

# Jushi

OTCMKTS: JUSHF | CSE: JUSH

January 2021



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We define EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation, and amortization. We define Adjusted EBITDA as EBITDA before: (i) fair value adjustments on biological assets and fair value adjustments on sale of inventory; (ii) share-based compensation expense; (iii) fair value changes in derivative warrants; (iv) net gain on business combination; (v) gains and losses on investments and financial assets; and (vi) pre-acquisition expense.

Adjusted EBITDA is not a recognized performance measure under IFRS, does not have a standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is included as a supplemental disclosure because we believe that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain material non-cash items and certain other adjustments we believe are not reflective of the Company's ongoing operations and performance. Adjusted EBITDA has limitations as an analytical tool as it excludes from net income as reported interest, tax, depreciation, non-cash expenses, RTO expense, other income, grow cost expensed for biological assets and unsold inventory, and the non-cash fair value effects of accounting for biological assets and inventories. Because of these limitations, Adjusted EBITDA should not be considered as the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, analysis of the Company's results as reported under IFRS. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is operating income (loss).

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## **Disclaimers**

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### CURRENCY

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## Experienced Talent Leading Buildout and Execution



**Jim Cacioppo**  
CEO, Chairman & Founder



**Erich Mauff**  
President, Board Member  
& Founder



**Jon Barack**  
President and Founder



**Kimberly Bambach**  
EVP, Chief Financial Officer

# Management Team



## Experienced Talent Leading Buildout and Execution



**Olivier Blechner**

EVP, Business Development



