**FORM 51-102F3**
**Material Change Report**

## Item 1 Name and Address of Corporation

Trulieve Cannabis Corp. ("**Trulieve**")
6749 Ben Bostic Road
Quincy, Florida
32351

## Item 2 Date of Material Change

May 10, 2021

## Item 3 News Release

News release dated May 10, 2021 disseminated through CNW and filed on the System for Electronic Document Analysis and Retrieval (SEDAR) under the issuer profiles of Trulieve and Harvest Health & Recreation Inc. ("**Harvest**") on May 10, 2021.

## Item 4 Summary of Material Change

On May 10, 2021, Trulieve and Harvest entered into a definitive arrangement agreement (the "**Arrangement Agreement**") pursuant to which Trulieve will acquire all of the issued and outstanding subordinate voting shares, multiple voting shares and super voting shares (the "**Harvest Shares**") of Harvest (the "**Transaction**"). Under the terms of the Arrangement Agreement, shareholders of Harvest (the "**Harvest Shareholders**") will receive 0.1170 of a subordinate voting share of Trulieve (each whole share, a "**Trulieve Share**") for each Harvest subordinate voting share (or equivalent) held (the "**Exchange Ratio**"), representing total consideration of approximately $2.1 billion based on the closing price of the Trulieve Shares on May 7, 2021.

## Item 5 Full Description of Material Change

### 5.1 Full Description of Material Change

#### Terms of the Transaction

The Transaction will be effected by way of a plan of arrangement pursuant to the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement Agreement, Trulieve will acquire all of the issued and outstanding Harvest Shares, with each Harvest Shareholder receiving 0.1170 of a Trulieve Share for each Harvest Share, implying a price per Harvest Share of US$4.79, which represents a 34% premium to the May 7, 2021 closing price of the Harvest Shares. After giving effect to the Transaction, Harvest Shareholders will hold approximately 26.7% of the issued and outstanding pro forma Trulieve Shares (on a fully-diluted basis). The Exchange Ratio is subject to adjustment in the event that Harvest completes certain interim period refinancing measures, with the potential adjustment in proportion to the incremental costs from such financing relative to the Transaction value. Additional details of the Transaction will be described in the management information circular and proxy statement (the "**Circular**") that will be mailed to Harvest Shareholders in connection with a special meeting of Harvest Shareholders (the "**Special Meeting**") expected to be held in the third quarter to approve the Transaction.

The Arrangement Agreement provides for certain customary provisions, including covenants in respect of non-solicitation of alternative transactions, a right to match superior proposals, US$100 million reciprocal termination fees under certain circumstances and reciprocal expense reimbursement provisions in certain circumstances.

**Key Transaction Highlights and Benefits**

- Increases Scale Across Harvest's and Trulieve's Hub Markets – through the creation of the largest U.S. cannabis operator on a combined retail and cultivation footprint basis;
- Creates the Most Profitable US MSO – with combined 2020 Adjusted EBITDA of $266 million[1,2] and combined 2021E consensus Adjusted EBITDA[3] of $461 million;
- Delivers a Superior Existing Retail and Distribution Model – from a robust retail network of 126 dispensaries across 11 states, the combined company will have leading market shares in Arizona and Florida;
- Strong and Expanding Multi-State Presence – bolsters Trulieve's expansion in U.S. northeast and southeast hubs in Florida, Pennsylvania and Maryland, and establishes a southwest hub in core markets including Arizona, where recreational adult use of cannabis was recently legalized;
- Optimizes Nationwide Presence – through well-established retail and wholesale channels across markets, as well as the ability to reach an estimated total addressable market of US$19.3 billion in 2025E (Arcview market estimate);
- Adds Premium Brands – to Trulieve's portfolio of in-house brands and national brand partners with a successful line of products across multiple form factors;
- Leverages Expert Operating Teams and Best Practices – from each of Trulieve and Harvest, enhancing operational excellence by combining unparalleled knowledge of, and success in winning, state license application processes and the ability to rapidly bring operations to market; and
- Accretive Transaction Reinforces Trulieve's Leading Financial Metrics – by reinforcing superior financial performance relative to peers through industry-leading margins and strong projected profitable growth.

