

No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated October 9, 2020 to which it relates, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories and possessions, any state of the United States or the District of Columbia (the “United States”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Jushi Holdings Inc. at 1800 NW Corporate Boulevard, Boca Raton, Florida, USA 33431, telephone: (561) 418-7991, and are also available electronically at [www.sedar.com](http://www.sedar.com).

**PROSPECTUS SUPPLEMENT  
(TO A SHORT FORM BASE SHELF PROSPECTUS DATED OCTOBER 9, 2020)**

New Issue

February 11, 2021

**Jushi**

**JUSHI HOLDINGS INC.**

**C\$65,000,000**

**6,500,000 Subordinate Voting Shares**

This prospectus supplement (the “**Prospectus Supplement**”) of Jushi Holdings Inc. (the “**Company**” or “**Jushi**”), together with the short form base shelf prospectus dated October 9, 2020 to which it relates (the “**Prospectus**”), qualifies the distribution (the “**Offering**”) of 6,500,000 subordinate voting shares of the Company (the “**Initial SV Shares**”) at a price of C\$10.00 per share (the “**Offering Price**”). See “*Details of the Offering*” and “*Plan of Distribution*”.

The Offering is being made pursuant to an underwriting agreement dated February 10, 2021 (the “**Underwriting Agreement**”) among the Company and Canaccord Genuity Corp. (“**Canaccord Genuity**”), as sole bookrunner and Beacon Securities Limited (together with Canaccord Genuity, the “**Lead Underwriters**”), as co-lead underwriters, ATB Capital Markets Inc., Eight Capital, Echelon Wealth Partners Inc. and PI Financial Corp. (collectively with the Lead Underwriters, the “**Underwriters**”). The Underwriters, as principals, conditionally offer the Initial SV Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters by Stikeman Elliott LLP, on behalf of the Company, and DLA Piper (Canada) LLP, on behalf of the Underwriters. The Offering Price was determined by negotiation between the Company and the Underwriters. See “*Plan of Distribution*”.

**Price: C\$10.00 per Initial SV Share**

	<b><u>Price to the Public</u></b> <sup>(1)</sup>	<b><u>Underwriters’ Fee</u></b> <sup>(2)</sup>	<b><u>Net Proceeds</u></b> <sup>(3)</sup>
Per Initial SV Share	C\$10.00	C\$0.50	C\$9.50
Total Offering <sup>(4)</sup>	C\$65,000,000	C\$3,250,000	C\$61,750,000

Notes:

- (1) The Offering Price was determined by agreement between the Company and the Underwriters with reference to the prevailing market price of the subordinate voting shares of the Company (“**Subordinate Voting Shares**”).

- (2) The Company has agreed to pay the Underwriters a cash fee equal to 5.0% (the “**Underwriters’ Fee**”) of the gross proceeds of the Offering (including any gross proceeds of the Over-Allotment Option). See “*Plan of Distribution*”.
- (3) After deducting the Underwriters’ Fee, but before deducting the expenses of the Offering (estimated to be approximately C\$195,000) payable by the Company, which will be paid from the proceeds of the Offering.
- (4) The Underwriters agreed to originally purchase 6,500,000 Initial SV Shares and, in addition, the Company has granted the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time until the date that is 30 days following the Closing Date (as defined herein), to purchase up to an additional amount of Initial SV Shares equal to 15% of the Initial SV Shares sold pursuant to the Offering, being 975,000 Subordinate Voting Shares (the “**Additional SV Shares**” and, together with the Initial SV Shares, the “**Offered SV Shares**”) at a price of C\$10.00 per Additional SV Share, solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, using the same assumptions as are set forth in notes (2) and (3) above, the price to the public, the Underwriters’ Fee and the net proceeds to the Company will be C\$74,750,000, C\$3,737,500 and C\$71,012,500, respectively. A purchaser who acquires Additional SV Shares forming part of the Underwriters’ over-allocation position acquires those Additional SV Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purposes. See “*Plan of Distribution*”.