**Ryan Cook**

EVP, Operations



**Tobi Lebowitz**

EVP, Co-Head of Legal Affairs



**Matt Leeth**

EVP, Co-Head of Legal Affairs



**Andreas Neumann**

Chief Creative Director



**Michael Perlman**

EVP, Investor Relations & Treasury



**Daniel Swasbrook**

President, Jushi Europe



**Nicole Upshaw**

EVP, Human Resources



**Trent Woloveck**

Chief Commercial Director

# Jushi at a Glance



## Targeted Footprint



**15**

Open Stores<sup>(4)</sup>

**17**

Stores to be Opened<sup>(2)</sup>

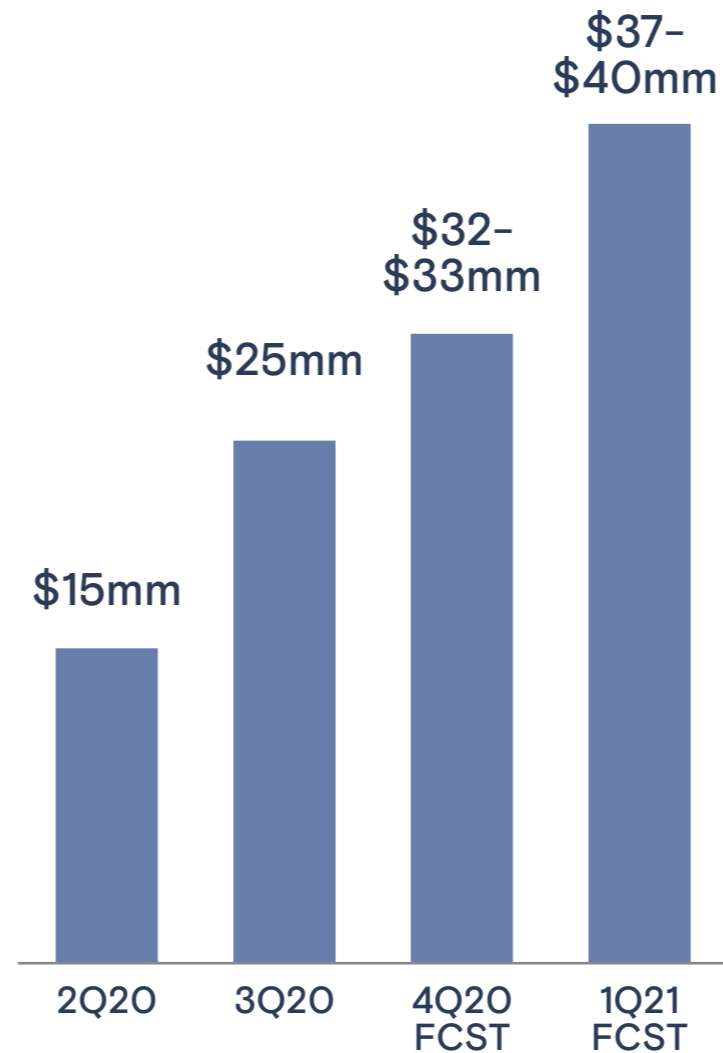
**3**

Cultivation<sup>(6)</sup>

**4**

Extraction & Processing<sup>(1)</sup>

## Strong Sequential Revenue Growth



## Solid Balance Sheet (as of 1/8/21)



**~\$333mm**

raised since inception



**~\$46mm**

raised by founders/insiders



**~\$121mm**

of cash and marketable securities<sup>(3)</sup>



# Our National Footprint



**32**

Cannabis Retail<sup>(2)(4)(5)</sup>

**03**

Cultivation<sup>(6)</sup>

**04**

Extraction & Processing<sup>(1)</sup>

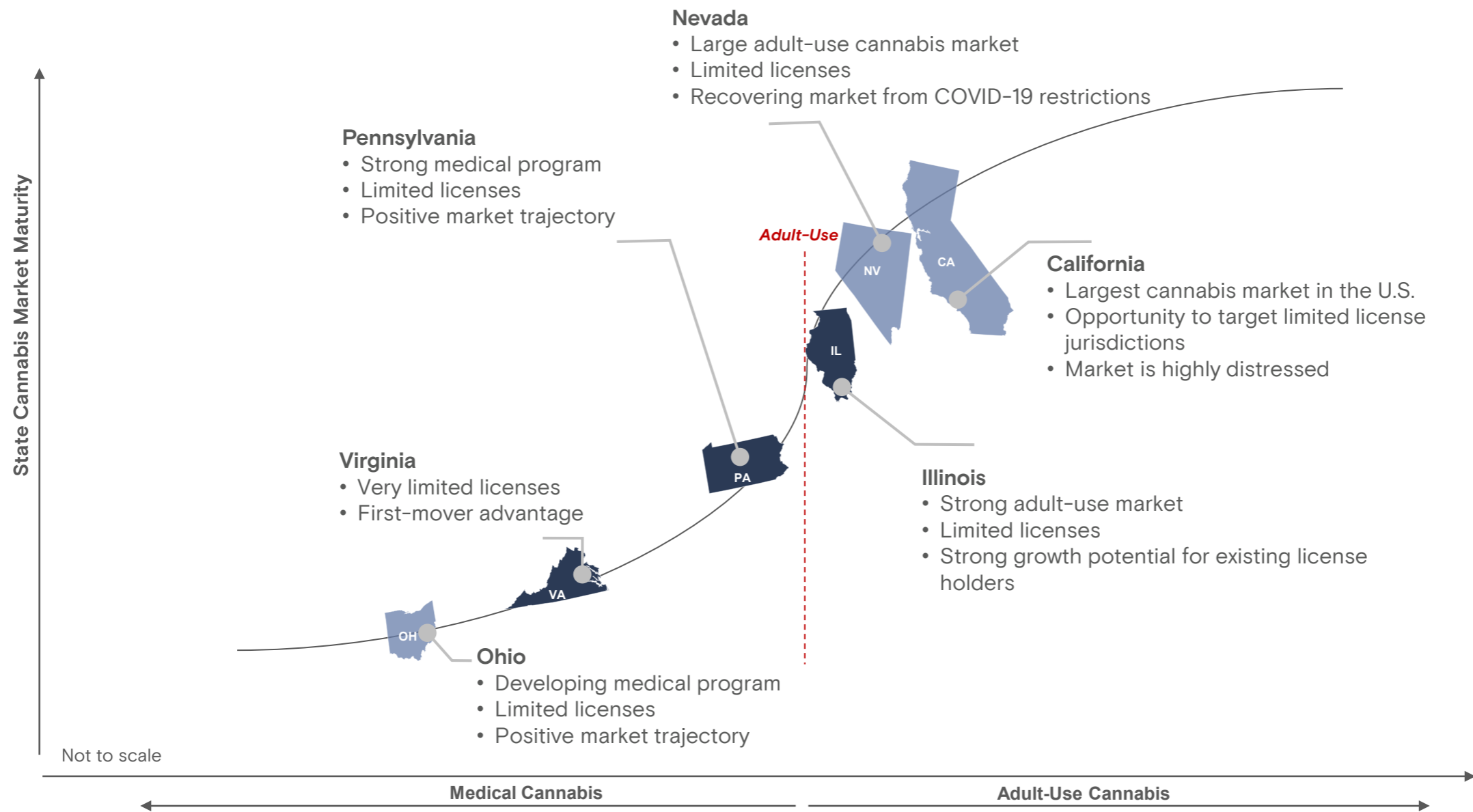
**03**

Offices

**535**

Team Members

# Strategic Market Selection - Attractive adult-use and limited license medical markets







**VIRGINIA**

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# Virginia Market



## Overview<sup>(7)(8)(9)</sup>

- Population: 8.5 million
- Medical market, very limited licenses
  - 5 pharmaceutical processors, 4 operational
  - 6 retail per HSA, 30 total

## Jushi Assets in HSA II<sup>(7)</sup>

- Northern Virginia, across Potomac from D.C.
- 2.5 million people and highest per capita income in state
- Vertical facility is operational, including one dispensary
  - Opening an additional five BEYOND/HELLO™ branded dispensaries in 2021-2022





## HEALTH SERVICE AREA II



- 2.5 million people in HSA II, median age of 37 years, tech hub dominated by millennials<sup>(7)(10)</sup>
- Smallest geographic HSA, most densely populated, and home to 5 of Virginia's 10 wealthiest neighborhoods<sup>(7)(10)</sup>