**Approvals for the Transaction**

The Transaction has been unanimously approved by the Boards of Directors of each of Trulieve and Harvest. Harvest Shareholders holding more than 50% of the voting power of the issued and outstanding Harvest Shares have entered into voting support agreements with Trulieve to vote in favor of the Transaction.

The Transaction is subject to, among other things, the receipt of the necessary approvals of the Supreme Court of British Columbia, the approval of two-thirds of the votes cast by Harvest Shareholders at the Special Meeting, receipt of the required regulatory approvals, including, but not limited to, approval pursuant to the *Hart–Scott–Rodino Antitrust Improvements Act*, and other customary conditions of closing. Approval of Trulieve Shareholders is not required. Additional details of the Transaction will be provided in the Circular.

### 5.2 Disclosure for Restructuring Transaction

Not applicable.

## Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

## Item 7 Omitted Information

Not applicable.

## Item 8 Executive Officer

The name of the executive officer of Trulieve who is knowledgeable about the material change and this report is:

Eric Powers, Chief Legal Officer and Corporate Secretary

Telephone: 850-665-330

## Item 9 Date of Report

May 12, 2021

## Forward-Looking Statements

*This material change report includes forward-looking information and statements under Canadian securities laws and within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to each party's expectations or forecasts of business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs and include statements regarding Trulieve and Harvest's expected financial performance for fiscal 2021, the combined operations and prospects of Trulieve and Harvest, the current and projected market and growth opportunities for the combined company, and the timing and completion of the Transaction, including all the required conditions thereto. Words such as "expects", "continue", "will", "anticipates" and "intends" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on Trulieve and Harvest's current projections and expectations about future events and financial trends that they believe might affect their financial condition, results of operations, prospects, business strategy and financial needs, and on certain assumptions and analysis made by each party in light of the experience and perception of historical trends, current conditions and expected future developments and other factors each party believes are appropriate. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein, including, without limitation, the risks discussed under the heading "Risk Factors" in Trulieve's annual information form filed with the Canadian regulators on SEDAR at www.sedar.com and Trulieve's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the United States Securities and Exchange Commission (the "**SEC**") on EDGAR, and Harvest's*

*Annual Report on Form 10-K for the year ended December 31, 2020 filed with the United States SEC on EDGAR and with certain Canadian regulators on SEDAR at www.sedar.com and in other periodic reports and filings made by Trulieve and Harvest with the SEC on EDGAR and with such Canadian securities regulators on SEDAR. Although Trulieve and Harvest believe that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof and, except as required by applicable laws, Trulieve and Harvest assume no obligation and disclaim any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking information and statements herein, whether as a result of new information, future events or results, or otherwise.*

*The Canadian Securities Exchange has not reviewed, approved, or disapproved the content of this material change report.*

Footnote 1

This reflects the Adjusted EBITDA of both Trulieve and Harvest on a combined basis for the fiscal year ended December 31, 2020. The most directly comparable GAAP financial measure for Adjusted EBITDA is Net Income (loss), which on a combined basis for Trulieve and Harvest for the fiscal year ended December 31, 2020 was $3.4 million. The following is a reconciliation of Adjusted EBITDA to Net Income (loss) for Trulieve for the fiscal year ended December 31, 2020.

*Adjusted EBITDA*

| | Year Ended December 31, | | Change Increase / (Decrease) | |
|---|---|---|---|---|
| | **2020** | **2019** | **$** | **%** |
| | *(dollars in thousands)* | | | |
| Adjusted EBITDA | $ 250,952 | $ 126,409 | $ 124,543 | 99% |

Adjusted EBITDA for the year ended December 31, 2020, was $251.0 million, an increase of $124.5 million or 99%, from $126.4 million for the year ended December 31, 2019. The following table presents a reconciliation of GAAP net income (loss) to non-GAAP Adjusted EBITDA, for each of the periods presented:

| | Year Ended December 31, | |
|---|---|---|
| | **2020** | **2019** |
| | *(dollars in thousands)* | |
| **Net Income and Comprehensive Income** | $ 62,999 | $ 53,094 |
| Add (Deduct) Impact of: | | |
| Depreciation and Amortization | 12,600 | 5,079 |
| Depreciation included in Cost of Goods Sold | 11,542 | 7,992 |
| Interest Expense, Net | 20,237 | 9,050 |
| Provision for Income Taxes | 94,451 | 50,586 |
| **EBITDA** | 201,829 | 125,802 |
| Share-Based Compensation | 2,765 | — |
| Other Expense (Income), Net | 40,680 | 607 |
| Acquisition and Transaction Costs | 4,724 | — |
| Inventory Step up, Fair value | 955 | — |
| Total Adjustment | $ 187,953 | $ 73,314 |
| **Adjusted EBITDA** | **$ 250,952** | **$ 126,409** |

