

**Jushi Holdings Inc. Reports Second Quarter 2020 Financial Results**

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*Second Quarter 2020 Revenue Increases 73% Sequentially to $14.9 million;*

*Reports Continued Strong Gross Profit of $7.5 million and Gross Margins of 50%;*

*Announces Filing of Preliminary Base Shelf Prospectus to Provide Financing Flexibility;*

*Provides Updated FY 2020 and FY 2021 Outlook*

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**Boca Raton, Florida – August 27, 2020 -** [**Jushi Holdings Inc.**](https://www.jushico.com/) **(“Jushi” or the “Company”) (CSE: JUSH) (OTCQB: JUSHF)**, a globally focused, multi-state cannabis and hemp operator, today announced its financial results for the second quarter ended June 30, 2020. All financial information is provided in U.S. dollars unless otherwise indicated.

**Second Quarter 2020 Financial Highlights**

* Total revenue increased 73 percent sequentially to $14.9 million
* Gross profit of $7.5 million, an increase of 80 percent sequentially
* Net loss of $9.3 million
* Adjusted EBITDA1 (Loss) of $(1.2) million, a $4.8 million improvement as compared to the first quarter of 2020
* $50.8 million of cash and securities on the balance sheet as of June 30, 2020
* Annualized revenue run-rate for July 2020 of approximately $89 million, an approximate 80 percent increase over the March annualized run rate.2

**Operational Highlights**

* Closed equity acquisition of Pennsylvania grower-processor permit holder
* Announced debt financing of an additional US$33.31 million as a result of strong demand from new and existing shareholders and Jushi management
* Opened 9th and 10th BEYOND/HELLO retail locations
* Announced the closing of the acquisition of Agape Total Health Care Inc, a Pennsylvania medical marijuana dispensary permit holder
* Launched adult-use sales at its Normal, IL dispensary
* Relaunched [Beyond-Hello.com](http://www.beyond-hello.com), providing "live" menus and real-time access to store inventory

1 Adjusted EBITDA, which is a non-IFRS measure, excludes certain items which are detailed and reconciled to the most comparable IFRS-reported measure in the attached “Reconciliation of Non-IFRS Measures.”

2 July 2020 revenue run-rate adjusted for Philadelphia, PA store closures

**Management Commentary**

“We’re thrilled with the ongoing performance of our operations in Pennsylvania and Illinois, which drove our strong sequential quarterly revenue growth of 73%,” said Jim Cacioppo, Chairman and Chief Executive Officer of Jushi. “As we move into the second half of the year, we’re focused on maintaining this momentum by continuing to build depth in the markets where we operate today, while thoughtfully driving operational improvements across our footprint. With the recent closing of our Pennsylvania grower-processor permit holder acquisition, we are looking forward to supplying our BEYOND/HELLOTM stores, along with other licensed retailers in the Commonwealth, with high-quality and competitively priced cannabis products, including our award-winning brands ‘The Lab’ and ‘The Bank’. Moreover, with ten BEYOND/HELLO dispensaries now open, and several stores under development, we remain well positioned to continue exceed patient needs as well as drive value for our shareholders.”

**Financial Results for the Second Quarter Ended June 30, 2020**

*($ in thousands, except per share amounts)*

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Revenue in the second quarter of 2020 ("Q2 2020") increased 73 percent to $14.9 million, compared to $8.6 million in the first quarter of 2020 (“Q1 2020”). The 73 percent increase in revenue was driven by Jushi’s acquisition of two medical marijuana dispensaries in Illinois, one of which began serving adult-use customers in March and the other in May, strong organic revenue growth at the Company’s BEYOND/HELLO stores in Pennsylvania, and successful procurement of product in these two supply constrained markets.

Gross profit in Q2 2020 was $7.5 million, resulting in a gross margin of 50 percent, compared to $4.2 million with a gross margin of 48 percent in Q1 2020. The $3.3 million, or 80 percent increase in gross profit over the prior quarter was primarily due to an increase in adult-use sales, improved product mix, improved purchasing practices and more disciplined promotional offers.

