August 14, 2019

Jushi Holdings Inc. Provides Shareholder Update and Reports Second Quarter 2019 Financial Results

Through the combination of signed and closed acquisitions, as well as application victories, Jushi is projecting revenue on a pro forma consolidated basis for 2020 of approximately $200 million

Successfully raised approximately $68.2 million in an oversubscribed private placement

Management to host its earnings conference call on Wednesday, August 14th at 8:30 a.m. ET

BOCA RATON, Fla., Aug. 14, 2019 /CNW/ --Jushi Holdings Inc. **("Jushi" or the "Company") (NEO: JUSH.B)**, a globally-focused, multi-state cannabis and hemp operator, today reported its financial results for the second quarter ended June 30, 2019. All financial information is provided in U.S. dollars unless otherwise indicated.

"Upon the successful closing of our go-public transaction and the raise of $68.2 million in an oversubscribed private placement, Jushi strengthened its balance sheet and accelerated our growth strategy. My team and I have leveraged our financial and operating expertise and successful investing history in the cannabis space to identify and deploy capital strategically into attractive opportunities in limited license states and jurisdictions," said Jim Cacioppo, CEO and Chairman of Jushi. "Today, Jushi continues to build its presence across the U.S. through investments and partnerships in key states like California, Nevada, Pennsylvania, Virginia and New York and in the Midwest in both the cannabis and hemp-derived CBD industries. Our growth plan is not limited to the U.S. We are actively evaluating investment opportunities in Europe. We believe we have the capital necessary to substantially execute on our current plan."

Jushi plans a multi-pronged strategy of purchasing licenses, winning applications, acquiring successful local businesses, introducing new branded products, and capitalizing on the brand equity of its medical and adult-use brands, Beyond/Hello™, The Clinic™, The Lab™, and The Bank™. The Company's hemp-derived physician-formulated CBD products are in development and new branding is expected to launch in the Fall of 2019.

Rapid Expansion of Global Footprint:

- **Pennsylvania:** In July, the Company closed an acquisition of 100% ownership of the membership interests in four retail dispensary businesses with the ability to collectively open up to 12 locations. The existing retail dispensary brand, "Beyond/Hello", has four operational dispensaries in Philadelphia, Bristol, Johnstown and Scranton. They are strategically located near major interstate highways and in key traffic areas to best

serve the patients in these areas including Rittenhouse Square, the Reading Terminal Market and leading medical centers. The Company also has an agreement with another permitholder in Pennsylvania, which, following closing, would take the dispensary count to 15, the current maximum allowable number of dispensaries that can be held by one company or its affiliates in Pennsylvania.

- **California:**
    - **San Diego:** In July, the Company signed a definitive agreement to acquire its first operational adult-use dispensary in San Diego, California, strategically located off the I-8 Freeway with the ability to offer delivery in San Diego and neighboring cities. The San Diego dispensary is one of four high profile retail locations Jushi is targeting in California. San Diego is the second largest city in California and a limited license market with a maximum of 36 total retail cannabis licenses granted.
    - **Culver City:** Jushi's wholly-owned subsidiary has been selected to move forward in the merit-based application process for a storefront retail (and ancillary delivery) permit in Culver City, California. Of the 23 retail storefront applications submitted, Jushi's subsidiary was chosen as one of only three to receive this approval. The Company intends to build a ground-up structure (approximately 500 feet away from an Interstate 405 exit) providing convenient access for retail and delivery.
    - **Other Locations:** Jushi has definitive agreements to acquire two additional high profile locations in limited license California municipalities, which are subject to regulatory approval.
- **Virginia:** In July, the Company signed definitive agreements to acquire the majority of the membership interests in Dalitso LLC, which was one of only five applicants to receive conditional approval for a permit issued by the Virginia Board of Pharmacy to cultivate and process medical cannabis, and to dispense and deliver CBD oil and THC-A oil extracts in Virginia. Dalitso's conditional approval is for the northeast region of Virginia, and it is developing a facility in Prince William County near the City of Manassas.
- **Nevada:** Earlier this year, Production Excellence, LLC, a subsidiary of Jushi, signed a definitive agreement to acquire 100% equity ownership of Franklin Bioscience Nevada as well as related real estate owned by Farman LLC. As part of the transaction, and prior to closing of the equity component, Production Excellence received approval to provide management, operational and support services to Franklin Bioscience Nevada and purchased the facilities it operates within. The facilities include two adjacent buildings with cultivation and manufacturing capabilities. Nevada receives approximately 42 million visitors annually and has approximately three million residents.
- **Midwest:**
    - **Ohio**: In June, Jushi's wholly-owned subsidiary entered into an operational and consulting relationship with a provisionally licensed medical marijuana processor. As part of the relationship, Jushi will provide ongoing management and consulting services to the processor, including financial assistance and pre-operational support. As of June 30, 2019, the State of Ohio's Medical Marijuana Control Program published that there were over 48,200 registered patients, an increase from 31,000 as of April 30, 2019. With a population of over 11.6 million, Ohio is the seventh largest state in the country, and it is estimated that the medical market size within the state will reach approximately US$300 million by

