

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

Curaleaf Holdings, Inc. (" <b>Curaleaf</b> " or the " <b>Issuer</b> ").	CURA
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Date: November 6, 2019 Is this an updating or amending Notice: ☒Yes ☐No

If yes provide date(s) of prior Notices: May 3, 2019.

Issued and Outstanding Securities of Issuer Prior to Issuance: 363,321,343.

#### **Pricing**

Date of news release announcing proposed issuance: May 1, 2019 and October 30, 2019 or Date of confidential request for price protection: N/A

Closing Market Price on Day Preceding the news release: CDN \$13.30 on April 30, 2019 and CDN \$7.20 on October 29, 2019 or Day preceding request for price protection: N/A

#### **Closing**

Number of securities to be issued: Refer to Part 2 below

Issued and outstanding securities following issuance: Refer to Part 2 below

#### **Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL placees.

## Part 1. Private Placement

**Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date <sup>(1)</sup>	Describe relationship to Issuer <sup>(2)</sup>

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: \_\_\_\_\_.
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. \_\_\_\_\_.

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3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: \_\_\_\_\_ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
- (a) Class \_\_\_\_\_ .
  - (b) Number \_\_\_\_\_ .
  - (c) Price per security \_\_\_\_\_ .
  - (d) Voting rights \_\_\_\_\_ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number \_\_\_\_\_ .
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options) \_\_\_\_\_ .
  - (c) Exercise price \_\_\_\_\_ .
  - (d) Expiry date \_\_\_\_\_ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount \_\_\_\_\_ .
  - (b) Maturity date \_\_\_\_\_ .
  - (c) Interest rate \_\_\_\_\_ .
  - (d) Conversion terms \_\_\_\_\_ .
  - (e) Default provisions \_\_\_\_\_ .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a

corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_ .

(b) Cash \_\_\_\_\_ .

(c) Securities \_\_\_\_\_ .

(d) Other \_\_\_\_\_ .

(e) Expiry date of any options, warrants etc. \_\_\_\_\_ .

(f) Exercise price of any options, warrants etc. \_\_\_\_\_ .

9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship \_\_\_\_\_

\_\_\_\_\_ .

10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).

\_\_\_\_\_ .

11. State whether the private placement will result in a change of control.

\_\_\_\_\_ .

12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ .

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

## Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On May 1, 2019, the Issuer announced the signature of a definitive agreement to acquire the state-regulated cannabis business of Cura Partners, Inc., owners of the Select brand ("**Select**").

Please refer to the Issuer's Form 9 filed on May 3, 2019 and the Issuer's material change report filed on May 10, 2019 for additional details.

On October 30, 2019, Curaleaf announced that it had agreed with Select to amend the terms of their prior agreement for Curaleaf's acquisition of Select's state-regulated cannabis business. Additionally, the Company also announced that the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR") has expired with respect to the acquisition of Select by Curaleaf (the "**Proposed Transaction**").

Due to changes in market conditions since the original merger agreement was signed in May, Curaleaf and Select have mutually agreed to reduce the base consideration payable upon closing of the Proposed Transaction. The amendment reflects current market conditions and closely aligns the interests of all stakeholders to the ongoing performance of Select's business.

Under the amended and restated merger agreement (the "Amended Merger Agreement"), the number of subordinate voting shares of Curaleaf ("SVS") payable at closing of the Proposed Transaction has been reduced to 55,000,000 SVS from 95,555,556 SVS originally. The remaining 40,555,556 SVS will now be payable to Select equity holders contingent upon Curaleaf achieving certain calendar year 2020 revenue targets based on Select-branded retail extract sales beginning at a target of USD \$130 million with maximum achievement at USD \$250 million. In addition, Select equity holders will also be eligible to receive an earn-out of up to USD \$200 million from the issuance of additional SVS, contingent upon Curaleaf exceeding USD \$300 million in calendar year 2020 revenue for Select-branded retail extract sales.

