

February 27, 2019



Curaleaf To Establish Vertically Integrated Operations in California Through Strategic Acquisition

Enters attractive California market and plans for aggressive expansion across the state

WAKEFIELD, Mass., Feb. 27, 2019 /PRNewswire/ -- Curaleaf Holdings, Inc. (CSE: CURA / OTCQX: CURLF), a leading vertically integrated cannabis operator in the United States, today announced it has signed a definitive agreement to acquire Eureka Investment Partners, LLC ("Eureka"). Based in Monterey County, California, Eureka operates a cultivation facility in the Salinas Valley and is developing three dispensaries across the state.

The addition of Eureka's cultivation platform will provide Curaleaf access to California's wholesale market through an existing 110,000 sq. ft. greenhouse facility in Salinas, California, with the potential to expand up to 270,000 sq. ft. that could generate over 50,000 pounds of dry flower per year at full scale. During the fourth quarter of 2018, Eureka harvested over 2,500 pounds of flower and distributed pre-rolls and dry flower under the brand Monterey Kush. The planned launch of Eureka's three premium locations in Long Beach, Salinas and Monterey County, expected to begin operations in the second half of 2019, will launch Curaleaf's retail network into California.

"The Eureka transaction represents a significant milestone for Curaleaf, enabling us to enter the highly attractive California market with a cultivation platform that we intend to use for state-wide product distribution," said Joseph Lusardi, CEO of Curaleaf. "The planned launch of three dispensaries is a platform investment for Curaleaf's retail expansion strategy to eventually cover the state, which is the largest market for cannabis consumption in the country. With established vertically integrated operations, Curaleaf is ready to capitalize on the considerable market opportunity in California."

In October 2018, Curaleaf received a conditional use permit and business license from the City of Davis, California for cannabis manufacturing and state-wide distribution. A conditional use permit and business license for mobile delivery was issued by the City of Davis in November 2018. As of January 1, 2019, Curaleaf's operations have been licensed by the State of California and the City of Davis, with plans to commence operations in 2019.

The acquisition of Eureka's facilities in Salinas allows for seamless integration with Curaleaf's manufacturing facility in Davis, enabling the Company to manage its supply chain efficiently through vertically integrated cultivation, production, distribution and

dispensing in California. Curaleaf's Davis facility positions Eureka to maximize the value of its harvest, reducing waste and converting trim into oil and other consumables that can be utilized for distribution across the retail footprint.

Curaleaf has the largest footprint of single-branded retail stores in the U.S. and is executing on its strategy of building a national brand in highly populated states. Curaleaf will continue to explore opportunities to open additional locations throughout the state of California in 2019.

"The ability to enter the largest cannabis market in the U.S. at an attractive multiple reflects Curaleaf's continued strategic and prudent use of capital," added CFO Neil Davidson.

The transaction, valued at \$30.5 million, of which \$10 million is to be paid in cash, \$20.5 million in Curaleaf stock, with a potential additional consideration to be paid if certain financial targets are exceeded, is subject to customary closing conditions and is expected to close in March 2019.

About Curaleaf Holdings

Curaleaf Holdings, Inc. (CSE: CURA) (OTCQX: CURLF) ("Curaleaf") is the leading vertically integrated multi-state cannabis operator in the United States. It is a high-growth cannabis company with a national brand known for quality, trust and reliability. The company is positioned in highly populated, limited license states, and currently operates in 12 states with 42 dispensaries, 12 cultivation sites and 10 processing sites. Curaleaf has the executive expertise and research and development capabilities to provide leading service, selection, and accessibility across the medical and adult-use markets, as well as the CBD category through its Curaleaf Hemp brand.

FORWARD LOOKING STATEMENTS

This news release 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 anticipated benefits to Curaleaf 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 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; delay or failure to receive board 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 Listing Statement 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 news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Curaleaf as of the date of this news release 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.

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