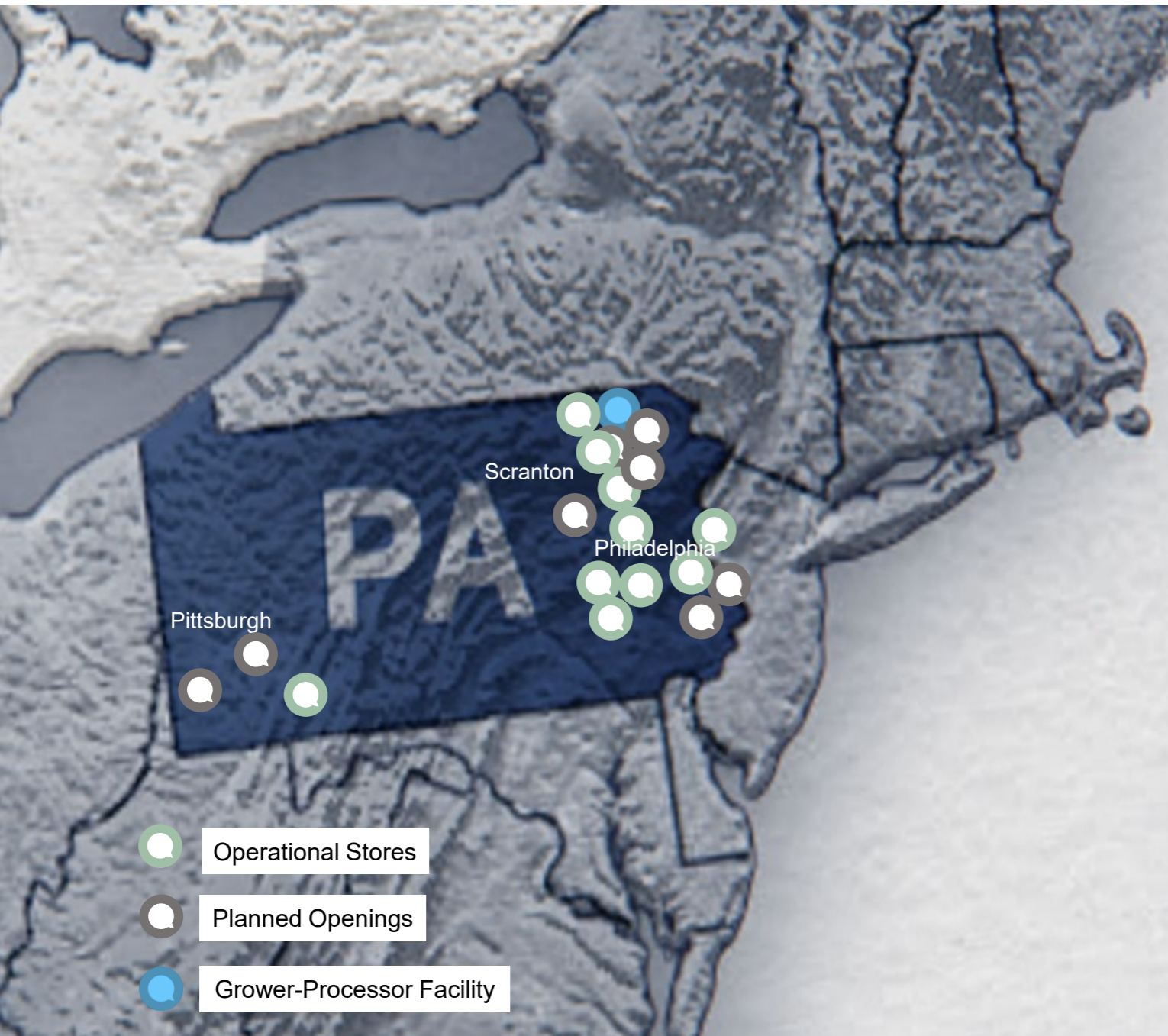
# PENNSYLVANIA

ADD ANOTHER  
50,000 - 75,000 SQ FT  
OF FACILITY FOOTPRINT





# Pennsylvania Market



## Overview<sup>(11)(12)(13)(14)</sup>

- Population: 12.8 million
  - ~504,000 medical patients and caregivers
- Medical market, high barrier to entry, limited licenses
  - 150 retail licenses / 25 grower processor licenses
  - Clinical registrant program allowing an additional 48 retail and 8 grower processors

## Jushi Assets

- 10 medical dispensaries operational
  - Plans to open remaining stores starting April 2021 (~one each month)
- 90,000 sq. ft. grower-processor facility expanding to ~160,000 sq. ft. “PAMS”
  - Plans to triple canopy to approx. 98,000 sq. ft.



