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Jushi Holdings Inc. Completes Nature's Remedy Acquisition and Officially Enters Massachusetts Market

Jushi Holdings Inc. Completes Acquisition of Massachusetts-Based Nature's Remedy

Negotiates Revised Transaction Terms Resulting in 4.3 million Fewer Shares Issued

Adds Vertically Integrated Operator with Two Retail Dispensaries and a Cultivation and Manufacturing Facility

Officially Enters Its Seventh State and Expands Retail Footprint to 24 Dispensaries Nationwide

BOCA RATON, Fla., Sept. 13, 2021 (GLOBE NEWSWIRE) --[**Jushi Holdings Inc.**](#) ("**Jushi**" or the "**Company**") (CSE: [**JUSH**](#)) (OTCQX: [**JUSHF**](#)), a vertically integrated, multi-state cannabis operator announced it has closed its previously announced acquisition of Nature's Remedy of Massachusetts, Inc. and certain of its affiliates (collectively, "Nature's Remedy"), a vertically integrated, single-state operator in Massachusetts, for total upfront consideration of US\$91.2 million (the "Acquisition"). Nature's Remedy currently operates two retail dispensaries, in Millbury, MA and Tyngsborough, MA, (collectively, the "Retail Dispensaries") and a 50,000 sq. ft. cultivation and production facility in Lakeville, MA, with approximately 22,000 sq. ft. of high-quality indoor flower canopy and state-of-the-art extraction and manufacturing capabilities (the "Lakeville Facility"). The Company expects to execute on the significant opportunity to expand Nature's Remedy's wholesale revenue in the fourth quarter, driven by additional cultivation capacity as well as the planned resale of excess inventory at the Lakeville Facility. By way of the net working capital adjustment contained in the Merger and Membership Interest Purchase Agreement, the Company paid an additional US\$2.9 million in cash to acquire excess inventory worth US\$17.5 to US\$22.5 million at prevailing wholesale prices.

"We are excited to officially enter the Massachusetts market, adding Nature's Remedy, a vertically integrated business operating high-quality, well-managed assets" said Jim Cacioppo, Chief Executive Officer, Chairman and Founder of Jushi. "With its strong, defensible retail position and a scalable cultivation footprint, Nature's Remedy offers significant opportunities for us to expand and grow our presence in this rapidly maturing adult-use market. I look forward to working with our new colleagues to introduce our complete line of industry-leading brands and products into the wholesale market and at Nature's Remedy's retail stores."

Cultivation and Product Manufacturing Facility of Nature's Remedy

The 50,000 sq. ft. Lakeville Facility is located within a 185,000 sq. ft. industrial complex. Currently, the Lakeville Facility's flower canopy encompasses approximately 22,000 sq. ft., which Nature's Remedy expects to expand to approximately 32,500 sq. ft. by the end of the year. The Lakeville Facility utilizes CO₂ extraction and has a full kitchen for edible production. Current biomass production at the Lakeville Facility is approximately 16,000 lbs/year, including approximately 9,000 lbs/year of high-quality A bud flower. As part of the ongoing expansion of the facility, Nature's Remedy plans to increase biomass production to approximately 26,000 lbs/year, including approximately 13,000 lbs/year of A bud flower based on 32,500 sq. ft. of canopy. In addition to the above-mentioned expansion, Nature's Remedy is evaluating further expansion opportunities in the existing Lakeville industrial complex and/or on ten acres of land owned by Nature's Remedy in Grafton, MA. The Lakeville Facility could potentially accommodate an additional 18,000 to 20,000 sq. ft. of canopy through the expansion into approximately 26,000 sq. ft. of adjacent space in the existing building. In Grafton, MA, Nature's Remedy has a Host Community Agreement in place with the town and recently received a provisional cultivation license from the Commonwealth. The ten acres of land in Grafton, MA, could potentially accommodate a new 35,000 to 40,000 sq. ft. facility with approximately 18,000 sq. ft. of canopy. These expansions are subject to business evaluations and needs, as well as receipt of applicable regulatory approvals.

Millbury Dispensary

The Millbury dispensary is located in the town of Millbury, MA, just south of Worcester, MA. The Millbury dispensary caters primarily to the local population and surrounding underserved areas and serves both adult-use and medical customers. The Millbury dispensary provides ample parking for its patrons and is strategically situated along the Worcester-Providence Turnpike, which sees approximately 10,600 cars per day. The Millbury dispensary is located in close proximity to the Shoppes at Blackstone Valley, the largest open-air shopping center in Central Massachusetts, and the Mass Turnpike.