<u>Underwriters’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	975,000 Additional SV Shares	Up to the 30 <sup>th</sup> day following the Closing Date	C\$10.00 per Additional SV Share

**The Underwriters propose to offer the Initial SV Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Initial SV Shares at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Initial SV Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company. See “*Plan of Distribution*”.**

The outstanding Subordinate Voting Shares are listed and posted for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**JUSH**” and quoted on the OTCQB under the symbol “**JUSHF**”. On February 9, 2021, being the last trading day completed prior to the announcement of the Offering, the closing price of the Subordinate Voting Shares on the CSE was C\$10.91 and the closing price of the Subordinate Voting Shares on the OTCQB was \$8.60. On February 10, 2021, being the last trading day completed prior to the filing of this Prospectus, the closing price of the Subordinate Voting Shares on the CSE was C\$10.50 and the closing price of the Subordinate Voting Shares on the OTCQB was \$8.25. See “*Plan of Distribution*”.

**An investment in the Offered SV Shares is speculative and involves a high degree of risk. The risk factors identified in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein should be carefully reviewed and evaluated before purchasing the Offered SV Shares. See “*Risk Factors*” in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein.**

Subscriptions for the Offered SV Shares will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February 12, 2021, or such other date as may be agreed upon by the Company and the Underwriters (the “**Closing Date**”). See “*Plan of Distribution*”.

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market of Offered SV Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time and must be brought to an end after a limited period. See “*Plan of Distribution*”.

The Offered SV Shares will be deposited on the Closing Date with CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee in electronic form, except in certain limited circumstances. A purchaser of Offered SV Shares, including purchasers of Offered SV Shares in the United States who are “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act (each a “**Qualified Institutional Buyer**”), will receive only a customer confirmation from the registered dealer from or through whom such securities are purchased and who is a CDS participant. No certificates evidencing the Offered SV Shares will be issued to investors except in limited circumstances. See “*Non-Certificated Inventory System*”.

The Company has three classes of issued and outstanding shares: Subordinate Voting Shares, multiple voting shares (“**Multiple Voting Shares**”) and super voting shares (the “**Super Voting Shares**”). The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Subordinate Voting Shares, the Multiple Voting Shares and the Super Voting Shares are substantially identical with the exception of the multiple voting rights and conversion rights attached to the Multiple Voting Shares and Super Voting Shares. The Subordinate Voting Shares entitle the holders to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company have the right to vote. Each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share, each Multiple Voting Share is entitled to 10 votes per Multiple Voting Share and each Super Voting Shares is entitled to 1,000 votes per Super Voting Share on all matters upon which the holders of shares are entitled to vote, and holders of Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares will vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law or provided by the Company’s articles. The Multiple Voting Shares are convertible into Subordinate Voting Shares at a ratio of one Subordinate Voting Shares for every one Multiple Voting Share at any time, subject to certain restrictions, at the option of the holders thereof and automatically in certain other circumstances. The Super Voting Shares are convertible into Subordinate Voting Shares at a ratio of 100 Subordinate Voting Shares for every one Super Voting Share at any time, subject to certain restrictions, at the option of the holders thereof and automatically in certain other circumstances. The holders of Subordinate Voting Shares benefit from contractual provisions that give them certain rights in the event of a take-over bid for the Multiple Voting Shares or Super Voting Shares. See “*Description of Securities – Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares – Take-Over Bid Protection*” in the Prospectus.

The directors and certain officers of the Company, all of whom reside outside of Canada, have appointed 152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9 as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada, even if the party has appointed an agent for service of process.

**No Canadian securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus Supplement or the Prospectus or determined if this Prospectus Supplement or the Prospectus are truthful or complete. Any representation to the contrary is an offence.**

The Company’s head office is located at 1800 NW Corporate Boulevard, Boca Raton, Florida 33431, and the Company’s registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8.

The Company derives a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law and enforcement of relevant laws is a significant risk. The Company is directly involved (through its licensed subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. Currently, its subsidiaries and managed entities are directly or indirectly engaged in the manufacture, possession, use, sale, distribution or branding of cannabis and/or hold licenses in the adult use and/or medicinal cannabis marketplace in the states of Nevada, Illinois, Pennsylvania, Ohio, Virginia and California and have filed applications for licenses to engage in the manufacture, possession, use, sale, distribution or branding of cannabis in the adult use and/or medicinal cannabis marketplace in the states of California, Illinois and New Jersey. Currently, its subsidiaries and managed entities are directly or indirectly engaged in the manufacture, possession, use, sale, distribution or branding of hemp in the United States.