Q2 2020 net loss was $9.3 million, or $0.10 per diluted share, compared to a net loss of $15.9 million, or $0.17 per diluted share, in Q1 2020. The $6.6 million reduction of net loss in the second quarter was driven primarily by both higher revenue and gross profit. In addition, the Company recorded a $2.3 million gain on investments and financial assets as a result of improved market conditions, as well as an offsetting $3.7 million fair value loss on derivative warrants issued in connection with the debt offering that was announced in December 2019 and June 2020.

Adjusted EBITDA (Loss) in Q2 2020 was ($1.2) million, compared to $(6.0) million in Q1 2020. Adjusted EBITDA margins have continued to steadily improve during the quarter through the combination of higher gross margins, reduced operating expenses and improved store revenue performance.

**Balance Sheet and Liquidity**

As of June 30, 2020, the Company had $38.5 million of cash, as well as $12.3 million in short-term investments. Total current assets of $62.4 million and current liabilities of $34.4 million as of June 30, 2020. Net working capital at the end of June 30, 2020 was $28.0 million. As of July 31, 2020, the Company had $46.7 million in cash and $8.7 million in short-term investments, and is fully funded for the build-out of the current portfolio. In August, the Company received the remaining $4 million on its latest oversubscribed debt financing round for a total of $33.31 million. Additionally, the Company raised approximately $5 million from sale leasebacks that were completed in the second quarter and early third quarter for a total funds raised of approximately $38 million.

**Operations Update**

**Pennsylvania:**

In August 2020, Jushi announced the closing of its equity acquisition of a Pennsylvania Grower-Processor permit holder. The acquisition adds a 90,000 sq. ft. cannabis cultivation and processing facility that is strategically located within minutes of Interstate 81, Interstate 84 and the Pennsylvania Turnpike, enabling efficient wholesale distribution to the 89 dispensaries currently open across the Commonwealth, including the Company’s eight operational BEYOND/HELLO dispensaries in Pennsylvania.

Since closing the acquisition, the Company’s focus has shifted to optimizing the facility to ensure long term growth and market share expansion in the Pennsylvania market. Jushi will be targeting a series of operations and facility improvements combined with the recently completed expansion of the facility. These improvements are expected to significantly increase production of both pre-packaged flower and extracted products. It is expected that the operational improvements and expanded footprint, combined with the introduction of new extraction technologies, increased facility automation and utilization, and improved yields, will be implemented over the next 12 to 15 months.

In June, the Company acquired 80% of the economic and voting interests of Agape Total Health Care, Inc, a Pennsylvania dispensary permittee, which takes the Company’s subsidiary-held dispensary authorizations in Pennsylvania from 12 to 15.

Jushi opened two new dispensaries in Ardmore and Reading, bringing its total store count in the Commonwealth to eight medical dispensaries operating under the BEYOND/HELLO brand. The Company has the right to operate up to 15 dispensaries and expects to open the remaining seven locations within the next twelve months. The Company also has an assignable purchase option to acquire 100 percent of the equity of Pennsylvania Dispensary Solutions (“PADS”), a Pennsylvania medical marijuana dispensary permittee in the Commonwealth’s Northeast region. PADS currently operates two medical marijuana dispensaries, with the right to operate one additional dispensary in the region. The option expires in February 2022, and the exercise is subject to certain closing conditions, including approvals from all applicable regulatory authorities.

As of August 1, 2020, the Company’s BEYOND/HELLO Center City and Northern Liberties stores were reopened after being compromised earlier this summer amid demonstrations in the city. To date, the Company has recovered approximately $0.4 million in damages from insurance proceeds.

Second quarter 2020 organic same-store revenue in Pennsylvania increased approximately 50 percent as compared to the first quarter of 2020, excluding the two temporarily closed Philadelphia stores. This improved performance is due to improved management and the relaunch of BEYOND-HELLO.com. In the second quarter the Company also hired a head of retail operations in Pennsylvania with significant retail experience in the Pennsylvania retail market.