The Proposed Transaction combines Curaleaf's retail locations, vertical integration, wellness brand and strong East Coast market presence with Select's wholesale model, lifestyle brand and leading West Coast market presence. The Proposed Transaction is targeted to close on January 1, 2020, subject to customary closing conditions and regulatory approvals. The terms of the Amended Merger Agreement have been unanimously approved by independent special committees of the Boards of Directors at both companies.

Curaleaf's strategic expansion over the past year has led the Company to become one of the largest and most valuable cannabis companies in the United States.

As previously disclosed, the Proposed Transaction constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") as a result of Mr. Boris Jordan, the Chairman and control person of Curaleaf, having an interest in the Proposed Transaction.

With respect to the terms of each of the Original Merger Agreement and the Amended Merger Agreement, Curaleaf has relied upon the exemptions provided under Sections 5.5(a) of MI 61-101 – Issuer Not Listed on Specified Markets and 5.7(a) of MI 61-101 – Fair Market Value Not More than 25% of Market Capitalization from the requirements that Curaleaf obtain a formal valuation of the Proposed Transaction and that the Proposed Transaction receive the approval of the minority shareholders of Curaleaf.

The terms of the Original Merger Agreement and the Amended Merger Agreement were negotiated by management and advisors under guidance of, and unanimously recommended for approval by, a committee composed of members of the Board of Directors of Curaleaf (the "**Board**") free from any conflict of interest with respect to the Proposed Transaction (the "**Special Committee**"), two of which are independent members of the Board within the meaning of National Instrument 52-110 – Audit Committees. The Special Committee had initially received a fairness opinion from Beacon Securities Limited ("**Beacon**") to the effect that, in its opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by Curaleaf under the Original Merger Agreement was fair from a financial point of view, to Curaleaf. The fee paid to Beacon in connection with the delivery of its fairness opinion was not contingent on the successful implementation of the Proposed Transaction. The Board had initially received a fairness opinion from GMP Securities LP ("**GMP**") to the effect that, in its opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by Curaleaf as part of the Proposed Transaction is fair from a financial point of view, to Curaleaf.

Given that the overall consideration for the Proposed Transaction payable by the Company has decreased as a result of a larger portion of the consideration being contingent on the combined business achieving the revenue targets, the Special Committee and the Board have determined that a revised fairness opinion in respect of the terms of the Amended Merger Agreement was not necessary. A copy of the amended and restated Merger Agreement with respect to the Proposed Transaction will be filed under Curaleaf's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

Please refer to section 1 immediately above.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

- (a) Total aggregate consideration in Canadian dollars:

Total aggregate consideration of USD \$726,197,476 (equivalent to CDN \$949,503,200 at an exchange rate of CDN \$1.3075 for USD \$1.00 as at October 29, 2019), based on Curaleaf's closing price of CDN \$7.20 on October 29, 2019, the last trading day prior to announcement of the transaction, and assuming full payment of the Earn-Out (as defined below) (subject to certain adjustments).

- (b) Cash: Not applicable.

- (c) Securities (including options, warrants etc.) and dollar value:

Issuance at closing of the Proposed Transaction of 55,000,000 SVS of the Issuer (subject to certain adjustments) which is equivalent to USD \$302,868,069 (equivalent to CDN \$396,000,000 at an exchange rate of CDN \$1.3075 for USD \$1.00 as at October 29, 2019), based on Curaleaf's closing price of CDN \$7.20 on October 29, 2019, the last trading day prior to announcement of the transaction

- (d) Other: Cura equity holders will be eligible to receive certain earn-out payments comprised of the following:

- 1) Up to USD \$200 million (the "**First Earn-Out**") which will be settled through the issuance of SVS (the "**First Earn-Out Shares**"), contingent upon Curaleaf exceeding certain calendar year 2020 revenue targets for its combined wholesale extracts business and Select-branded retail extract sales.
- 2) Up to 40,555,556 SVS (the "**Second Earn-Out Shares**", and together with the First Earn-Out Shares, the "**Earn-Out Shares**") contingent upon Curaleaf achieving certain calendar year 2020 revenue targets based on Select-branded retail extract sales beginning at a target of USD

\$130 million with maximum achievement at USD \$250 million (the "**Second Earn-Out**", and together with the First Earn-Out, the "**Earn-Out**").

