

January 7, 2021



Mercer Park CB, L.P. Files Early Warning Report Related to Incentive Award Grant by Ayr Strategies to Jonathan Sandelman, CEO

Incentive Share Grant Recently Approved by Board's Compensation Committee Vests Over Two Years and Increases Mr. Sandelman's Holdings

TORONTO, Jan. 07, 2021 (GLOBE NEWSWIRE) -- Mercer Park CB, L.P. has filed an early warning report related to the ownership interests of Jonathan Sandelman, CEO in Ayr Strategies (CSE: AYR.A, OTCQX: AYRWF, "Ayr" or "the Company"), a leading vertically integrated cannabis multi-state operator.

Item 1 – Security and Reporting Issuer

This press release relates to Multiple Voting Shares (the **Multiple Voting Shares**), Subordinate, restricted and limited voting shares (the **Subordinate Shares**), Warrants (which are each exercisable for one Subordinate Share for a price of Cdn. \$11.50), and Rights (which are each automatically convertible into one-tenth (1/10) of one Subordinate Share without additional consideration) of Ayr Strategies Inc.

The Issuer's head office address is:

Ayr Strategies Inc.
590 Madison Avenue, 26th Floor
New York, NY 10022

The transaction that triggered the requirement to file this press release represents a grant (the **Incentive Awards**) of incentive compensation by the Company in favor of Mr. Jonathan Sandelman, the President, Chief Executive Officer and Chairman of the Board of the Company and the indirect controlling shareholder of Mercer Park CB, L.P.

Item 2 – Identity of the Acquiror

Mercer Park CB, L.P. (the **Sponsor**," and, together with Jonathan Sandelman and Mercer Park CB GP, LLC (the general partner of the Sponsor), the **Filer**") announced its beneficial

ownership or control in the Company, following the grant of the Incentive Awards. Jonathan Sandelman has been granted an award of 1,044,000 restricted exchangeable shares of CSAC Acquisition Inc., each of which is exchangeable for one Subordinate Share of Ayr Strategies Inc. The awards will, subject to certain exceptions, become vested as to one-half on each of the first two anniversary dates of the grant date. Notwithstanding the foregoing, if a relevant anniversary date falls within a “blackout period,” the applicable award will not vest until the expiration thereof.

The Incentive Awards represent beneficial ownership and control over an aggregate of 1,044,000 Subordinate Shares, representing approximately 3.8% of the issued and outstanding Subordinate Shares as at December 31, 2020.

The Filer holds its Multiple Voting Shares, Subordinate Shares, Warrants and Rights for investment purposes. The Filer may acquire further securities of the Company or dispose of its holdings of securities of the Company, both as investment conditions warrant.

Item 3 – Interest in Securities of the Reporting Issuer

Before the grant of the Incentive Awards, the Filer has beneficial ownership and control over (i) 3,677,626 Multiple Voting Shares, representing 99.4% of the issued and outstanding Multiple Voting Shares, (ii) 2,884,058 Warrants, representing 27.5% of the issued and outstanding Warrants, (iii) a grant of incentive compensation by the Company in favor of Mr. Sandelman on May 24, 2019 representing the right to acquire 850,250 Subordinate Shares, representing 3.1% of the issued and outstanding Subordinate Shares and (iv) 262,188 Rights, representing 18.9% of the issued and outstanding Rights.

After the grant of the Incentive Awards, the Filer has beneficial ownership and control over (i) 3,677,626 Multiple Voting Shares, representing 99.4% of the issued and outstanding Multiple Voting Shares, (ii) 2,884,058 Warrants, representing 27.5% of the issued and outstanding Warrants, (iii) 262,188 Rights, representing 18.9% of the issued and outstanding Rights, and (iv) the right to acquire 1,894,250 Subordinate Shares, representing 6.6% of the issued and outstanding Subordinate Shares.

Assuming the exercise or conversion by the Filer of all rights to acquire Subordinate Shares, which total 8,482,153, and without assuming the exercise of any rights held by any persons other than the Filer to acquire Subordinate Shares, then, based on the 31,584,748 Subordinate Shares that were issued and outstanding on December 31, 2020, the Filer would hold approximately 26.9% of the Subordinate Shares. On a fully diluted basis, the Filer would hold approximately 16.9% of the Subordinate Shares.

The Sponsor is currently party to a voting agreement which limits its right to vote its Multiple Voting Shares. This agreement is currently anticipated to be terminated in the near future.

About Ayr Strategies Inc.

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

Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ir.ayrstrategies.com.

Company Contact:

Megan Kulick, Head of Investor Relations
T: (646) 977-7914
Email: IR@ayrstrategies.com

Investor Relations Contact:

Sean Mansouri, CFA or Cody Slach
Gateway Investor Relations
T: (949) 574-3860
Email: IR@ayrstrategies.com



Source: Ayr Strategies Inc.