

August 25, 2021



Jushi Holdings Inc. Reports Second Quarter 2021 Financial Results

Second Quarter 2021 Revenue Increases 14.6% to \$47.7 million as Compared to the First Quarter 2021

Net Income of \$4.8 million, a \$31.6 million Improvement as Compared to the First Quarter 2021

Reports Adjusted EBITDA^(A) of \$4.6 million

Updates Full Year 2021 Guidance and Initiates Full Year 2022 Guidance

BOCA RATON, Fla., Aug. 25, 2021 (GLOBE NEWSWIRE) -- [Jushi Holdings Inc.](#) (“Jushi” or the “Company”) (CSE: JUSH) (OTCQX: JUSHF), a vertically integrated, multi-state cannabis operator, announced its financial results for the second quarter 2021 (“Q2 2021”) ended June 30, 2021 financial results. All financial information is provided in U.S. dollars unless otherwise indicated.

Second Quarter 2021 Highlights

- Total revenue of \$47.7 million, an increase of 14.6% sequentially and 219.7% year-over-year
- Gross profit of \$21.9 million, an increase of 9.2% sequentially and 193.7% year-over-year
- Net income of \$4.8 million, a \$31.6 million sequential improvement, was primarily driven by an increase in revenue, gross profit and a gain on fair value derivative liabilities.
- Adjusted EBITDA^(A) of \$4.6 million, or 9.6% of revenue
- \$126.8 million of cash and short-term investments in securities on the balance sheet as of June 30, 2021

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.

Second Quarter 2021 Operational Highlights

- Opened its 19th and 20th BEYOND/HELLOTM retail locations nationwide with its 12th and 13th store in Pennsylvania
- Completed the acquisition of 100% of the equity of Organic Solutions of the Desert, LLC, an operational retail dispensary in Palm Springs, California
- Completed the acquisition of the 93,000 sq. ft. facility and surrounding nine acres of land operated by its wholly-owned subsidiary and Virginia based pharmaceutical processor, Dalitso LLC

- Signed a definitive agreement to acquire Nature's Remedy of Massachusetts, Inc., a vertically integrated, single-state operator in Massachusetts, operating two retail dispensaries and a 50,000 sq. ft. cultivation and production facility
- Announced the appointment of Leonardo Garcia-Berg as Chief Operations Officer
- Announced the appointment of Marina Hahn to the Board of Directors
- Commenced the first phase of the expansion project at the Pennsylvania grower-processor facility
- Completed the previously announced acquisition of an established Nevada operator

Recent Developments

- Announced that Jushi's partner, Northern Cardinal Ventures, LLC, was awarded a conditional retail dispensary license in Illinois via the state's lottery process
- Plan to open the 21st BEYOND/HELLO™ retail location nationally and 14th store in Pennsylvania on August 31, 2021
- Completed the acquisition of a licensed cultivator in Ohio
- Debuted a series of cannabis brands and product launches in Virginia and Ohio
- Announced that the Company's founders had converted super and multiple voting shares into subordinate voting shares
- Announced the appointment of Brendon Lynch as Executive Vice President of Retail Operations
- Received a ~\$14.4 million interim arbitration award plus legal fees and accumulated interest
- Announced the transition to domestic issuer status in the United States
- Announced the expiration of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("the HSR Act") waiting period for the proposed acquisition of Nature's Remedy of Massachusetts, Inc.

Management Commentary

"I'm very pleased with our performance in the second quarter; we achieved strong sequential revenue growth, industry leading year-over-year revenue growth, and maintained Adjusted EBITDA profitability, while continuing to invest in our strategic growth initiatives," said Jim Cacioppo, Chief Executive Officer, Chairman and Founder of Jushi. "With our strong balance sheet we are well positioned to execute on our plans, which includes expanding our national retail footprint as well as building out our cultivation and processing assets to support increased demand from both patients and consumers for our high-quality products."