# Pennsylvania Market



## PENNSYLVANIA



### Philadelphia Region (8 dispensaries)

- Ardmore
- Bristol
- Center City
- Colwyn
- Lancaster
- Northern Liberties
- Reading
- West Chester

### Pittsburgh Region (3 dispensaries)

- Pittsburgh
- Irwin
- Johnstown

### Scranton Region (7 dispensaries)<sup>(4)</sup>

- Easton
- Scranton (2)
- Bethlehem
- Hazelton
- Pottsville
- Stroudsburg
  
- PAMS (grower processor)







# Illinois Market



## Overview<sup>((15)(16)(17)(18))</sup>

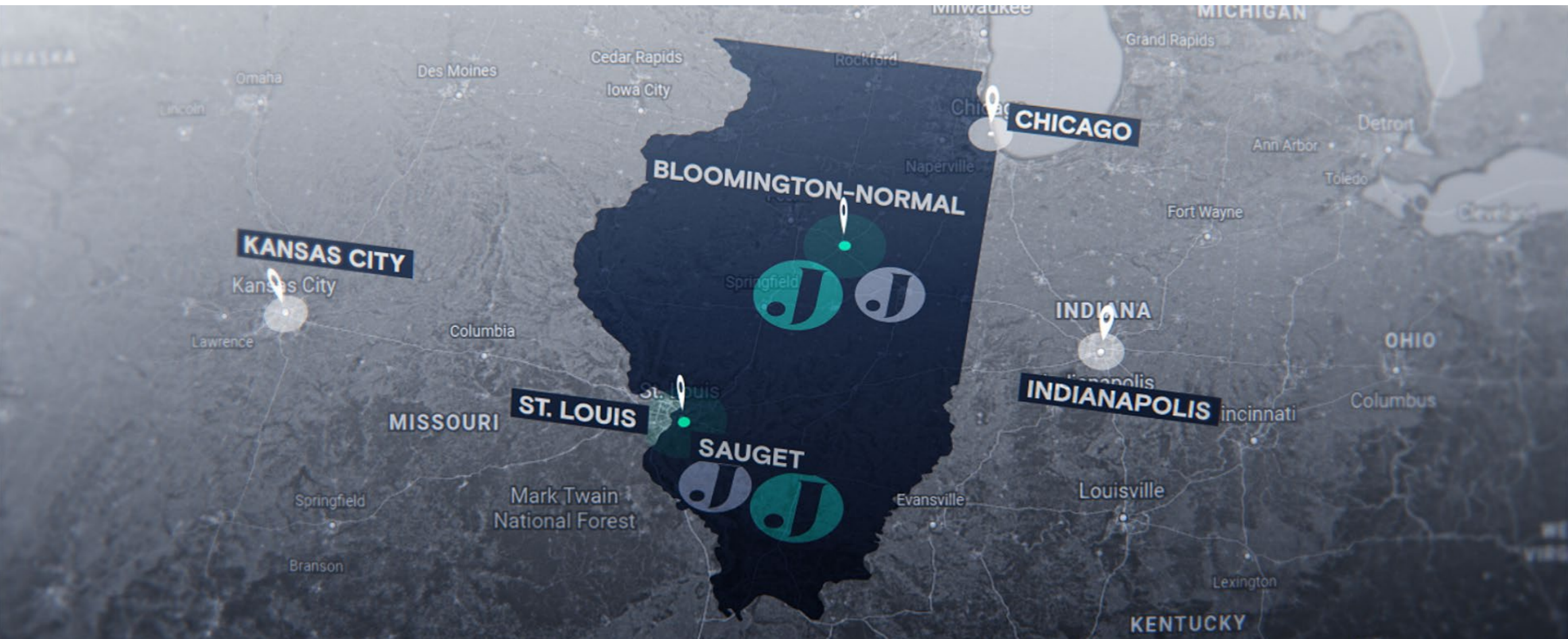
- Population: 12.7 million
- Commenced adult-use sales on Jan 1, 2020
  - Projected to reach \$2.5 billion in annual sales at market maturity
  - Adult-use sales in December were \$87 million
- 110 dispensary licenses; applications for an additional 75 licenses in process
- 21 grower processors licenses

## Jushi Assets

- 3 operational dispensaries
- 4<sup>th</sup> opening January 22, 2021



# Illinois Market



## Sauget <sup>(19)</sup>

- 2 operational dispensaries
- Local population: 2,200,000
- Top performing store in Jushi's network

## Bloomington-Normal

- 1 operational dispensary
- 2nd dispensary expected to open on January 22, 2021
- 36 miles away or 40-minute drive to nearest competitor

# Developing Markets



## Ohio Market



### Overview<sup>(20)</sup>

- Population: 11.7 million
- Early-stage medical

### Jushi Assets

- Broke ground on 8,000 sq. ft. CO2 extraction facility (targeting opening early 2021)
- Processing Capacity: 32,000 lbs. of biomass annually

## Nevada Market



### Overview<sup>(20)</sup>

- Population: 3.1 million
- Adult-use and medical

### Jushi Assets

- Yields 2,500 lbs. of high-quality dry flower annually
- Plans to combine two 7,500 sq. ft. buildings and scale operations