Footnote 2

The following is a reconciliation of Adjusted EBITDA to Net Income (loss) for Harvest for the fiscal year ended December 31, 2020.

***Adjusted EBITDA***

Adjusted EBITDA is calculated as net income (loss) before non-controlling interest before net interest and other financing costs, income taxes, depreciation and amortization expenses; fixed and intangible asset impairments; gain or loss on sale of assets; change in fair value adjustment of liability; other (income) expense; foreign exchange gain (loss); share-based compensation expense; contract asset (recovery) impairment; discontinued operations, net of tax; other expansion expenses (pre-open); and transaction and other special charges.

We use adjusted EBITDA in assessing the effectiveness of our business strategies and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors, and others to evaluate financial performance of our company relative to jour competitors. Adjusted EBITDA should not be considered a substitute for earnings before income taxes, net income or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table provides a reconciliation of net income (loss) before non-controlling interest to adjusted EBITDA for the periods indicated.

| (in thousands) | For the Year Ended December 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net loss (GAAP) before non-controlling interest | $ (59,578) | $ (168,814) |
| Add (deduct) impact of: | | |
| Net interest and other financing costs[(1)] | 39,013 | 10,198 |
| Income tax | 3,650 | 3,756 |
| Amortization and depreciation[(2)] | 11,290 | 7,754 |
| Fixed and intangible asset impairments | 664 | 16,977 |
| (Gain) loss on sale of assets | (11,752) | 2,313 |
| Fair value adjustment of liability | 10,125 | (5,482) |
| Other (income) expense[(3)] | (17,185) | 8,286 |
| Foreign currency (gain) loss | 63 | 970 |
| Share-based compensation expense | 22,495 | 17,695 |
| Contract asset (recovery) impairment | 732 | 35,098 |
| Discontinued operations, net of tax | 1,278 | 568 |
| Other expansion expenses (pre-open)[(4)] | 12,719 | 9,770 |
| Transaction & other special charges | 1,830 | 17,200 |
| **Adjusted EBITDA (non-GAAP)[(5)]** | **$ 15,344** | **$ (43,711)** |

(1) Includes $71, $164, $401, and $684 of interest reported in cost of sales.

(2) Includes $810, $879, $3,370, and $2,394 of depreciation reported in cost of sales.

(3) Primarily represents gains and losses associated with settlements of contingent consideration, litigation, and other non-recurring charges.

(4) These are set-up costs to prepare a location for its intended use. We adjust for this amount because we believe these expenses are not indicative of ongoing operations; therefore, this adjustment enhances comparability to prior periods.

(5) Adjusted EBITDA is a financial measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. See discussion above for a definition of our adjusted EBITDA non-GAAP financial measure and reconciliation to the most directly comparable U.S. GAAP measure.

Footnote 3: CapitalIQ consensus estimates, as May 7, 2021 and prior to release of Harvest's first quarter 2021 earnings on May 10, 2021. Reconciliation of this non-GAAP financial measure (as defined by the SEC) to the most directly comparable financial measure calculated and presented in accordance with GAAP is not included herein because such non-GAAP financial measure has been obtained from third party sources unrelated to the parties, which do not publish the information necessary for such reconciliation. This non-GAAP financial measure is based on the analysis of non-GAAP financial measures of various financial analysts, each of whom may not be calculating such financial measure in the same manner as each other or Trulieve or Harvest. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. Our management teams use adjusted EBITDA to evaluate our operating performance and trends and make planning decisions. Our management teams believe adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the items that we exclude. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects of the combined company, and allowing for greater transparency with respect to key financial metrics used by our management teams in its financial and operational decision-making.