Mr. Cacioppo continued, "Our performance has been driven by our commitment to delivering a differentiated customer shopping experience both in-store and online, by bringing to market innovative and exciting new brands and products, and by leveraging cutting edge technologies and data analytics to improve customer engagement. As we look out to the second half the of the year, we plan on building on our recent successes and driving continuous improvement across all of our operating assets."

Financial Results for the Second Quarter Ended June 30, 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 periods ended June 30, 2021 and March 31, 2021.

(\$ in millions, except per share amounts)

	Quarter Ended June 30, 2021	Quarter Ended March 31, 2021	% Change
Revenue	\$ 47.7	\$ 41.7	14.6%
Gross Profit	\$ 21.9	\$ 20.1	9.2%
Net (loss) income	\$ 4.8	\$ (26.8)	
Net (loss) income per share - basic	\$ 0.03	\$ (0.18)	
Net (loss) income per share - diluted	\$ (0.09)	\$ (0.18)	

Revenue in Q2 2021 increased 14.6% to \$47.7 million, compared to \$41.7 million in the first quarter of 2021 ("Q1 2021"). The 14.6% increase in revenue was driven primarily by solid revenue growth at the Company's BEYOND/HELLO™ stores in Pennsylvania, Illinois, California and Virginia, and increased operating activity at its grower-processor facilities in Pennsylvania and Nevada.

Gross profit in Q2 2021 increased 9.2% to \$21.9 million, compared to \$20.1 million in Q1 2021. The increase in gross profit was primarily driven by the increase in revenue, partially offset by a decrease in net overall margins primarily driven by an increase in promotional activity.

Q2 2021 net income was \$4.8 million, or \$0.03 per basic share and net loss of \$(0.09) per diluted share, compared to a net loss of \$(26.8) million, or \$(0.18) per diluted share in Q1 2021. The net loss of \$(0.09) per diluted share in Q2 2021 was primarily due to the dilutive effects of the derivative warrants as accounted for under IFRS. The fair value gain on the derivative warrants is removed from basic earnings to calculate diluted net loss, which is then divided by the diluted weighted average number of shares. The \$31.6 million improvement in net income in the second quarter was primarily driven by the gain on fair value derivative liabilities of \$21.1 million.

Adjusted EBITDA^(A) in Q2 2021 was \$4.6 million, compared to Adjusted EBITDA^(A) \$4.5 million in Q1 2021, as updated for current period presentation. The increase in Adjusted EBITDA^(A) on a sequential quarterly basis was driven by higher revenues and gross profit.

Balance Sheet and Liquidity

As of June 30, 2021, the Company had \$126.8 million of cash and short-term investments. Total current assets of \$164.3 million and current liabilities of \$60.2 million as of June 30, 2021. Net working capital at the end of June 30, 2021 was \$104.1 million. The Company incurred approximately \$32.8 million in capital expenditures during Q2 2021 and \$41.5 million year to date. The Company expects to incur an additional \$65 million - \$85 million in capital expenditures for the remainder of the year, subject to market conditions and regulatory changes, of which a portion will be funded by an existing sale-lease-back facility. As of June 30, 2021, the Company had \$85.1 million principal amount of total debt, excluding leases and property, plant and equipment financing obligations.

Outlook

Mr. Cacioppo commented, "Looking ahead to the remainder of the year, we expect to open an additional seven BEYOND/HELLO™ dispensaries, add two dispensaries and a grower-

processor facility in Massachusetts through the acquisition of Nature's Remedy of Massachusetts and continue to build-out our Pennsylvania and Virginia grower-processor facilities, which will fuel our business as we head into 2022."

