of these related expenses as an uncertain tax position.

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The Company has a liability for unrecognized tax benefits of \$171,180 and \$143,688 as of September 30, 2025 and December 31, 2024, respectively. These amounts include interest and penalties of \$36,271 and \$27,839, respectively. The Company anticipates that it is reasonably possible that its new tax position on 280E may require changes to the balance of unrecognized tax benefits within the next 12 months. However, an estimate of such changes cannot reasonably be made.

The total amount of interest and penalties related to the liability for unrecognized tax benefits recorded in income tax expense during the three and nine months ended September 30, 2025 was \$2,397 and \$8,433, respectively. The total amount of interest and penalties related to the liability for unrecognized tax benefits recorded in income tax expense during the three and nine months ended September 30, 2024 was \$2,618 and \$7,070, respectively.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. The legislation included provisions affecting the limitation on interest deductions and bonus depreciation. The enactment did not have a material impact on the Company's income tax expense for the three and nine months ended September 30, 2025, and is not expected to materially affect the Company's effective income tax rate for 2025. The act reduced the amount of cash the Company would have had to pay for income taxes for the nine months ended September 30, 2025 by \$914.

15. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions:

	Three Months Ended September 30,		Nine Months Ended September 30,		As of	
	2025	2024	2025	2024	September 30, 2025 (unaudited)	December 31, 2024
Nature of transaction	Related Party Expense		Related Party Expense		Related Party Payable	
12% Second Lien Notes - interest expense and principal amount ⁽¹⁾	\$ (769)	\$ (608)	\$ (2,216)	\$ (1,760)	\$ (25,667)	\$ (20,096)
Term Loans - interest expense and principal amount ⁽²⁾	\$ (486)	\$ (328)	\$ (1,458)	\$ (328)	\$ (15,600)	\$ (16,000)

⁽¹⁾ The Second Lien Notes payable and the related interest expense include amounts related to the Company's Chief Executive Officer, as well as a significant investor. In February 2025, an entity affiliated with the Company's Chief Executive Officer, as well as a significant investor, each purchased additional Second Lien Notes in the principal amount of US\$3,719 and C\$2,000 respectively, and also received 5,810,938 warrants and 2,199,688 warrants, respectively. Refer to Note 8 - Debt for more information.

⁽²⁾ The Term Loans payable and the related interest expense include amounts related to the Company's Chief Executive Officer, as well as a significant investor, who each participated as Term Loan lenders in the Company's senior secured term loan refinancing completed in July 2024 in the principal amounts of \$9,000 and \$7,000 respectively, and also received 3,600,000 warrants and 2,800,000 warrants, respectively. Refer to Note 8 - Debt for more information.

16. COMMITMENTS AND CONTINGENCIES
Contingencies

Although the possession, cultivation and distribution of cannabis for medical and recreational use is permitted in certain states, cannabis is classified as a Schedule I controlled substance under the U.S. Controlled Substances Act and its use remains a violation of federal law. The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management believes that the Company is in material compliance with applicable local and state regulations as of September 30, 2025, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company could be subject to regulatory fines, penalties or

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restrictions at any time. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with the Company's business plans. A change in administration due to the recent United States presidential election presents a risk of a change in federal policy. In addition, the Company's assets, including real property, cash and cash equivalents, equipment, inventory and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

Refer to Note 14 - Income Taxes for certain tax-related contingencies.

Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of September 30, 2025, except as set forth below, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's financial results. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

MJ's Market Matter

On March 31, 2023, MJ's Market, Inc. ("MJ's") filed a complaint in federal district court in Massachusetts adverse to Jushi Holdings Inc. and certain of its subsidiaries, including Jushi MA, Inc., Jushi Inc. and Nature's Remedy as well as the former owners and affiliates of Nature's Remedy (the "Complaint"). The Complaint centrally claims that the structure of the Nature's Remedy transaction providing for increased purchase price consideration if there is no competing dispensary within 2,500 foot radius by certain time periods, and the Company's filing with the Massachusetts Superior Court an appeal of the Town of Tyngsborough's decision to approve MJ's facility in contradiction of its own zoning bylaws are violations of the Sherman Antitrust Act, Massachusetts Antitrust Act, and Massachusetts Consumer Protection Act, as well as interference with contractual relations and abuse of process. MJ is seeking legal and equitable remedies including compensatory and other damages. On February 5, 2025, the court denied the defendants' motion to dismiss, and the parties to the Complaint are in discovery. The Company disputes such allegations, believes it has substantial defenses and is vigorously defending against the Complaint.