The United States federal government regulates drugs through the *Controlled Substances Act* (21 U.S.C. § 811) (the “CSA”), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration (“FDA”) has not approved marijuana as a safe and effective drug for any indication.

In the United States, marijuana is largely regulated at the state level. State laws regulating cannabis are in direct conflict with the federal CSA, which makes cannabis use and possession federally illegal. Although certain states authorize medical and/or adult use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice (“DOJ”) specific to cannabis enforcement in the United States, including the Cole Memo (as defined herein). With the Cole Memo rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law, subject to budgetary constraints. On November 7, 2018, Mr. Sessions tendered his resignation as Attorney General at the request of President Donald Trump. Following Mr. Sessions’ resignation, Matthew Whitaker began serving as Acting United States Attorney General, until February 14, 2019, when William Barr was appointed as the United States Attorney General. Mr. Barr is a former Attorney General under George H.W. Bush, with an anti-drug stance during his tenure. During his Senate confirmation hearing, Mr. Barr stated that he disagrees with efforts by States to legalize marijuana, but will not go after marijuana companies in States that legalized it under Obama administration policies. He stated further that he would not upset settled expectations that have arisen as a result of the Cole Memo. In June 2020, a federal prosecutor accused Mr. Barr of ordering “politically motivated” antitrust reviews of 10 marijuana business mergers, allegedly because he personally did not support their underlying business in the marijuana industry. At least one of those investigations allegedly resulted in the collapse of a proposed merger between two large cannabis businesses. If true, Mr. Barr’s actions may reflect a hostility to the cannabis industry and further adverse actions could be taken. It is unclear what further impact, if any, Mr. Barr’s appointment will have on U.S. federal government enforcement policy on marijuana. Mr. Barr resigned as Attorney General effective December 23, 2020. President Joseph Biden has nominated Merrick Garland to succeed Mr. Barr as the U.S. Attorney General. It is unclear what impact, if any, the new administration will have on U.S. federal government enforcement policy on cannabis. If the DOJ policy shifts to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys follow such policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis. Additionally, as has recently been affirmed by U.S. Customs and Border Protection, employees, directors, officers, managers and investors of the Company who are not U.S. citizens face the risk of being barred from entry into the United States for life.

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress (“Congress”) amends the CSA with respect to medical

and/or adult use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that U.S. federal authorities may enforce current U.S. federal law. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed the Company's results of operations, financial condition and prospects would be materially adversely affected. See "*Risk Factors – Risks Related to the Regulatory Environment – U.S. federal law and enforcement pertaining to cannabis and hemp*" in the Company's annual information form dated June 1, 2020 (the "AIF"), incorporated by reference herein, for additional information on this risk.

In light of the political and regulatory uncertainty surrounding the treatment of U.S. cannabis-related activities, including the rescission of the Cole Memo discussed above, on February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* ("Staff Notice 51-352") setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry. See "*Regulatory Framework*" in the Prospectus and the AIF.

The Company's involvement in the U.S. cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate in the U.S. or any other jurisdiction. There are a number of risks associated with the business of the Company. See, without limitation, "*Risk Factors – Risks Related to the Regulatory Environment – U.S. federal law and enforcement pertaining to cannabis and hemp*", "*Risk Factors – Risks Related to the Regulatory Environment – Difficulty in accessing services of banks and/or other financial institutions*", "*Risk Factors – Risks Related to the Regulatory Environment – Risks related to heightened scrutiny by regulatory authorities*" and "*Risk Factors – Risks Related to the Company's Business and Industry – U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with, cannabis operations in the U.S.*" in the AIF, incorporated by reference herein.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offering and also adds to and updates information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Offering. If the information varies between this Prospectus Supplement and the Prospectus, the information in this Prospectus Supplement supersedes the information in the accompanying Prospectus.

**No person is authorized by the Company to provide any information or to make any representation other than as contained in this Prospectus Supplement or the Prospectus in connection with the issue and sale of the Offered SV Shares hereunder.** Investors should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the Prospectus in connection with the purchase of the Offered SV Shares. Information in this Prospectus Supplement updates and modifies the information in the accompanying Prospectus and information incorporated by reference therein. Investors should assume that the information appearing in this Prospectus Supplement and the Prospectus is accurate only as of the date on the front of such documents and that information contained in any document incorporated by reference is accurate only as of the date of that document unless specified otherwise. The Company's business, financial condition, financial performance and prospects may have changed since those dates.