**Illinois:**

In February 2020, Jushi became the 100 percent owner of two Illinois medical cannabis dispensaries located in Sauget (adjacent to East St. Louis) and Normal (Bloomington-Normal metro area). Since acquiring the two dispensaries, both locations have been re-branded to BEYOND/HELLO and have begun adult-use sales. The Sauget dispensary began adult-use sales in March 2020, and the Normal dispensary began adult-use sales in May 2020. Each dispensary is also eligible to seek approval from the Illinois Department of Financial & Professional Regulation (“IDFPR”) to open a second retail location, and such second retail locations are currently undergoing regulatory approvals. Jushi plans to exercise both options and has secured locations for both stores, with design and construction in process. The Company expects to have all four adult-use stores operating by the end of 2020 or by early first quarter 2021.

Second quarter 2020 organic same store revenue in Illinois increased approximately 330 percent from the first quarter of 2020, driven by the introduction of adult-use sales, the relaunch of BEYOND-HELLO.com, improved procurement, additional store hours, and an improved in-store customer experience.

**Virginia:**

In August 2020, Jushi’s majority owned Dalitso LLC, a Virginia-based pharmaceutical processor for medical cannabis extracts received approval from the Virginia Board of Pharmacy to commence vertically integrated operations for the cultivation, manufacture, and sale of medical cannabis. Dalitso is one of only five applications to have received conditional approval for a pharmaceutical processor permit issued by the Virginia Board of Pharmacy, and one of only four to have received final approval and permit issuance. The Company is in the final stages of completing the build-out of its cultivation, manufacturing and retail facility in Prince William County near the City of Manassas and expects the facility to be operational in the late summer/early fall of 2020. 

The Company anticipates adding five BEYOND/HELLO branded medical dispensaries to Dalitso’s operations in Virginia. These five BEYOND/HELLO branded medical dispensaries will be in addition to the Dalitso’s pharmaceutical processor facility near the City of Manassas, which willallow Dalitso to cultivate, process, dispense and deliver medical cannabis to registered patients in Virginia.

**California:**

In July 2020, Jushi acquired GSG SBCA, Inc., a licensed Santa Barbara dispensary expected to open in late September/ early October 2020.

The city of Santa Barbara is a limited license market and currently only allows for three dispensaries to operate in the jurisdiction. The Company also signed a $3.2 million sale-leaseback agreement related to the real estate previously purchased in connection with this license. The Company also intends to move forward in the merit-based application process as one of only three selected applicants for a storefront retail (and ancillary delivery) permit in Culver City, California.

The Company will continue to pursue additional retail opportunities in specific limited license markets in California, particularly in jurisdictions with high barriers of entry, limited market participants, and a firm handle on the local unregulated market.

**Preliminary Base Shelf Prospectus Filing**

The Company also announced today that it has filed a preliminary short form base shelf prospectus (the “Shelf Prospectus”) with the Securities Commissions in each of the provinces of Canada (except Quebec).

The Shelf Prospectus, when made final, will allow the Company to offer up to C$200 million subscription receipts, debt securities, convertible securities, warrants, subordinate voting shares, and units (together, “Securities”), or any combination thereof, from time to time during the 25-month period that the (final) Shelf Prospectus is effective. The Company filed the Shelf Prospectus in order to maintain financial flexibility, including for responding to significant regulatory improvements and pursuing opportunistic acquisitions. The Company has not entered into any agreements or arrangements to authorize or offer any Securities pursuant to the Shelf Prospectus, nor has any current process in place to issue Securities pursuant to any future (final) Shelf Prospectus. The specific terms of any future offering of Securities under the Shelf Prospectus, including the use of proceeds from any offering, will be established in a prospectus supplement to the Shelf Prospectus, which supplement will be filed with the applicable Canadian securities regulatory authorities.