## California Market



### Overview<sup>(21)</sup>

- Largest U.S. cannabis market
- Limited license jurisdictions
- ~70% of counties don't allow cannabis businesses

### Jushi Assets

- Santa Barbara: 1 of 3
- Culver City: Selected applicant for store and delivery permit (1 of 3)
- Two dispensaries under pending agreements



## Driving Online Revenue Growth Through Best-In-Class Customer Experience

Online Sales Revenue

↑ 179%

May 2020 to Dec 2020

Conversion Rates

↑ 112%

April 2020 to Dec 2020

Website Traffic

↑ 244%

April 2020 to Dec 2020

New Daily Customers\*

615

December 2020 Average

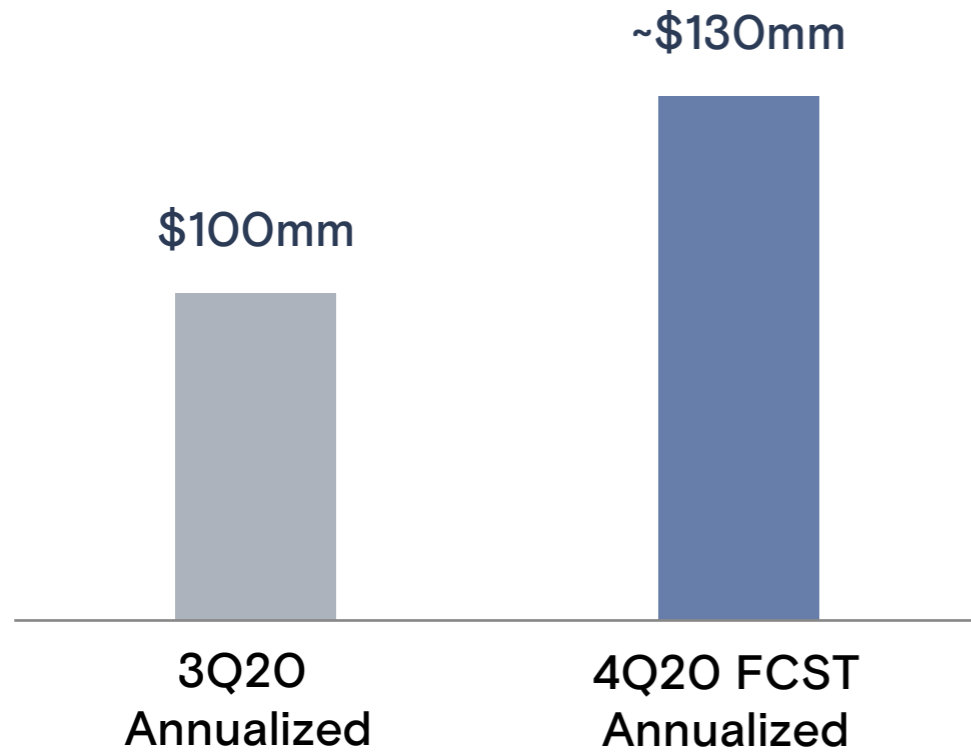
\* Reflects the average new daily e-commerce customers for December 2020