Mr. Cacioppo added, "Assuming our Massachusetts acquisition closes late in the third quarter, we are revising our full year 2021 revenue guidance range from \$205 to \$255 million to \$220 to \$230 million and our 2021 Adjusted EBITDA guidance range from approximately \$40 to \$50 million to \$32 to \$37 million. The reduction in Adjusted EBITDA guidance relates to (1) the Virginia market developing slower than we initially forecast, mostly due to flower launching in September versus our assumption in July, the Company pivoting to a larger store format and the timing and regulations associated with the adult use program, which resulted in new store openings being delayed; (2) reducing the flower room capacity at the existing 89,000 square foot Pennsylvania grower-processor facility to accommodate post-harvest expansion related to expanding to a much larger facility than initially anticipated at acquisition in the summer of 2020; and (3) growth in corporate overhead that reflects the opportunity and challenges of the very significant growth associated with the larger than planned grower-processor expansion and the upcoming adult use markets in VA and PA, both of which may happen by 2023."

Mr. Cacioppo concluded, "In addition, we are initiating our full year 2022 guidance. For full year 2022, we expect revenues to be between \$375 to \$425 million and Adjusted EBITDA to be between \$110 to \$130 million on an IFRS basis. We have built a robust, rapidly growing footprint in some of the most exciting markets in our industry and are well positioned to execute on our growth strategy to continue to drive long-term shareholder value."

The Company's MD&A and consolidated financial statements for the second quarter ended June 30, 2021, along with all previous public filings of the Company, may be found on SEDAR at www.SEDAR.com.

Conference Call and Webcast Information

The Company will host a conference call to discuss its financial results for the second quarter 2021 at 9:00 a.m. ET today, Wednesday, August 25, 2021.

Event:	Second Quarter 2021 Financial Results Conference Call
Date:	Wednesday, August 25, 2021
Time:	9:00 a.m. Eastern Time
Live Call:	+1-877-407-0792 (U.S. Toll-Free) or +1-201-689-8263 (International)
Webcast:	http://public.viavid.com/index.php?id=145936

For interested individuals unable to join the conference call, a dial-in replay of the call will be available until September 25, 2021 and can be accessed by dialing + 1-844-512-2921 (U.S. Toll Free) or + 1-412-317-6671 (International) and entering replay pin number: 13721887.

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 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 www.jushico.com or our social media channels, [Instagram](#), [Facebook](#), [Twitter](#) and [LinkedIn](#).

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 and six months ended June 30, 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.

Not for distribution to United States newswire services or for dissemination in the United States.

For further information, please contact:

Investor Relations

Michael Perlman

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 INCOME (LOSS)
(in thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended June 30, 2020
	(unaudited)	(unaudited)	(unaudited)
REVENUE, NET	\$ 47,744	\$ 41,675	\$ 14,932
COST OF GOODS SOLD	(26,126)	(22,934)	(7,495)
GROSS PROFIT BEFORE FAIR VALUE CHANGES	\$ 21,618	\$ 18,741	\$ 7,437
Realized fair value changes included in inventory sold	(3,411)	(4,783)	(33)
Unrealized fair value changes included in biological assets	3,739	6,135	68
GROSS PROFIT	\$ 21,946	\$ 20,093	\$ 7,472
OPERATING EXPENSES:			
General, administrative and selling expenses	\$ 22,526	\$ 17,394	\$ 9,815
Share-based compensation expense	2,383	3,563	1,211
Acquisition and deal costs	870	238	159
Total operating expenses	\$ 25,779	\$ 21,195	\$ 11,185
LOSS FROM OPERATIONS BEFORE OTHER (EXPENSE) INCOME	\$ (3,833)	\$ (1,102)	\$ (3,713)
OTHER INCOME (EXPENSE):			
Interest income	\$ 87	\$ 97	\$ 38
Fair value changes in derivatives	21,099	(9,358)	(3,748)
Interest expense and finance charges	(6,085)	(6,653)	(3,435)
Gains on investments and financial assets	124	1,173	2,332
(Losses) gains on debt and warrant modifications	-	(3,815)	235
Other expense, net	(532)	(710)	-
Total other income (expense), net	\$ 14,693	\$ (19,266)	\$ (4,578)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) BEFORE TAX	\$ 10,860	\$ (20,368)	\$ (8,291)
Current income tax expense	(6,172)	(6,473)	(3,027)
Deferred income tax benefit	72	40	2,010
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 4,760	\$ (26,801)	\$ (9,308)
Net loss attributable to non-controlling interests	(190)	(175)	(429)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO JUSHI SHAREHOLDERS	\$ 4,950	\$ (26,626)	\$ (8,879)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - BASIC	\$ 0.03	\$ (0.18)	\$ (0.10)
Weighted average shares outstanding - basic	155,093,805	149,933,639	92,264,221
NET LOSS AND COMPREHENSIVE LOSS PER SHARE ATTRIBUTABLE TO JUSHI SHAREHOLDERS - DILUTED	\$ (0.09)	\$ (0.18)	\$ (0.10)
Weighted average shares outstanding - diluted	188,122,697	149,933,639	92,264,221