The Shelf Prospectus can be found under the Company’s profile on SEDAR at [www.sedar.com](https://c212.net/c/link/?t=0&l=en&o=2835697-1&h=979207140&u=http%3A%2F%2Fwww.sedar.com%2F&a=www.sedar.com).

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

**Financial Outlook**

Mr. Cacioppo commented, “As a result of the strong first half results and our expectation for continued strong operating results in the second half of the year, we are providing third quarter revenue guidance of $22 to $25 million and expect third quarter Adjusted EBITDA to be close to breakeven. We are reaffirming our fourth quarter 2020 revenues guidance of approximately $25 and $30 million and expect fourth quarter Adjusted EBITDA to be positive. Jushi is also reaffirming its 2021 revenue guidance of $200 to $250 million and is providing 2021 Adjusted EBITDA guidance of approximately $40 to $50 million.”

The Company’s MD&A and consolidated financial statements for the second quarter June 30, 2020, along with all previous public filings of the Company, may be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

**Conference Call and Webcast Information**

Management will host a conference call and audio webcast on Thursday, August 27th at 9:00 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, an audio webcast replay will be available and can be accessed on Jushi’s Investor Relations site, <http://ir.jushico.com/>.

**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 workouts, 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](https://www.globenewswire.com/Tracker?data=NLY2xhql0P2D-Ripkke-6MTEJ-IEPG71B3h6aX6gY4tjvfriisacDvmfABzS-SaTDsxyWucVLoP16c47Kizv6A==) or our social media channels, [Instagram](https://www.globenewswire.com/Tracker?data=tC7QBHV9FoBIAeZDBspNqEDzqC6zekHJCXwat0aJJESn9-YnmRBEQnXQ0E5UFhJc1a1kpa1Sf0mUDw9EUaIVt8F5fRXPf6PjSSYhLHl_kz8=), [Facebook](https://www.globenewswire.com/Tracker?data=QoN0oy0Kj6KYGydS-4as_VzH-oqLajv1pf2vANVHTbBoN5opvABSP4pBr1Cs_ugxuiWUjIJuCjqpv5mO_6mTqnYmhrdYepTDZJ3jwe3tX80=), [Twitter](https://www.globenewswire.com/Tracker?data=xRwL7xkXA7R7gRKv14wnTmMkmVpAHKQJqYbLzhwaM0-VYDUKg44x5Uo5sJQZOnmg3qaLHS6DwTbXg1yLSGD-WA==), and [LinkedIn](https://www.globenewswire.com/Tracker?data=ELmibvBmNEtVl8YQ_mtXwXOADiGAwC5DYP0AYZBcnjAKL06ZnsEBo8RUzUmXacVrSICriUGd_o_eIhKKhpdzXOpsLmtNsO9_7O7CJliDxmY=).

**Non-IFRS Financial Measures**

EBITDA and Adjusted EBITDA are financial measures that are not defined under IFRS.  We define EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation, and amortization. We define Adjusted EBITDA as EBITDA before: (i) fair value adjustments on biological assets and fair value adjustments on sale of inventory; (ii) share-based compensation expense; (iii) fair value changes in derivative warrants; (iv) net gain on business combination; (v) gains and losses on investments and financial assets; and (vi) pre-acquisition expense.

We believe 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 our operating business performance and other one-time or non- recurring expenses, and also 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.

Jushi includes a store in the same-store base if the store is operational for two consecutive full quarters. A store is not included in same-store sales if it is closed for one week or longer, such as for business interruption, remodeling, during the stated period. Same-store sales growth is primarily a result of changes in the number of customer transactions and changes in the average transaction size. Jushi’s same-store sales growth is primarily impacted by the expansion of its brand awareness, continued menu innovation and the use technology. Jushi’s same-store sales growth is also impacted by external factors including the macro-economic environment that could affect consumer spending.

**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, 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 Management, Discussion and Analysis for the three months ended June 30, 2020, 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.

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