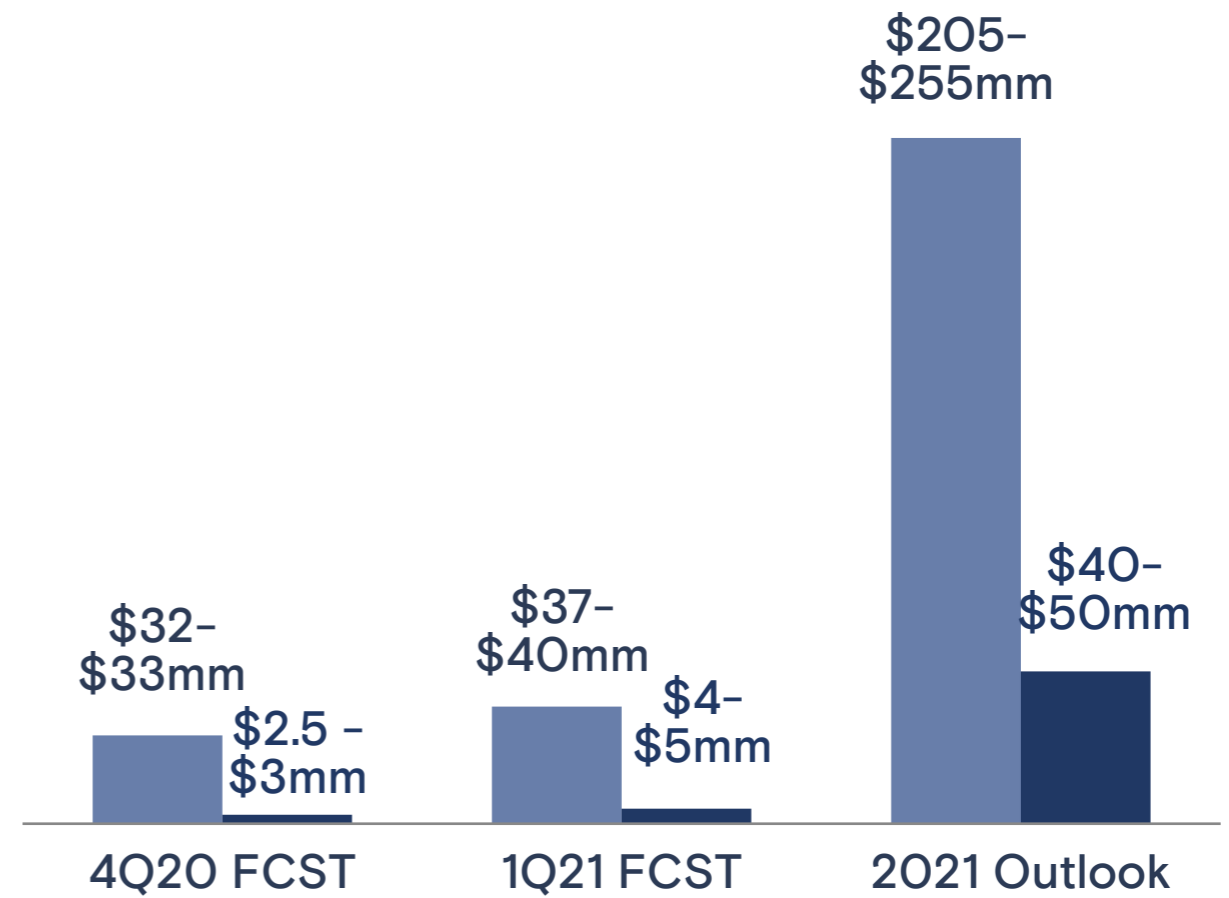
# Financial Performance & Outlook



## Strong Sequential Revenue Growth

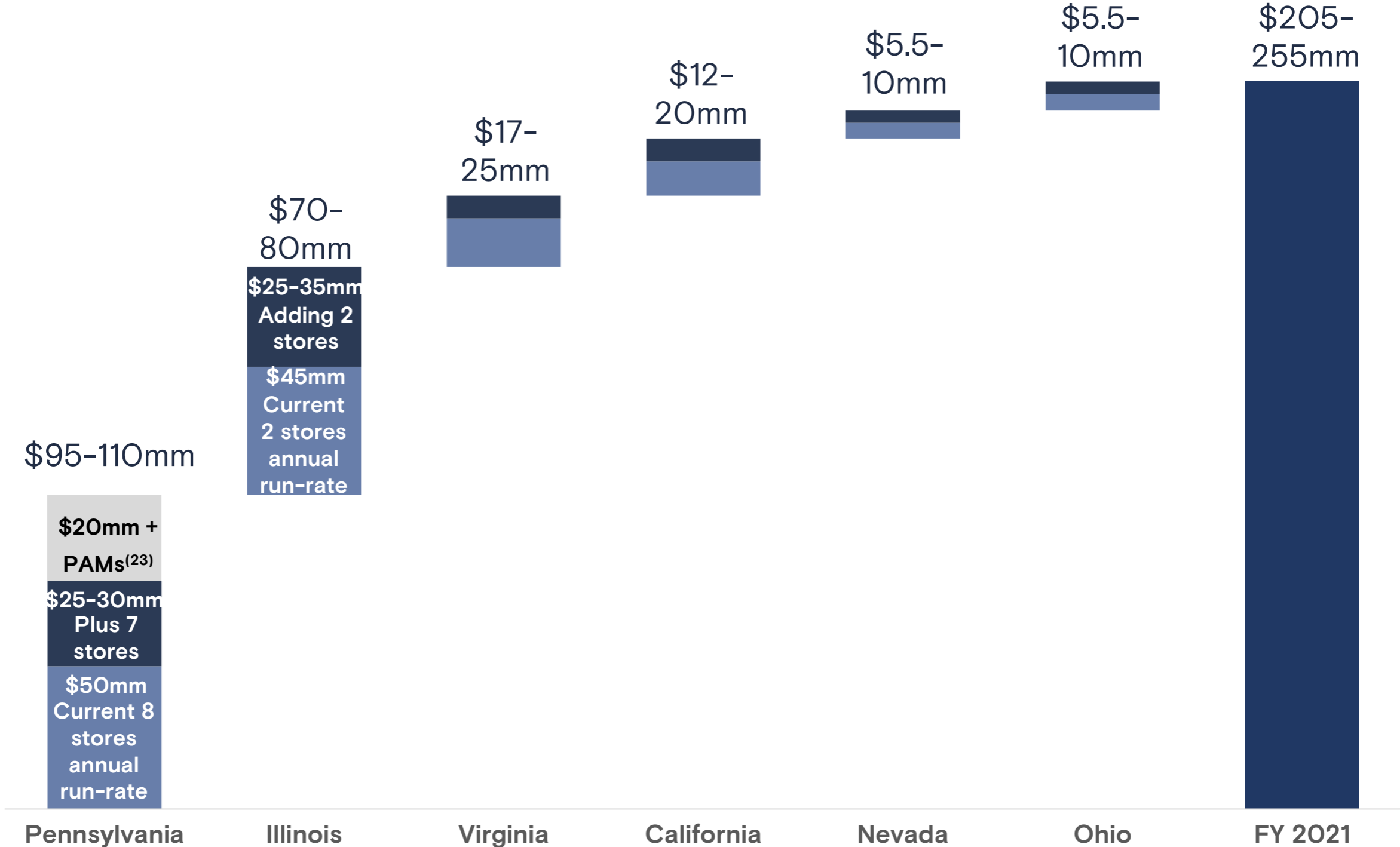


## Revenue and Adj EBITDA Outlook Estimates <sup>(22)</sup>





# Fiscal Year 2021 Revenue Outlook





# Share Count Analysis



| Share Price (USD)                      | \$5.00       | \$5.50       | \$6.00       | \$6.50       | \$7.00       | \$7.50       | \$8.00       |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Super Voting Shares (a)                | 14.9         | 14.9         | 14.9         | 14.9         | 14.9         | 14.9         | 14.9         |
| Multiple Voting Shares (a)             | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          |
| Subordinate Voting Shares              | 138.6        | 138.6        | 138.6        | 138.6        | 138.6        | 138.6        | 138.6        |
| <b>Total as-converted basic shares</b> | <b>157.5</b> | <b>157.5</b> | <b>157.5</b> | <b>157.5</b> | <b>157.5</b> | <b>157.5</b> | <b>157.5</b> |
| Cash Warrants (b)                      | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          |
| Cashless Warrants (c)                  | 53.6         | 55.0         | 56.3         | 57.3         | 58.2         | 58.9         | 59.6         |
| Stock Options (d)                      | 5.8          | 6.1          | 6.4          | 6.6          | 6.9          | 7.0          | 7.2          |
| <b>Fully Diluted Shares (TSM)</b>      | <b>225.9</b> | <b>227.7</b> | <b>229.2</b> | <b>230.5</b> | <b>231.6</b> | <b>232.5</b> | <b>233.4</b> |

