

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Jushi Holdings Inc.** (the “Issuer” or “Jushi”).

Trading Symbol: **JUSH**

Number of Outstanding Listed Securities

**As of December 31, 2020:**

**132,396,064**

Date: **January 7, 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**The Issuer is a vertically integrated, multi-state cannabis operator. In the United States, the Issuer is focused on building a multi-state portfolio of branded cannabis assets through opportunistic acquisitions, distressed workouts and competitive applications.**

**On December 1, the Company announced it listed for trading on the Canadian Securities Exchange \$76,352,000 of 10% senior secured notes due January 15, 2023 (the "Public Notes"). The Public Notes are listed under the symbol "JUSH.DB.U".<sup>1</sup> Please see the Issuer's filings on SEDAR and press releases for more information on the Public Notes.**

**On December 2, the Company announced that it completed the acquisition of the remaining 21% of the issued and outstanding equity of Dalitso LLC ("Dalitso"), the Company's majority-owned, Virginia-based pharmaceutical processor permit holder, and has commenced operations at its cultivation, manufacturing, processing and retail facility in Manassas, Virginia. The Company now owns 100% of the issued and outstanding equity of Dalitso.<sup>2</sup>**

**On December 8, the Company announced that its retail brand, BEYOND / HELLO™ and Holistic Industries have collaborated to bring Garcia Hand Picked ("GHP") to cannabis consumers in Santa Barbara.<sup>3</sup>**

**On December 21, the Company announced that it completed its previously announced acceleration of warrants expiry date issued in conjunction with April and June 2018 private placements which resulted in the issuance of approximately 16 million additional subordinate voting shares and cash proceeds of approximately USD\$32 million to the Company.<sup>4</sup>**

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<sup>1</sup> <https://ir.jushico.com/news-events/press-releases/detail/110/jushi-holdings-inc-announces-listing-of-10-senior-secured>

<sup>2</sup> <https://ir.jushico.com/news-events/press-releases/detail/111/jushi-holdings-inc-acquires-remaining-equity-ownership>

<sup>3</sup> <https://ir.jushico.com/news-events/press-releases/detail/112/jushi-holdings-inc-s-retail-brand-beyond-hello-and>

<sup>4</sup> <https://ir.jushico.com/news-events/press-releases/detail/113/jushi-holdings-inc-provides-update-on-acceleration-of>

On December 21, the Company announced opening its second retail location in Sauget, Illinois, its 13th nationally and third retail location in Illinois: BEYOND / HELLO™ Route 3.<sup>5</sup>

On December 24, the Company announced that it has exercised its right to accelerate the expiry date of subordinate voting share purchase warrants (the “Warrants”) issued to participants in the Company’s previously-announced private placement offering which closed in March 2019.<sup>6</sup>

The Issuer and its subsidiaries continue to be very diligent with its response to COVID-19 whilst still making the health and safety of its patients, customers and employees a number one priority. As of March 25, 2020, and continuing through December 2020, Jushi’s dispensaries received the “life-sustaining” business designation in Pennsylvania and the “essential services” designation in Illinois. Therefore, the Company’s operational dispensaries in Pennsylvania, operating under the brand “BEYOND/HELLO,” and its operational dispensaries in Illinois, operating under the brand “BEYOND/HELLO,” have remained open.

For more information on the Company, its facilities as well as the actions the Issuer and its subsidiaries are taking as it relates to COVID-19 and other information presented in Section 1, please see the Issuer’s filings on SEDAR and press releases.

As of December 31, 2020, through various subsidiaries the Issuer operates 15 cannabis dispensaries and one hemp-derived CBD store.

2. Provide a general overview and discussion of the activities of management.

**See Section 1.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**See Section 1 relating to “GHP.”**

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<sup>5</sup><https://ir.jushico.com/news-events/press-releases/detail/114/jushi-holdings-inc-s-beyond-hello-to-open-its-second>

<sup>6</sup><https://ir.jushico.com/news-events/press-releases/detail/115/jushi-holdings-inc-announces-acceleration-of-warrants>

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None material.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**None material.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None material.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**See Section 1, particularly the ownership in Dalitso and Warrants acceleration. Please see the Issuer's filings on CSE and press releases for more information.**

8. Describe the acquisition of new customers or loss of customers.

**None material.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

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**During the month of December 2020, the Issuer had 63 new hires and 27 terminations. Headcount on December 31, 2020 was 529.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None material.**

