



## NEWS RELEASE

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## FOR IMMEDIATE RELEASE MONDAY, JUNE 22, 2020

### **Vireo Health Announces Sale of Equity in Pennsylvania Medical Solutions to Jushi Holdings Inc. for Total Consideration of \$37 Million**

*– Transaction secures Vireo’s financial future without dilutive impacts to shareholders –*

*– Purchase price includes \$16.3 million in cash and \$17 million in future liabilities –*

*– Jushi receives 18-month option to acquire Equity in Pennsylvania Dispensary Solutions, LLC –*

MINNEAPOLIS – June 22, 2020 – Vireo Health International, Inc. ("Vireo" or the "Company") (CNSX: VREO; OTCQX: VREOF), the science-focused, multi-state cannabis company with active operations in exclusively medical-only markets and licenses in nine states and the Commonwealth of Puerto Rico, today announced that it has reached a definitive agreement with Jushi Inc, a subsidiary of Jushi Holdings, Inc. ("Jushi") (CSE: JUSH) (OTCQX: JUSHF), to divest equity in its subsidiary company, Pennsylvania Medical Solutions, LLC ("PAMS"), for total consideration of \$37 million. The transaction is subject to regulatory approvals.

Pennsylvania Medical Solutions holds a permit for the cultivation and processing of medical cannabis in the state of Pennsylvania. This permit was initially awarded to PAMS through a merit-based application process in 2017. Based in Scranton, PAMS manufactures cannabis-based products in a 90,000 square foot co-located cultivation and processing facility, which recently underwent a significant capacity expansion project in order to meet increasing demand within Pennsylvania’s burgeoning medical cannabis market.

“This transaction secures Vireo’s capital position for the foreseeable future and will enable us to comfortably execute our fiscal year 2020 operating strategy and begin generating positive cash flow in the first half of next year without requiring any additional capital infusions,” said Founder & Chief Executive Officer, Kyle Kingsley, M.D. “We’re especially pleased to achieve this milestone for shareholders without the dilutive impacts of other forms of financing, and we’re also very excited about the opportunities in front of us to re-invest a portion of these proceeds to increase scale in select markets where we see significant opportunities to improve revenue growth and future cash flow generation.”

The transaction's total consideration of \$37 million includes \$16.3 million in cash, \$3.8 million in the form of a four-year note with an 8 percent coupon rate payable quarterly and \$17 million in Right of Use liabilities associated with long-term lease obligations. The transaction also includes an 18-month option for Jushi to purchase equity in another Vireo Health subsidiary, Pennsylvania Dispensary Solutions, LLC, for an additional \$5 million in cash.

Vireo management expects to utilize a portion of the transaction proceeds for capital expenditures that will increase scale in its core markets of New York, Minnesota, Maryland, Arizona, and New Mexico. These development projects are expected to significantly improve the Company's near-term revenue and profitability outlook, and management anticipates discussing these development projects and other impacts of this transaction in more detail during the Company's upcoming second-quarter earnings conference call in late August.

### **About Vireo Health International, Inc.**

Vireo Health International, Inc. is a physician-led cannabis company focused on building long-term, sustainable value by bringing the best of medicine, science, and engineering to the cannabis industry. With operations strategically located in early-stage, limited-license medical markets, Vireo manufactures pharmaceutical-grade cannabis products in environmentally-friendly greenhouses and distributes its products through its growing network of Green Goods™ retail dispensaries and hundreds of third-party locations. Its current core medical markets of New York, Minnesota, Pennsylvania, Arizona, New Mexico, and Maryland all have the potential to enact adult-use legalization in the next three to 24 months, and two additional markets in Puerto Rico and Massachusetts also have potential for commercialization. Combined with its teams' focus on driving scientific innovation within the industry and securing meaningful intellectual property, Vireo believes it is well positioned to become a global market leader in the cannabis industry. Today, eight of its 10 markets are operational with 13 of its 32 total retail dispensary licenses open for business. For more information about the company, please visit [www.vireohealth.com](http://www.vireohealth.com).

### **About Jushi Holdings Inc.**

Jushi Holdings, Inc. is a globally focused cannabis and hemp company led by an industry leading management team. In the United States, Jushi is focused on building a multi-state portfolio of branded cannabis and hemp-derived assets through opportunistic acquisitions, distressed workouts and competitive applications. Jushi strives to maximize shareholder value while delivering high quality products across all levels of the cannabis and hemp ecosystem. For more information please visit [www.jushico.com](http://www.jushico.com) or the Company's social media channels on Instagram, Facebook, Twitter and LinkedIn.

### **Forward-Looking Statement Disclosure**

This news release contains "forward-looking information" within the meaning of applicable United States and Canadian securities legislation. To the extent any forward-looking information in this news release constitutes "financial outlooks" within the meaning of applicable United States or Canadian securities laws, such information is being provided as preliminary financial results and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking information contained in this press release may be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "look forward to," "budget" "scheduled," "estimates," "forecasts," "will continue," "intends," "anticipates," "does not anticipate," "believes," "should," "should not," or variations of such words and phrases or indicates that

certain actions, events or results “may,” “could,” “would,” “might,” or “will” “be taken,” “occur,” or “be achieved.” Forward-looking information may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, milestones, strategies and outlook of Vireo, and includes statements about, among other things, the value of assets, the amount of liabilities, the designation of certain businesses or assets as “core” or “non-core,” decisions about allocation of capital and other resources, future developments, the future operations, potential market opportunities including the potential effects of the approval of adult-use cannabis in one or more markets, potential opportunities to monetize assets, strengths and strategy of the Company. Forward-looking information is provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements should not be read as guarantees of future performance or results. Forward-looking information includes statements with respect to the opportunities for the Company to leverage increasing scale to improve sales growth and operating performance; the anticipation that the medical-only state markets in which the Company’s subsidiaries operate could enact recreational-use legislation over the near-to mid-term future; the anticipated benefits of strategic initiatives; the effects of reduction of corporate overhead and SG&A expenses; improvement to unit economics; expansion of retail dispensaries in key markets; and the expectation that such expansion will drive stronger revenue growth, operating margins and free cash flow. Forward-looking information includes both known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release including, without limitation, the impact on the Company’s businesses and financial results of epidemics and pandemics, including the COVID-19 pandemic. Financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks as set out herein. Our actual financial position and results of operations may differ materially from management’s current expectations and, as a result, our revenue and cash on hand may differ materially from the revenue and cash values provided in this news release. Forward-looking information is based upon a number of estimates and assumptions of management, believed but not certain to be reasonable, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct, including preliminary financial expectations regarding the annualized reduction of corporate overhead and SG&A expenses. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to, risks related to preliminary financial results being subject to the completion of the Company’s financial closing procedures and not being audited or reviewed by the Company’s independent registered public accounting firm; the timing of recreational-use legislation in markets where the Company currently operates; current and future market conditions, including the

market price of the subordinate voting shares of the Company; federal, state, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; limited operating history; changes in laws, regulations and guidelines; operational, regulatory and other risks; execution of business strategy; management of growth; difficulty to forecast; conflicts of interest; risks inherent in an agricultural business; liquidity and additional financing; foreign private issuer status and the risk factors set out in the Company's listing statement dated March 19, 2019, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The statements in this news release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.