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

	June 30, 2021	December 31, 2020
	<i>(unaudited)</i>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents and restricted cash	\$ 120,431	\$ 85,857
Accounts receivable, net	987	859
Investments in securities	5,874	7,934
Inventory, net	25,494	12,966
Biological assets	2,993	3,962
Prepaid expenses and other current assets	8,555	4,691
Total current assets	<u>\$ 164,334</u>	<u>\$ 116,269</u>
NON-CURRENT ASSETS:		
Property, plant and equipment	\$ 157,392	\$ 72,471
Other intangible assets, net	136,458	132,028
Goodwill	34,745	31,055
Other non-current assets	11,011	7,456
Non-current restricted cash	450	-
Total long-term assets	<u>\$ 340,056</u>	<u>\$ 243,010</u>
Total assets	<u>\$ 504,390</u>	<u>\$ 359,279</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable, accrued expenses and other current liabilities	\$ 49,437	\$ 30,439
Other debt	1,375	261
Promissory notes payable	120	1,338
Lease obligations	9,317	4,716
Total current liabilities	<u>\$ 60,249</u>	<u>\$ 36,754</u>
NON-CURRENT LIABILITIES:		
Promissory notes payable	\$ 5,736	\$ 3,081
Senior notes	50,273	50,566
Derivative liabilities	190,274	205,361
Lease obligations	80,209	34,494
Deferred tax liabilities	24,766	23,798
Other debt	4,873	3,475
Total liabilities	<u>\$ 416,380</u>	<u>\$ 357,529</u>
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Share capital and share reserves	\$ 375,640	\$ 263,914
Accumulated deficit	(287,630)	(264,091)
Total Jushi shareholders' equity	<u>\$ 88,010</u>	<u>\$ (177)</u>
Non-controlling interests	-	1,927
Total equity	<u>\$ 88,010</u>	<u>\$ 1,750</u>
Total liabilities and equity	<u>\$ 504,390</u>	<u>\$ 359,279</u>

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

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (22,041)	\$ (25,206)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization, including amounts in cost of goods sold	\$ 4,186	\$ 2,139
Share-based payments	5,947	2,530
Fair value changes in derivative warrants	(11,741)	1,161
Net gain on business combinations	-	(2,202)
(Gains) losses on investments and financial assets	(1,297)	5,878
Losses (gains) on debt and warrant modifications	3,815	(267)
Non-cash interest expense	8,728	3,326
Deferred income taxes	(112)	(3,247)
Fair value changes on sale of inventory and on biological assets	(1,680)	(108)
Non-cash other expense	82	792
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	\$ (116)	\$ 340
Prepaid expenses and other current assets	(532)	(1,917)
Inventory and biological assets	(9,694)	(2,051)
Other assets	(819)	338
Accounts payable, accrued expenses and other current liabilities	20,344	11,522
Net cash flows used in operating activities	<u>\$ (4,930)</u>	<u>\$ (6,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for acquisitions, net of cash acquired	\$ (5,166)	\$ (5,727)
Purchases and deposits for property, plant and equipment	(41,526)	(9,804)
Proceeds from (payments for) investments	3,251	(4,354)
Proceeds from note receivable	-	5,193
Net cash flows used in investing activities	<u>\$ (43,441)</u>	<u>\$ (14,692)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares for cash, net	\$ 85,660	\$ -
Proceeds from exercise of warrants and options	12,981	-
(Payments for) proceeds from senior notes, including interest	(11,988)	30,629
Principal and interest payments for promissory notes	(1,697)	(8,757)
Payments for lease obligations	(3,561)	(764)
Proceeds from other debt	2,313	-
Repayments of other debt	(181)	-
Payments for non-controlling interests	-	(1,850)
Contributions from non-controlling interests	-	1,993
Net cash flows provided by financing activities	<u>\$ 83,527</u>	<u>\$ 21,251</u>
Effect of currency translation on cash and cash equivalents	(132)	(13)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>\$ 35,024</u>	<u>\$ (426)</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	<u>85,857</u>	<u>38,936</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	<u>\$ 120,881</u>	<u>\$ 38,510</u>

