

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 January 31, 2021:

142,216,806

Date: **February 4, 2021**

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 January 4, the Company announced it now expects Q4 2020 revenue of between \$32 to \$33 million, up from \$28 to \$30 million, and maintain Adjusted EBITDA guidance of \$2.5 to \$3 million. The Company continues to maintain its previously announced 2021 revenue guidance of \$205 to \$255 million and 2021 Adjusted EBITDA¹ guidance of approximately \$40 to \$50 million.¹

On January 7, the Company announced the closing of its previously announced overnight marketed offering (the "Offering") of an aggregate of 6,210,000 subordinate voting shares (the "Offered Securities") at a price of C\$6.50 per share for total gross proceeds of approximately C\$40,365,000, which includes the full exercise of the over-allotment option granted to the underwriters.²

On January 14, the Company announced that it has entered into a definitive agreement to acquire 100% of the equity of Organic Solutions of the Desert, LLC ("OSD"), an operating dispensary located in Palm Springs, California, and approximately 78% of the equity of a retail license holder located in Grover Beach, California with the rights to acquire the remaining equity in the future (the "California Dispensary Acquisitions"). Jushi is also moving 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. On December 17, 2020, one of the Company's subsidiaries entered into a long-term lease agreement for a bespoke, ground-up build. The closing of the California Dispensary Acquisitions, and the Company's opening of a storefront retail (and ancillary delivery) dispensary in Culver City, are subject to state and local regulatory approvals. The three new

¹ <https://ir.jushico.com/news-events/press-releases/detail/116/jushi-holdings-inc-announces-proposed-offering-of>

² <https://ir.jushico.com/news-events/press-releases/detail/119/jushi-holdings-inc-announces-closing-of-offering-of>

locations will be in addition to the Company's BEYOND / HELLO™ Santa Barbara store, which opened in October 2020.³

On January 22, the Company provided an update on its previously announced acceleration of warrants expiry date issued in conjunction with the March 2019 private placement (the "Acceleration"). The Company has completed the Acceleration which resulted in the issuance of approximately 3.7 million additional subordinate voting shares and cash proceeds of approximately USD\$11 million to the Company.⁴

On January 22, the Company announced it will open its 16th dispensary nationally and fourth retail location in Illinois: BEYOND / HELLO™ Bloomington. The new store location began serving adult-use cannabis customers on Tuesday, January 26, 2021.⁵

On January 26, the Company announced it completed the acquisition of the remaining 20% of the equity interests of Agape Total Health Care Inc ("Agape"), a Pennsylvania dispensary permittee.⁶

On January 28, the Company announced that a portion of certain eligible Senior Secured Notes due January 15, 2023 (the "Notes") will be redeemed on January 31, 2021 (the "Redemption Date"). In addition, the Company also announced that it has approximately US\$86 million principal amount of total debt, excluding leases and property, plant and equipment financing obligations and approximately US\$128 million of cash and marketable securities on the balance sheet.⁷

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 January 31, 2020, through various subsidiaries the Issuer operates 16 cannabis dispensaries and one hemp-derived CBD store.

³<https://ir.jushico.com/news-events/press-releases/detail/120/jushi-holdings-inc-expands-retail-footprint-in-california>

⁴<https://ir.jushico.com/news-events/press-releases/detail/121/jushi-holdings-inc-provides-update-on-acceleration-of>

⁵<https://ir.jushico.com/news-events/press-releases/detail/122/jushi-holdings-inc-to-open-its-16th-dispensary-nationally>

⁶<https://ir.jushico.com/news-events/press-releases/detail/124/jushi-holdings-inc-acquires-remaining-equity-interests-in>

⁷<https://ir.jushico.com/news-events/press-releases/detail/125/jushi-holdings-inc-announces-partial-redemption-of-senior>

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, CSE, and/or press releases.

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 BEYOND / HELLO™ Bloomington.

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 Agape. During the month of January, the Company acquired two real estate properties in Scranton, PA adjacent to its grower-processor operations, in connection with its expansion plans announced on November 23, 2020.

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.

During the month of January 2021, the Issuer had 104 new hires and 34 terminations. Headcount on January 31, 2021 was 629.

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.

As previously disclosed in the Company's November form 7, on August 14, 2020, The Healing Center San Diego ("THCSD") and its sellers Raymond John Taylor and James Vernon Dickinson (the "Sellers") filed a lawsuit in the Superior Court of California, San Diego against Jushi Holdings Inc. and a subsidiary company claiming breach of the Securities Purchase and Exchange Agreement ("SPEA") and seeking declaratory relief that they did not breach the SPEA. THCSD and the Sellers sought to voluntarily dismissed the lawsuit without prejudice which was dismissed by the court on November 10, 2020. Further, as of January 7, 2021, the lawsuit was dismissed with prejudice.

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

See Section 1, particularly the Notes.

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

<u>Security</u>	<u>Number Issued</u>	<u>Details of Issuance</u>	<u>Use of Proceeds^(A)</u>
Subordinate Shares	6,210,000	Issued in connection with the Offering	See Issuer's Filings on CSE
Stock Options	150,000	Issued as compensation to employees	See Issuer's Filings on CSE
Subordinate Shares	500,000	Issued in connection with Agape	See Issuer's Filings on CSE
Subordinate Shares	3,110,742	Issued to investors that exercised warrants	

(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.

On January 28, Governor Wolf of Pennsylvania outlined his 2021 agenda that prioritized economic recovery. Part of that agenda highlighted the benefits of legalizing adult-use cannabis.⁸ As of January 31, 2021, Pennsylvania announced that 104 dispensaries are opened.⁹

On February 2, 2021, the Illinois Department of Financial and Professional Regulation (the "IDFPR") announced the adult-use cannabis monthly sales figures. In January there were 1,898,064 items sold for a grand total of \$88,813,872.78 in sales. Of the total sales, in-state residents accounted for

⁸ <https://www.governor.pa.gov/newsroom/governor-wolf-2021-agenda-prioritizes-economic-recovery-building-on-bipartisan-measures-government-reform/>

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

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\$63,745,077.18 while out-of-state residents accounted for \$25,068,795.60.¹⁰ There has not been an official state update from the IDFPR relating to the 75 Conditional Adult Use Dispensing Organization Licenses since September 22, 2020.¹¹

In January, 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.

In January, Virginia senators introduced a bill (SB 1406) to legalize and regulate adult-use cannabis. The bill was approved in an 8-7 vote on January 22 by the Senate Rehabilitation and Social Service Committee and will be considered by other Senate committees soon.¹²

¹⁰<https://www.idfpr.com/Forms/AUC/2021%2002%2002%20IDFPR%20monthly%20adult%20use%20cannabis%20sales.pdf>

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

¹² <https://www.mpp.org/states/virginia/>

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 **February 4, 2021**.

Jon Barack
Name of Director or Senior
Officer

/s/ Jon Barack
Signature

Co-President
Official Capacity

Issuer Details		For Month End: January 2021	Date of Report YY/MM/DD 21/02/04
Name of Issuer Jushi Holdings Inc.			
Issuer Address 1800 NW Corporate Blvd. Suite 200			
City/Province/Postal Code Boca Raton, FL 33431		Issuer Fax No. ()	Issuer Telephone No. (561) 917- 9100
Contact Name Michael Perlman		Contact Position EVP Investor Relations & Treasurer	Contact Telephone No. (561) 910 - 4296
Contact Email Address investors@jushico.com		Web Site Address www.jushico.com	

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