2022.
    - **Other:** Jushi has definitive agreements to acquire two dispensaries in the Midwest, which are subject to closing conditions including regulatory approval.
- **Europe:** Jushi has made substantial progress on strategic plans for cultivation and processing in Portugal. In April, Jushi identified investors to form a Jushi-owned joint venture in Europe and beyond.
- **Applications:** In 2019, Jushi won competitive processes in two jurisdictions. The Company has a further six pending applications and expects to file more than ten additional applications by the end of 2019. There are also several large states expected to open application processes where we except to have a strategic advantage.

Operational and Corporate Highlights:

- **Operational Expertise:** In June, Jushi acquired intellectual property from The Clinic™, The Clinic Consulting Services™, The Bank™ and The Lab™ and hired its award-winning operations team. The Clinic's™ expertise as an integrated operator and cannabis industry pioneer with sophisticated intellectual property, key performance indicators and standard operating procedures complements Jushi's expanding platform. The Clinic Consulting Services™ team specializes in merit-based applications with a long history of success.
- **Industrial Hemp-CBD Processor License in New York:** In January, Sound Wellness, LLC, a subsidiary of Jushi, received approval of its industrial hemp-CBD processor license application. Sound Wellness' hemp-CBD processor license supports the Company's initiative to create product innovations centered around the untapped potentials of hemp. The Company also has an option to buy a 165 acres of New York licensed hemp in fall of 2019. Jushi plans to invest $10 million in a high-tech hemp processing operation and facility with approximately 65,000 square feet that will house a state-of-the-art lab in New York, allowing Sound Wellness to create advanced product formulations using CBD distillate, CBD isolate, and water-soluble CBD.
- **CBD Brand:** In November, Jushi acquired a Buffalo, New York-based cannabinoid research company focused on the development of physician-formulated cannabinoid products, together with proprietary delivery devices and administration protocols. In May, Jushi opened the first retail location of its Sound Wellness subsidiary, SW Retail Stores, LLC, a full spectrum CBD store located within Dent Tower in Amherst, NY. These products are physician-formulated with phytocannabinoid-rich oil derived from the highest quality hemp plants and promote restful sleep and relaxation and improve general well-being.
- **Medical Director:** Dr. Laszlo Mechtler, MD, FAAN, FASN, the Medical Director of Dent Neurologic Institute ("DENT") based in Western New York, is also Jushi's Medical Director. DENT has approximately 260,000 unique neurological patients, 8,500 of which use medical cannabis in the New York program. Dr. Mechtler is a world-renowned expert in the therapeutic potential of cannabinoids and related research.
- **Strategic Real Estate Purchases:** Subsequent to the second quarter close, the Company purchased two buildings related to its pending Nevada acquisition, which brings a total number of five buildings owned by the Company.
- **Successful Private Placement and RTO:** The Company completed a RTO and public listing on the NEO Exchange under the ticker "JUSH.B". The listing follows the successful closing of approximately $68.2 million through a brokered and non-brokered

private placement.

- **Management and Board Advisor Open-Market Purchases:** From June 14, 2019 through July 23, 2019 a total of 245,900 Class B Subordinate Voting Shares were purchased by Denis Arsenault, Board Advisor, Erich Mauff, President, Board Member and Co-Founder, and Louis Jonathan Barack, Co-Founder, EVP, Business Development, valued at approximately USD$516,504.

Second Quarter 2019 Financial Highlights

	Q2 2019	Q2 2018	% change
Revenue	$226,390	$117,262	93.1%
Gross profit	$213,956	$117,262	82.5%
Net Loss	$11,842,840	$1,295,166	-%

Financial Results for the Second Quarter Ended June 30, 2019

- Revenue for the second quarter of 2019 increased 93.1% to $0.2 million, compared to $0.1 million in the second quarter of 2018.
- Gross profit for the second quarter of 2019 was $0.2 million, resulting in gross margin of 94.5%, compared to $0.1 million for the second quarter of 2018. The increase over the prior year was primarily due to an increase in royalties on intellectual property and the opening of the first CBD retail store under Sound Wellness.
- Net loss for the second quarter of 2019 was $11.8 million compared to a net loss of $1.3 million in the second quarter of 2018. Net loss includes $3.7 million in RTO costs and $2.1 million in deal costs and professional fees for the quarter.