JUSHI HOLDINGS INC.^(A)
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

In addition to providing financial measurements based on IFRS, the Company provides additional financial metrics that are not prepared in accordance with IFRS. Management

uses non-IFRS financial measures, in addition to IFRS financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate the Corporation's financial performance. These non-IFRS financial measures are EBITDA and Adjusted EBITDA (both defined below). Management believes that these non-IFRS financial measures reflect the Company's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparing financial results across accounting periods and to those of peer companies. As there are no standardized methods of calculating these non-IFRS measures, the Company's methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similar measures used by others, thus limiting their usefulness. Accordingly, these non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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. Management believes 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. Management defines Adjusted EBITDA as EBITDA before: (i) fair value changes included in inventory sold and biological assets; (ii) share-based compensation expense; (iii) fair value changes in derivatives; (iv) gains/losses on debt and warrant modifications; (v) gains and losses on investments and financial assets; (vi) acquisition and deal costs; (vii) severance costs; (viii) start-up costs; and (ix) gains/losses on legal settlements.

RECONCILIATION OF NON-IFRS MEASURES
JUSHI HOLDINGS INC.
UNAUDITED RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(in thousands of U.S. dollars)

	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended June 30, 2020
Net Income (loss) (1)	\$ 4,760	\$ (26,801)	\$ (9,308)
Income tax expense	6,100	6,433	1,017
Interest expense, net	5,998	6,556	3,397
Depreciation and amortization (2)	2,417	1,769	1,089
EBITDA (Non-IFRS)	\$ 19,275	\$ (12,043)	\$ (3,805)
Fair value changes included in inventory sold and biological assets	(328)	(1,352)	(35)
Share-based compensation expense	2,383	3,563	1,211
Fair value changes in derivatives	(21,099)	9,358	3,748
Losses (gains) on debt and warrant modifications	-	3,815	(235)
Gains on investments and financial assets	(124)	(1,173)	(2,332)
Acquisition and deal costs (3)	870	238	159
Severance costs (3)(4)	1,839	-	-
Start-up costs (3)(5)	1,172	1,265	394
Losses on legal settlements	601	807	-
Adjusted EBITDA (Non-IFRS)	\$ 4,589	\$ 4,478	\$ (895)

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

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

(3) During the second quarter of 2021, we revised our methodology for calculating Adjusted EBITDA to also adjust for the effects of acquisition and deal costs, severance costs and start-up costs. We revised our methodology for calculating Adjusted EBITDA because we believe that the fluctuations caused in our operating results from these items are not reflective of our core performance, and that the revised methodology provides management and investors more useful information to evaluate the operations of our business.

(4) Severance costs relate to a founder's separation cost and to severance for former executives of a previously acquired business.

(5) Expansion and start-up costs incurred in order to prepare a location for its intended use. Start-up costs are expensed as incurred and are not indicative of ongoing operations of each new location.



Source: Jushi Holdings Inc.