



NEWS RELEASE

Media Inquiries

Albe Zakes
Vice President, Corporate Communications
albezakes@vireohealth.com
(267) 221-4800

Investor Inquiries

Sam Gibbons
Vice President, Investor Relations
samgibbons@vireohealth.com
(612) 314-8995

FOR IMMEDIATE RELEASE THURSDAY, OCTOBER 1, 2020

Vireo Health Announces Sale of Assets of Ohio Medical Solutions to Ayr Strategies for Total Consideration of \$4.85 Million

- *Transaction improves Vireo’s cash position and reduces operating losses* –
- *Company maintains expectation to become cash flow positive in fiscal 2021* –

MINNEAPOLIS – October 1, 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 seven states and the Commonwealth of Puerto Rico, today announced that it has reached a definitive agreement with Ayr Strategies Inc. (CSE:AYR.A)(OTCQX:AYRSF), to sell all of the assets and liabilities of its affiliated company, Ohio Medical Solutions, LLC ("OMS"), for total consideration of \$4.85 million.

“This transaction allows Vireo to monetize a license acquired at minimal cost through a merit-based award process, and reallocate the proceeds to our core markets, where we see significant opportunities to improve revenue growth and future cash flow generation,” said Founder & Chief Executive Officer, Kyle Kingsley, M.D. “We’re especially pleased to achieve yet another milestone for our shareholders without the dilutive impacts of other forms of financing. We’re continuing to scale our operations in high-value markets like Arizona, New York, New Mexico, Maryland and Minnesota, and expect to generate stronger performance across each of these markets in fiscal year 2021.”

Ohio Medical Solutions holds a permit for the processing of medical cannabis in the state of Ohio. This permit was initially awarded to OMS through a merit-based application process in 2019. Based in Akron, OMS manufactures cannabis-based products in a 11,300 square foot processing facility. The transaction’s total consideration of \$4.85 million includes \$1.15 million in cash and \$3.7 million in the form of Right of Use liabilities associated with lease obligations. The transaction is subject to regulatory approvals and other conditions.

About Vireo Health International, Inc.

Vireo Health International, Inc. (“Vireo” or the “Company”) is a physician-led cannabis company focused on bringing the best of technology, science, and engineering to the cannabis industry. Vireo manufactures

proprietary, branded cannabis products in environmentally-friendly, state-of-the-art greenhouses and distributes its products through its growing network of Green Goods™ retail dispensaries and through hundreds of third-party dispensaries in seven states. Vireo's team of more than 400 employees, led by scientists, engineers, and cultivation experts, is focused on efficiency and the creation of best-in-class products, while driving scientific innovation within the cannabis industry and developing meaningful intellectual property. Today, Vireo is licensed to grow and/or process cannabis in 9 markets. The Company is operational in 7 of those 8 markets – including the core markets of Arizona, Maryland, Minnesota, New Mexico, New York, Pennsylvania. The Company holds 32 total retail dispensary licenses, of which 13 are currently open for business. For more information about Vireo Health, please visit www.vireohealth.com.

About Ayr Strategies Inc.

Ayr Strategies ("Ayr") is an expanding vertically integrated, U.S. multi-state cannabis operator, focusing on high-growth markets. With anchor operations in Massachusetts and Nevada, the company cultivates and manufactures branded cannabis products for distribution through its network of retail outlets and through third-party stores. Ayr strives to enrich and enliven consumers' experience every day - helping them to live their best lives, elevated. Ayr's leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrstrategies.com.

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.

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.