Balance Sheet and Liquidity

Jushi successfully raised over $135 million in the last 18 months and is currently closing several acquisitions and investments in Cannabis and Hemp assets in the U.S. as well as considering strategic opportunities in Europe. Jushi remains well-capitalized and will continue its deployment of funds into purchases of assets and/or investments in the businesses acquired.

The Company had cash of $86.7 million, short term investments of $1.25 million, total current assets of $101.2 million and current liabilities of $5.8 million as at June 30, 2019. The Company therefore had net working capital of $95.4 million.

As of July 31, 2019, there were 89,157,207 subordinate voting shares. Between June 14, 2019 – July 23, 2019, insiders purchased 214,800 shares valued at US$429,414.65. Together management owns shares in the Company representing more than 52% of the issued and outstanding Subordinate Voting Shares assuming conversion of all convertible securities.

Outlook

Through the combination of signed and closed acquisitions, as well as application victories, Jushi projects pro forma 2020 (as if all assets were acquired or opened as of January 1) revenue of approximately $200 million.

Conference Call and Webcast Information

Management will host a conference call and audio webcast on Wednesday, August 14th at 8:30 a.m. ET to answer questions about the Company's operational and financial highlights. The dial-in numbers for the conference call are +1-877-407-0792 (U.S. Toll-Free) or +1-201-689-8263 (International). Please dial-in 10 to 15 minutes prior to the start time of the conference call and an operator will register your name and organization.

The conference call will also be available via webcast, which can be accessed through the Investor Relations section of Jushi's website, http://ir.jushico.com/.

For interested individuals unable to join the conference call, a dial-in replay of the call will be available until August 28, 2019 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: 13692690.

About Jushi Holdings Inc.

We are a globally-focused cannabis and hemp company led by an industry leading management team. In the United States Jushi is focused on building a multi-state portfolio of branded cannabis and hemp-derived assets through opportunistic acquisitions, distressed work-outs and competitive applications. Jushi strives to maximize shareholder value while delivering high quality products across all levels of the cannabis and hemp ecosystem. For more information please visit www.jushico.com or our social media channels; Instagram, Facebook, Twitter and LinkedIn.

Non-IFRS Financial Measures

The Company has provided unaudited pro forma financial information, which assumes that closed and pending mergers and acquisitions in 2018 are included in the Company's financial results as of the beginning of the quarterly and annual periods in 2018 and that closed and pending mergers and acquisitions in 2019 are included in the Company's financial results as of the beginning of the quarterly and annual periods in 2019. The Company has provided the non-IFRS financial measures, which are not calculated or presented in accordance with IFRS, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. These supplemental non-IFRS financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-IFRS financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein.

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 condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. 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 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 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 Filing Statement dated May 31, 2019 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold

within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

JUSHI HOLDINGS, INC. AND SUBSIDIAIRIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	**June 30, 2019** (unaudited)	**December 31, 2018**
CURRENT ASSETS:		
	$	$
Cash	86,735,344	38,113,861
Investment in trading securities	1,253,345	1,233,228
Accounts receivable	28,099	261,748
Due from related party	-	263,729
Prepaid expenses and other current assets, including $83,333 and $83,333 from a related party	1,808,656	353,494
Deferred acquisition costs	10,070,000	-
Inventory	1,322,509	-
Total Current Assets	101,217,953	40,226,060
OTHER ASSETS:		
Financial asset	5,454,252	5,454,252
Property, plant and equipment	6,260,086	-
Other assets	627,559	413,250
Goodwill	170,000	170,000
Intangible assets, net	13,780,663	3,917,232
Total Other Assets	26,292,560	9,954,734
	$	$
Total Assets	127,510,512	50,180,794
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
	$	$
Accounts payable	812,541	404,260
Note payable	1,500,000	-
Accrued expenses	3,050,307	871,822
Short-term lease obligation	482,359	-
Total Current Liabilities	5,845,207	1,276,082
LONG-TERM LIABILITIES:		
Other liabilities	170,455	-
Long-term lease obligation	1,412,235	-
Redemption liability	7,519,404	7,388,547
Total Liabilities	14,947,301	8,664,629
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Share capital	148,416,843	59,572,141
Accumulated deficit	(35,853,632)	(18,055,976)
Total Stockholders' Equity	112,563,211	41,516,165
	$	$
Total Liabilities and Stockholders' Equity	127,510,512	50,180,794