14. Provide details of any securities issued and options or warrants granted.

| <b><u>Security</u></b>    | <b><u>Number Issued</u></b> | <b><u>Details of Issuance</u></b>  | <b><u>Use of Proceeds<sup>(A)</sup></u></b> |
|---------------------------|-----------------------------|--|---|
| <b>Subordinate Shares</b> | <b>2,249,478</b>            | <b>Issued in connection with the Dalitso equity purchase(s)</b>            | <b>See Issuer's Form 9's filed on CSE</b>   |
| <b>Stock Options</b>      | <b>395,000</b>              | <b>Issued as compensation to employees</b>                                 | <b>See Issuer's Form 11's filed on CSE</b>  |
| <b>Subordinate Shares</b> | <b>20,617,891</b>           | <b>Issued to investors or employees that exercised warrants or options</b> |   |

*(A) State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

**None.**

16. Provide details of any changes in directors, officers or committee members.

**None.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

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On December 14, Pennsylvania revised its regulatory provision notifications issued to respond to the COVID-19 emergency. These updates allow for additional means to support streamlining the ability for patients to receive medication and services.<sup>7</sup> On the same day, Pennsylvania announced that there are close to 504,000 registered patients and caregivers. It was also announced that the program has generated more than \$1.8 billion in total sales since its start.<sup>8</sup> As of December 18, 2020, Pennsylvania announced that 102 dispensaries are opened.<sup>9</sup>

On January 4, 2021, the Illinois Department of Financial and Professional Regulation (the “IDFPR”) announced the adult-use cannabis monthly sales figures. In December there were 1,896,941 items sold for a grand total of \$86,857,898.27 in sales. Of the total sales, in-state residents accounted for \$63,490,405.77 while out-of-state residents accounted for \$23,367,492.50. Total sales since the beginning of 2020 equals over \$669 million.<sup>10</sup> There has not been an official state update from the IDFPR relating to the 75 Conditional Adult Use Dispensing Organization Licenses since September 22, 2020.<sup>11</sup>

In December, there were no material updates by the State of Nevada or the State of Nevada’s Cannabis Compliance Board (“CCB”) as it relates to the state’s cannabis program.

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[https://www.health.pa.gov/topics/Documents/Programs/Medical%20Marijuana/Medical%20Marijuana%20Coronavirus%20\(COVID-19\)%20Notice%20-%20December%2014,%202020.pdf](https://www.health.pa.gov/topics/Documents/Programs/Medical%20Marijuana/Medical%20Marijuana%20Coronavirus%20(COVID-19)%20Notice%20-%20December%2014,%202020.pdf)

<sup>8</sup> <https://www.media.pa.gov/Pages/Health-Details.aspx?newsid=1194>

<sup>9</sup> <https://www.health.pa.gov/topics/Documents/Programs/Medical%20Marijuana/Medical%20Marijuana%20Dispensaries%20in%20Pennsylvania%20with%20Product.pdf>

<sup>10</sup> <https://www.idfpr.com/Forms/AUC/2020%2012%2002%20IDFPR%20monthly%20adult%20use%20cannabis%20sales.pdf>

<sup>11</sup> <https://www.idfpr.com/Forms/AUC/Supplemental%20Deficiency%20Notice%20Process.pdf>

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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **January 7, 2021**.

Jon Barack  
Name of Director or Senior  
Officer

/s/ Jon Barack  
Signature

Co-President  
Official Capacity

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|---|--|---|
| <b>Issuer Details</b><br><br>Name of Issuer<br><br><b>Jushi Holdings Inc.</b> | For Month<br>End:<br><br><b>December<br/>2020</b>                                | Date of Report<br><br>YY/MM/DD<br><br><b>21/01/07</b> |
| Issuer Address<br><br><b>1800 NW Corporate Blvd. Suite 200</b>                |  |   |
| City/Province/Postal Code<br><br><b>Boca Raton, FL 33431</b>                  | Issuer Fax No.<br><br>(   )  | Issuer Telephone No.<br><br><b>(561) 917- 9100</b>    |
| Contact Name<br><br><b>Michael Perlman</b>                                    | Contact<br>Position<br><br><b>EVP Investor<br/>Relations &amp;<br/>Treasurer</b> | Contact Telephone No.<br><br><b>(561) 910 - 4296</b>  |
| Contact Email Address<br><br><b>investors@jushico.com</b>                     | Web Site Address<br><br><b>www.jushico.com</b>                                   |   |

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