For the purposes of paying the Earn-Out, the Earn-Out Shares will be valued according to a formula based on market value at the time they are issued.

- (e) Expiry date of options, warrants, etc. if any: N/A.
- (f) Exercise price of options, warrants, etc. if any: N/A.
- (g) Work commitments: N/A.

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

Please refer to section 1 above.

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer:

Please refer to section 1 above.

6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued <sup>(1)</sup>	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(2)</sup>
The security holders of Cura Partners, Inc.	55,000,000 SVS (subject to certain adjustments pursuant to the provisions of the Amended Merger Agreement	Formula based on market value at the time they are issued	N/A	Section 2.11 of NI 45-106	Nil	Please refer to the discussion above regarding the "related-party transaction" consideration applicable to the proposed transaction.
The security holders of Cura Partners, Inc.	A number of SVS equal to USD \$200,000,000	Market value at the time they are	N/A	Section 2.11 of NI 45-106	Nil	Please refer to the discussion above regarding the



Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued <sup>(1)</sup>	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(2)</sup>
		issued				"related-party transaction" consideration applicable to the proposed transaction.
The security holders of Cura Partners, Inc.	Up to 5,000,000 SVS	Market value at the time they are issued	N/A	Section 2.11 of NI 45-106	Nil	Please refer to the discussion above regarding the "related-party transaction" consideration applicable to the proposed transaction.
The security holders of Cura Partners, Inc.	Up to 35,556,000 SVS	Market value at the time they are issued	N/A	Section 2.11 of NI 45-106	Nil	Please refer to the discussion above regarding to the "related-party transaction" considerations applicable to the proposed transaction.

(1) Represents the maximum number of SVS that may be issued under the Amended Merger Agreement, and assumes that the full amount of the Earn-Out will be paid. The number of SVS that will ultimately be issued to be issued will be determined in accordance with the terms of the Amended Merger Agreement, including the conditions to obtain the Earn-Out. Please refer to sections 1 through 3 above.

(2) Indicate if Related Person.

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: Customary due diligence, including liens and judgments searches and review of corporate records.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer) Beacon and GMP have received or will receive certain fees in connection with the financial services and fairness opinions rendered to the Issuer (including to the Special Committee).
  - (b) Cash N/A.
  - (c) Securities N/A.
  - (d) Other N/A.
  - (e) Expiry date of any options, warrants etc. N/A.
  - (f) Exercise price of any options, warrants etc. N/A.
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A.
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

## FORWARD LOOKING STATEMENTS

This document contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects the current beliefs of the Issuer and is based on information currently available to the Issuer and on assumptions that the Issuer believes are reasonable. These assumptions include, but are not limited to, the ability of the Issuer to complete the transaction described above and the anticipated benefits to the Issuer of the transaction described above. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Issuer to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general

capital market conditions and market prices for securities; the failure of the Issuer to complete the transaction described above; the ability of the Issuer to successfully integrate the business of Select and their respective corporate cultures; delay or failure to receive board or regulatory approvals; the actual results of future operations; competition; changes in legislation affecting the Issuer; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labor or loss of key individuals and the other factors identified in the Issuer's Listing Statement and its other public filings with the Canadian Securities Exchange. Although the Issuer has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this document is expressly qualified by this cautionary statement. The forward-looking information contained in this document represents the expectations of the Issuer as of the date of this document and, accordingly, is subject to change after such date. However, the Issuer expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

### **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 on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time.
4. 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 CSE Policy 1).

5. All of the information in this Form 9 Notice of Issuance of Securities is true.

***[signature page follows]***

Dated November 6, 2019.

Neil Davidson  
Name of Director or Senior  
Officer

(signed) Neil Davidson  
Signature

Chief Financial Officer  
Official Capacity

## **Appendix A**

### **PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9**

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.