JUSHI HOLDINGS, INC. AND SUBSIDIAIRIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Six Months Ended June 30, 2019	Period from January 23, 2018 (inception date) to June 30, 2018	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	$	$	$	$
REVENUE	607,079	129,571	226,390	117,262
COST OF GOODS SOLD	12,434	-	12,434	-
GROSS PROFIT	594,645	129,571	213,956	117,262
OPERATING EXPENSES:				
General and administrative expenses	14,413,379	1,913,033	8,703,489	1,642,826
Share-based compensation expense	1,930,792	1,844,602	1,529,748	160,227
Depreciation and amortization expense	413,416	72,410	266,761	63,974
Total Operating Expenses	16,757,587	3,830,045	10,499,998	1,867,027
LOSS FROM OPERATIONS BEOFRE IMPAIRMENT OF GOODWILL, LISTING EXPENSE, AND OTHER INCOME (EXPENSE)	(16,162,942)	(3,700,474)	(10,286,042)	(1,749,765)
OTHER INCOME (EXPENSE):				
Impairment of goodwill	-	(8,990,000)	-	-
Listing expense	(1,359,971)	-	(1,359,971)	-
Interest income	107,007	475,801	64,621	454,599
Bad debt expense	(172,408)	-	(172,408)	-
Interest expense and finance charges	(209,342)	-	(89,039)	-
Total Other Income (Expense)	(1,634,714)	(8,514,199)	(1,556,797)	454,599
	$	$	$	$
NET LOSS AND COMPREHENSIVE LOSS	(17,797,656)	(12,214,673)	(11,842,839)	(1,295,166)
	$	$	$	$
LOSS AND COMPREHENSIVE LOSS PER SHARE	(0.29)	(0.36)	(0.17)	(0.04)
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED	61,320,662	33,597,850	69,920,489	36,459,322

JUSHI HOLDINGS, INC. AND SUBSIDIAIRIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2019	For the Period from January 23, 2018 (inception date) to June 30, 2018
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:	$	$
Net loss	(17,797,658)	(12,214,673)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	172,408	-
Depreciation and amortization	413,416	72,410

Share-based payments	1,930,792	1,844,602
Listing expense	1,361,211	-
Impairment of goodwill	-	8,990,000
Accrued interest	-	(271,841)
Change in present value of redemption liability	130,857	-
Finance charge on lease liabilities	73,148	-
Change in fair value of investments	(20,117)	-
Changes in operating assets and liabilities:		
Accounts receivable	233,649	(180,081)
Due from related party	91,321	93,899
Prepaid expenses and other current assets	(1,450,402)	(57,546)
Inventory	(1,322,509)	-
Other assets	(108,652)	-
Other long term liabilities	(83,333)	-
Accounts payable and accrued expenses	2,287,669	1,574,813
Net cash flows used in operating activities	(14,088,200)	(148,417)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(4,596,443)	-
Payments made for deferred acquisition costs	(8,499,067)	-
Payments made to acquire intangible assets	(4,115,000)	-
Cash acquired in acquisition of TGSNH	-	12,568
Investment in trading securities	-	(224,927)
Investment in financial asset	-	(4,875,001)
Proceeds from notes receivable	-	5,728,034
Investment in notes receivable	-	(3,953,522)
Net cash flows used in investing activities	(17,210,510)	(3,312,848)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on lease obligations	(167,832)	-
Proceeds from exercise of share-based compensation	569,352	-
Issuance of Common Stock for cash, net	-	7,289,753
Payment on note payable	-	(1,989,000)
Issuance of Class B Common Stock for cash, net	79,518,671	38,593,992
Net cash flows provided by financing activities	79,920,191	43,894,745
NET CHANGE IN CASH	48,621,481	40,433,480
CASH, BEGINNING OF PERIOD	38,113,861	-
CASH, END OF PERIOD	$ 86,735,342	$ 40,433,480
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ -	$ -
Income tax	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITY:		
Right of use assets from lease liabilities upon adoption of IFRS 16	$ 614,074	$ -
Right of use assets from lease liabilities	$ 1,223,855	$ -
Financing receivable from lease liabilities	$ 151,349	$ -
Accrual for development of intangible assets	$ 439,552	$ -
Issuance of Class B Common Stock for TGSNH acquisition	$ -	$ 5,000,000
Issuance of Common Stock as repayment to officers for capital contribution	$ -	$ 2,902,671
Issuance of Common Stock in exchange for financial asset	$ -	$ 125,000
Redemption liability incurred from acquisition	$ -	$ 7,296,568
Exchange of due from related party for note receivable	$ -	$ 1,992,550

SOURCE Jushi Holdings Inc.