Tyngsborough Dispensary

Tyngsborough is located in northern Middlesex County just south of Nashua, NH, and serves adult-use customers. The Tyngsborough dispensary is strategically located in close proximity to the Pheasant Lane Mall, one of the largest malls in New Hampshire, and in close proximity to an exit on Route 3/Northwest Expressway, which sees 60,000 to 80,000 cars per day. There is ample customer parking with potential for expansion.

Revised Agreement Terms

(in millions / \$ in USD)	Original Terms	Revised Terms	Change
Upfront Payment:			
Cash	\$40.00	\$40.00	\$0.00
Stock	\$55.00	\$34.71 ²	(\$20.29)
<i>Number of Shares Issued</i>	11.9 ¹	8.7	(3.2)
Debt	\$5.00	\$16.50	\$11.50
Total Upfront Consideration	\$100.00	\$91.21	(\$8.79)
Earn-Out:			
Equity	\$10.00	\$5.00	(\$5.00)
<i>Number of Shares Issued</i>	2.2 ³	1.1 ⁴	(1.1)
Debt	\$0.00	\$5.00	\$5.00
Total Earn-Out	\$10.00	\$10.00	\$0.00
Total Potential Consideration	\$110.00	\$101.21	(\$8.79)
Total # Number of Shares Issued	14.1	9.8	(4.3)

Jushi acquired Nature's Remedy for an upfront payment of US\$91.2 million, comprised of US\$40.0 million in cash, approximately US\$34.7 million in stock², a US\$11.5 million unsecured three-year note⁵ (the "3-Year Note") and a US\$5.0 million unsecured five-year note⁶. Under the agreement, the Company has also agreed to issue up to an additional US\$5.0 million in Company Shares and a US\$5 million increase to the principal balance of the 3-Year Note upon the occurrence or non-occurrence of certain conditions after the closing date (the "Additional Consideration"), bringing the total potential consideration for the acquisition paid by the Company to US\$101.2 million. Assuming all conditions are met, the Company expects to issue up to 4.3 million fewer Company Shares, assuming an average daily volume weighted price of US\$4.61, as a result of the revised agreement. The revised purchase price (inclusive of the full US\$10 million of Additional Consideration, but excluding any benefit from the acquired excess inventory) represents a multiple of 2.7 to 3.0x Nature's Remedy's expected full year 2022 EBITDA of US\$34 to US\$38 million.⁷

¹ \$55 million divided by a VWAP of US\$4.61 is equal to 11.9 million shares

² 8.7 million shares (fixed share count based on revised agreement) multiplied by US\$3.99 (Jushi close price on 9/10/21) is equal to US\$34.71 million

³ US\$10 million divided by a VWAP of US\$4.61 is equal to 2.2 million shares

⁴ US\$5 million divided by a VWAP of US\$4.61 is equal to 1.1 million shares

⁵ The promissory note provides for cash interest payments to be made quarterly, a three-year maturity and all principal and accrued and unpaid interest due at maturity

⁶ The promissory note provides for cash interest payments to be made quarterly, a five-year maturity and all principal and accrued and unpaid interest due at maturity

⁷ 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

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 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 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. Actual results could differ materially from those expressed by such forward-looking statements, and such statements should not be relied upon. Key expectations and assumptions made by Jushi include, but are not limited to, the accuracy of the books and records, the continued performance of existing operations of Nature's Remedy; the anticipated expansion of Nature's Remedy expected to be completed in the fourth quarter of

2021; the expansion and optimization of the Lakeville Facility and adjacent buildings and property in Grafton, MA; and licensing approval. Additional risk factors that may affect actual results are detailed in Jushi's annual information form and other periodic filings. These documents may be accessed via SEDAR database.

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

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**JUSHI HOLDINGS INC.
RECONCILIATION OF NON-IFRS FINANCIAL MEASURES**

EBITDA is a financial measure that is not defined under IFRS, does not have a standardized meaning and therefore may not be comparable to similar measures presented by other issuers. We define EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation, and amortization.

EBITDA is included as a supplemental disclosure because we believe that such measurement provides a better assessment of Nature's Remedy's operations on a continuing basis by eliminating certain material non-cash items and certain other adjustments we believe are not reflective of Nature's Remedy's ongoing operations and performance. EBITDA has limitations as an analytical tool as it excludes from net income as reported interest, tax, depreciation and amortization. Because of these limitations, EBITDA should not be considered as the sole measure of Nature's Remedy's performance or value.

The most directly comparable measure to EBITDA calculated in accordance with IFRS is operating income (loss).



Source: Jushi Holdings Inc.