- a) Super Voting Shares are consolidated 1:100 on balance sheet (149k shares total) and have 10 votes per as-converted share. Multi Voting Shares are unconsolidated and have 10 votes per as-converted share.
- b) Cash Warrants are shown on an in-the-money basis.
- c) Cashless Warrants are shown on a treasury stock method valuation (TSM).
- d) Stock Options shown on a TSM valuation.



# Liquidity Metrics



Pro Forma Cash <sup>(a)</sup>

\$121mm

Total Debt <sup>(b)</sup>

\$91mm

Market Capitalization (138.6mm SVS)<sup>(c)</sup>

~\$775mm

Market Capitalization (157.5mm SVS as converted) <sup>(d)</sup>

~\$885mm

Market Capitalization (246.8mm SVS as converted and fully diluted basis)<sup>(e)</sup>

~\$1,385mm

(a) Includes cash and marketable securities of \$91 million as of December 18, 2020, and \$29.6 million in proceeds from January equity offering

(b) As of December 31, 2020, excluding leases and property, plant and equipment financing obligations. Includes \$83 million in senior secured debt expiring January 2023 and \$8 million in seller notes (maturities ranging from July 2021 through August 2024)

(c) An approximate 138.6 million of subordinate voting shares x \$5.61 (Share price as of 1/8/21)

(d) An approximate 157.5 million of subordinate voting shares (as converted) x \$5.61 (Share price as of 1/8/21)

(e) An approximate 246.8 million of subordinate voting shares (as converted and fully diluted basis) x \$5.61 (Share price as of 1/8/21)





