

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES** **(or securities convertible or exchangeable into listed securities)**

Name of Listed Issuer:

Symbol(s):

Curaleaf Holdings, Inc. (the "Issuer").	CURA
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Date: August 18, 2020 Is this an updating or amending Notice: ☒ Yes ☐ No

If yes provide date(s) of prior Notices: April 5, 2020.

Issued and Outstanding Securities of Issuer Prior to Issuance: 560,928,357.

#### **Pricing**

Date of news release announcing proposed issuance: N/A

Date of confidential request for price protection: N/A

Closing Market Price on Day Preceding the news release: N/A

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(1)	Describe relationship to Issuer (2)

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. \_\_\_\_\_ .

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 April 6, 2020, Curaleaf Inc., a direct wholly-owned subsidiary of the Issuer, and PalliaTech CT, Inc., an indirect wholly-owned subsidiary of the Issuer (collectively, the "Purchaser") signed definitive agreements to acquire 100% of the equity interests of each of Arrow Alternative Care Inc. ("Arrow 1"), Arrow Alternative Care #2 Inc. ("Arrow 2") and Arrow Alternative Care #3 Inc. ("Arrow 3"), all Connecticut corporations, with licensed medical marijuana dispensary operations in Hartford, CT, Milford, CT and Stamford CT, respectively ( "Transaction 1", "Transaction 2" and "Transaction 3", respectively, and collectively the "Transactions"). The dispensaries occupy leased premises.

The consideration paid by the Purchaser for the Transactions is valued in the aggregate at US\$38 million (equivalent to CAD\$53,792,800, based on the exchange rate of US\$1 to CAD\$1.4156 on March 30, 2020), which is to be paid through a combination of cash and securities, with US\$16,400,000 to be paid in cash and US\$21,600,000 to be paid in Subordinate Voting Shares ("SVS") of the Issuer.

The closing of Transactions 1 and 3 have been completed and a Form 9 was filed with the CSE on April 5, 2020.

Further, while management control of, and all economic interest in, Arrow 2 passed to Curaleaf as of April 5, 2020, the formal closing of Transaction 2 occurred on August 3, 2020.

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. Each of Arrow 1, Arrow 2 and Arrow 3 and its owner are not affiliated with the Issuer or its insiders. The sole seller in each Transaction is Angelo DeFazio ("Seller").

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:

The consideration paid by the Purchaser for the Transactions is valued in the aggregate at US\$38 million (equivalent to CAD\$53,792,800, based on the exchange rate of US\$1 to CAD1.4156 on March 30, 2020), which was paid through a combination of cash and securities, with US\$16,400,000 to be paid in cash and US\$21,600,000 to be paid in SVS of the Issuer. The aggregate consideration was subject to certain adjustments, including (with respect to Transaction 1 and Transaction 2) to provide that each company shall be delivered debt free and with an agreed target working capital.

The consideration for Transaction 1 was the CAD equivalent to US\$10,412,516 in cash and was paid at closing of Transaction 1.

The consideration for Transaction 2 was the CAD equivalent to US\$15,048,509, of which the CAD equivalent to US\$9,333,333 was paid in SVS and the remainder in cash.

The consideration for Transaction 3 was the CAD equivalent to US\$12,227,106 which was paid by the issuance of 1,861,149 SVS. Certain “top up” shares are now due as additional consideration in connection with Transaction 3. Please refer to Section 3(d) below for the calculation of the additional “top-up” shares.

For purposes of Transaction 2, the value of each SVS shall be the greater of (A) \$9.30 CAD and (B) 85% of the volume weighted average price of the SVS on the CSE for the thirty (30)-trading day period that ends two (2) trading days prior to the closing (“VWAP”); but in no event shall such SVS share price be less than 85% of the closing price of the SVS on the CSE on the date that is two (2) trading days prior to the closing date (with respect to each of Transaction 2 and Transaction 3, the “Closing SVS Price”).

All SVS issued in connection with Transaction 2 and 3 are subject to a lock up prohibiting transfer of such shares until April 4, 2022.

(b) Cash:

The cash consideration for Transaction 1 was the CAD equivalent to US\$10,412,516, which was paid at closing of Transaction 1.

The cash consideration for Transaction 2 was the CAD equivalent of US \$5,777,192, of which \$3,000,000 was paid in cash on April 5, 2020 with the remainder paid at the closing of Transaction 2.

The consideration for Transaction 3 did not include any cash.

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

The consideration for Transaction 1 did not include any SVS or other equity consideration.

The consideration for Transaction 2 included 1,333,531 SVS valued at the CAD equivalent to US\$9,333,333 (the "Transaction 2 Closing SVS Value") based on a price per SVS of CAD \$9.40.

The consideration for Transaction 3 consisted of 1,861,149 SVS SVS valued at the CAD equivalent to US\$12,227,106 CAD (the "Transaction 3 Closing SVS Value"; each of the Transaction 2 Closing SVS Value and the Transaction 3 Closing SVS Value referred to as a "Closing SVS Value").

For purpose of determining the quantity of SVS to be issued as consideration for Transaction 3 the value of each SVS shall be the applicable Closing SVS Price.

- (d) Other:

The consideration for Transaction 3 includes a contingent issue of SVS following the applicable closing, as follows:

**"Early Share Top-Up"**

At such time after April 5, 2020 when the VWAP is equal to or greater than the applicable Closing SVS Price (the "Early Issuance Date"), then, the Seller shall be issued an additional quantity of SVS equal to (i) the interest on the applicable Closing SVS Value at the rate of five percent (5.0%) per annum, compounded annually commencing on April 5, 2020 and ending on the Early Issuance Date, divided by (ii) the applicable Closing SVS Price. The Early Issuance Date occurred on July 28, 2020 and, as a result, the Issuer shall issue an additional 27,334 SVS "top up" shares in connection with Transaction 3 at a price of CAD \$9.30 per SVS, being the Closing SVS Price applicable to Transaction 3.

- (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).

Arm's length negotiations.

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

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	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>(1)</sup>
Angelo DeFazio	1,360,865 SVS  Please refer to Items 1, 2 and 3 above for details	1,333,531 SVS at CAD \$9.40 per SVS  27,334 SVS at CAD \$9.30 per SVS  Please refer to Items 1, 2 and 3 above for details.	N/A	Section 3 of BC Instrument 72-503	1,861,149	Not a Related Person

(1) 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 as well as representations and warranties on title to the shares being purchased.



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): N/A.
  - (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 Curaleaf and is based on information currently available to Curaleaf and on assumptions that Curaleaf believes are reasonable. These assumptions include, but are not limited to, the ability of Curaleaf to complete the Proposed Transaction described above and the anticipated benefits to Curaleaf of the transaction Proposed 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 Curaleaf 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 Curaleaf to complete the transaction described above; the ability of Curaleaf to successfully integrate the business of Grassroots and their respective corporate cultures; delay or failure to receive board, shareholder or regulatory approvals; the actual results of future operations; competition; changes in legislation affecting Curaleaf; 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 Curaleaf's Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2019 and its other public filings with the Canadian Securities Exchange. Although Curaleaf 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 Curaleaf as of the date of this document and, accordingly, is subject to change after such date. However, Curaleaf 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 August 18, 2020

Michael Carlotti  
Name of Director or Senior  
Officer

(signed) "Michael Carlotti"  
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.