Sammartino Matter

On February 28, 2023, the Company informed Sammartino, the former owner of Nature's Remedy and certain of its affiliates, that Sammartino had breached several provisions of the Merger and Membership Interest Purchase Agreement between the Company, Sammartino and certain other parties thereto (as amended, the "MIPA") and/or fraudulently induced the Company to enter into, and not terminate, the MIPA. As a consequence of these breaches and the fraudulent inducement, the Company informed Sammartino that the Company had incurred significant damages, and pursuant to the terms of the MIPA the Company had elected to offset these damages against certain promissory notes and shares the Company was to pay and issue, respectively, to Sammartino, and that Sammartino would be required to pay the remainder in cash. On March 13, 2023, Sammartino responded to the Company by alleging various procedural deficiencies with the Company's claim and provided the Company with a notice that the Company was in default of the MIPA for failing to issue certain shares of the Company to Sammartino. On March 21, 2023, Sammartino sent a second notice that the Company was in default of the promissory notes for failing to pay interest pursuant to their specified schedule. On March 23, 2023, the Company sent a second letter to Sammartino disputing each procedural deficiency claimed by Sammartino and disputing that the Company is in default of the MIPA or the promissory notes and that it properly followed the terms of the various agreements in electing to set off the damages.

Pacific Collective Matter

On October 24, 2022, Pacific Collective, LLC ("Pacific Collective") filed a complaint in state court in California against Jushi subsidiaries TGS CC Ventures, LLC ("TGS"), and Jushi Inc. Pacific Collective alleges that the Jushi subsidiaries breached a commercial property lease and lease guaranty and that Pacific Collective is entitled to recover in excess of \$20,000 in damages. TGS believes it lawfully rescinded the lease based on Pacific Collective's failure to purchase the

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property that was the subject of the lease and to construct and deliver the building contemplated by the lease and is of the position that no damages are owed to Pacific Collective. The Referee assigned to the matter ruled in favor of and awarded fees and costs to TGS and Jushi. Pacific Collective filed an appeal on July 3, 2024.

Commitments

In addition to the contractual obligations outlined in Note 8 - Debt, the Company has commitments as of September 30, 2025 related to property and construction.

In connection with various license applications, the Company may enter into conditional leases or other property commitments which will be executed if the Company is successful in obtaining the applicable license and/or resolving other contingencies related to the license or application.

In addition, the Company expects to incur capital expenditures for leasehold improvements and construction of buildouts of certain locations, including for properties for which the lease is conditional on obtaining the applicable related license or for which other contingencies exist.

17. FINANCIAL INSTRUMENTS

The following table sets forth the Company's financial assets and liabilities, subject to fair value measurements on a recurring basis, by level within the fair value hierarchy:

	September 30, 2025 (unaudited)	December 31, 2024
Financial liabilities: ⁽¹⁾		
Derivative liabilities ⁽²⁾	\$ 9,395	\$ 3,128
Contingent consideration liabilities ⁽³⁾	—	5,912
Total financial liabilities	<u>\$ 9,395</u>	<u>\$ 9,040</u>

⁽¹⁾ The Company has no financial assets or liabilities in Level 1 or 2 within the fair value hierarchy as of September 30, 2025 and December 31, 2024, and there were no transfers between hierarchy levels during the nine months ended September 30, 2025 or year ended December 31, 2024.

⁽²⁾ Refer to Note 9 - Derivative Liabilities.

⁽³⁾ This was related to the acquisitions of Statewide and RJK. During the nine months ended September 30, 2025, the balance was reclassified to debt as of the second closing for both acquisitions. Refer to Note 8 - Debt for more information.

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued expenses, and certain other assets and liabilities held at amortized cost, approximate their fair values due to the short-term nature of these instruments. The carrying amounts of the promissory notes approximate their fair values as the effective interest rates are consistent with market rates. The carrying amount of the Second Lien Notes approximates their fair values as of September 30, 2025 and December 31, 2024, respectively.

18. SEGMENT INFORMATION

The Company operates a vertically integrated cannabis business in one reportable segment for the cultivation, manufacturing, distribution and sale of cannabis in the U.S. All of the Company's revenues were generated within the U.S., and substantially all long-lived assets are located within the U.S. The accounting policies for the Company's reportable segment are the same as those described in the summary of significant accounting policies. The chief operating decision maker is the Chief Executive Officer. The chief operating decision maker assesses performance and decides how to allocate resources based on operating results that are reported on the income statement as consolidated net income/(loss). The measure of segment assets is reported on the balance sheet as total consolidated assets. Refer to Note 13 - Operating Expenses for significant expenses for the reportable segment.