## Endnotes

- (1) Includes assets under Management Services Agreements and facilities to be opened
- (2) Includes Culver City and two locations under pending agreements
- (3) Pro forma cash and marketable securities as of December 18, 2020, to include \$29.6 million of net proceeds from January 2021 equity raise
- (4) Includes two dispensaries in Scranton Region operated by Pennsylvania Dispensary Solutions, LLC, which the Company acquired on December 18, 2020 and, subject to regulatory approval, is expected to be operating under the Beyond/Hello brand by the end of Q1 2021.
- (5) Includes 15 open retail locations as of 1/11/2021, and 15 planned openings and two locations under pending agreement
- (6) Includes assets under Management Services Agreements
- (7) <https://www.census.gov/quickfacts/VA>
- (8) <https://www.dhp.virginia.gov/pharmacy/PharmaceuticalProcessing/>
- (9) Virginia Board of Pharmacy rescinded the license for HSA I due to inactivity
- (10) <https://www.dhp.virginia.gov/pharmacy/PharmaceuticalProcessing/>, ESRI
- (11) <https://www.census.gov/quickfacts/PA>
- (12) <https://twitter.com/nowthisnews/status/1310575739264065537>
- (13) <https://www.health.pa.gov/topics/programs/Medical%20Marijuana/Pages/Dispensaries.aspx><https://www.health.pa.gov/topics/programs/Medical%20Marijuana/Pages/Growers-Processors.aspx>
- (14) <https://www.media.pa.gov/Pages/Health-Details.aspx?newsid=1194>
- (15) <https://www.census.gov/quickfacts/fact/table/IL/PST045219>
- (16) <https://www.idfpr.com/profs/adultusecan.asp>
- (17) <https://mjbizdaily.com/illinois-11th-state-to-legalize-adult-use-cannabis-2-billion-market-projected/>
- (18) <https://www.idfpr.com/Forms/AUC/2020%2012%2002%20IDFPR%20monthly%20adult%20use%20cannabis%20sales.pdf>
- (19) ESRI, US Census Bureau
- (20) <https://www.census.gov/quickfacts/fact/table/NV,OH/PST045219>
- (21) <https://www.latimes.com/opinion/op-ed/la-oe-grabstein-cannabis-retail-deserts-ban-marijuana-california-20190528-story.html>
- (22) Adjusted EBITDA is a non-IFRS financial measure. Please refer to, “Reconciliation of Non-IFRS Measures” of the Company’s Q3 MD&A for adjusted EBITDA calculations.
- (23) Wholesale revenue only. An additional \$15-25 million sold through Jushi’s BEYOND/HELLO dispensaries



INTRODUCING

# Jushi

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INVESTOR presentation  
version 02

## Contact Information

the future of cannabis and hemp

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## Risk Factors

An investment in the securities described herein is speculative and involves a number of risks that should be considered by a prospective investor. Prospective investors should carefully consider the risk factors described under “Risk Factors” in the Appendix at the end of this presentation and those contained in the Company’s Management Discussion & Analysis (“MD&A”) dated November 23, 2020 as filed on SEDAR, before investing in the Company and purchasing the securities described herein.

### UNCERTAINTY CAUSED BY NEW AND CHANGING REGULATORY FRAMEWORK

There is substantial uncertainty regarding federal, state and local regulation of both cannabis and hemp described more fully in the Risk Factors contained in the MD&A. Federal, state and local governments are developing new regulations and amending current regulations, of which some are subject to varying interpretations, under which the Company is and/or will operate. Accordingly, there is uncertainty as to the restrictions placed on the Company and the industry. If these uncertainties continue, they may have an adverse effect upon the introduction of the Company’s products in different markets.

### BANKING LIMITATIONS NEGATIVELY IMPACT BUSINESS IN THE CANNABIS INDUSTRY

The terms cannabis and marijuana are terms generally used to describe the products and derivatives of the cannabis plant. The use of those terms varies by federal, state and local regulators and in federal, state and local laws, rules, regulations and ordinances and can create confusion. The possession and use of cannabis for any purposes is illegal under federal law. Therefore, there is a strong argument that banks cannot, and they typically do not, accept for deposit funds from the drug trade and therefore cannot do business with businesses engaged in the production, sale or distribution of cannabis, as well as businesses that provide products and services to these businesses, despite the fact that the activities in which these businesses engage may be legal under applicable state law. While the Company currently has a banking relationship, there can be no assurances that the Company will be able to maintain this relationship. On February 14, 2014, FinCEN released guidance to banks clarifying BSA expectations for financial institutions seeking to provide services to cannabis-related businesses.” Even with the FinCEN guidance, however, there can be no guaranty that banks will decide to do business with businesses in the cannabis industry, or that, in the absence of actual legislation, state and federal banking regulators will not strictly enforce current prohibitions on banks handling funds generated from an activity that is illegal under federal law. The inability of businesses operating in the cannabis industry to open accounts and otherwise use the services of banks may make it difficult for such businesses to prosper and expand, which could have a significant and negative impact on such businesses and their operations and financial condition.

### SCIENTIFIC RESEARCH RELATED TO THE BENEFITS OF CANNABIS REMAINS IN EARLY STAGES IS SUBJECT TO A NUMBER OF IMPORTANT ASSUMPTIONS, AND MAY PROVE TO BE INACCURATE

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in early stages. To the Company’s knowledge, there have been relatively few double-blind placebo-controlled clinical trials on the benefits of cannabis or isolated cannabinoids. Any statements made in this Presentation concerning cannabis’s or cannabinoids’ potential medical benefits are based on published articles and reports. As a result, any statements made in this Presentation are subject to the experimental parameters, qualifications, assumptions and limitations in the studies that have been completed.

Although the Company believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support its beliefs regarding the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect or could raise concerns regarding and perceptions relating to cannabis. Given these risks, uncertainties and assumptions, prospective purchasers under investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Presentation or reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact the Company.

### TAXATION

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