The address of the Company's website is [www.jushico.com](http://www.jushico.com). Information contained on the Company's website does not form part of this Prospectus Supplement or the Prospectus nor is it incorporated by reference herein or therein. Investors should rely only on information contained or incorporated by reference in this Prospectus Supplement and the Prospectus.

Unless otherwise noted or the context indicates otherwise, the "Company", "Jushi", "we", "us" and "our" refer to Jushi Holdings Inc. and its subsidiaries.

Unless otherwise indicated, information contained or incorporated by reference in this Prospectus Supplement and the Prospectus concerning the Company's industry and the markets in which it operates or seeks to operate is based on information from third party sources, industry reports and publications, websites and other publicly available information, and management studies and estimates. Unless otherwise indicated, the Company's estimates are derived from publicly available information released by third party sources as well as data from the Company's own internal research, and include assumptions which the Company believes to be reasonable based on management's knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and the Company has not independently verified any third-party information. While the Company believes that such third-party information to be generally reliable, such information and estimates are inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance or the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this Prospectus Supplement, the Prospectus and the documents incorporated by reference therein.

This Prospectus Supplement, the Prospectus and the documents incorporated therein by reference include references to the Company's trademarks, including, without limitation, Jushi®, which is protected under applicable intellectual property laws and are the Company's property. The Company's trademarks and trade names referred to in this Prospectus Supplement, the Prospectus and the documents incorporated therein by reference may appear without the ® or ™ symbol, but references to the Company's trademarks and trade names in the absence of such symbols are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks and trade names used in this Prospectus Supplement, the Prospectus or in documents incorporated therein by reference are the property of their respective owners.

The financial statements of the Company incorporated by reference in this Prospectus Supplement and the Prospectus are reported in United States dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Certain calculations included in tables and other figures in this Prospectus Supplement, the Prospectus and the documents incorporated by reference therein may have been rounded for clarity of presentation.



Unless the context otherwise requires, all references to “\$”, “US\$” and “dollars” mean references to the lawful money of the United States. All references to “C\$” refer to Canadian dollars. On February 10, 2021, the Bank of Canada daily average rate of exchange was \$1.00 = C\$1.2689 or C\$1.00 = \$0.7881.

## MARKETING MATERIALS

Any “template” version of any “marketing materials” (as such terms are defined under applicable Canadian securities laws) that are prepared in connection with the Offering are not part of this Prospectus Supplement and the Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus Supplement or the Prospectus. Any template version of any marketing materials that has been, or will be, filed on the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com) in connection with the Offering after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus solely for the purposes of the Offering.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus Supplement, the Prospectus and the documents incorporated by reference therein contain certain “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian and United States securities legislation (collectively, “**forward-looking information**”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Such information can be identified by the use of forward-looking terminology such as “expect”, “likely”, “may”, “will”, “should”, “intend”, or “anticipate”, “potential”, “proposed”, “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking information include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking information are made as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of each such document. Forward-looking information in this Prospectus Supplement, the Prospectus or the documents incorporated by reference herein and therein include, but are not limited to, statements with respect to:

- the business and future activities of, and developments related to, the Company after the date hereof, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company’s business, operations and plans, including new revenue streams;
- the completion and integration of contemplated acquisitions by the Company or other possible acquisitions or dispositions (directly or indirectly) of businesses or assets which may or may not be material and/or investment opportunities;
- the continued performance of existing operations;
- the anticipated opening of additional dispensaries, subject to licensing approval;
- the expansion and optimization of certain of the Company’s grower-processor facilities, subject to licensing approval;
- the anticipated opening of new facilities, subject to licensing approval;
- the application for additional licenses and the grant of licenses that have been applied for;
- the renewal of licenses held by the Company;
- limitations on the ownership of licenses;
- the expansion or construction of certain facilities;
- expansion into additional United States, Canadian and/or international markets;
- any potential future legalization of adult use and/or medical marijuana under United States federal law;
- the regulatory regime in the states and markets in which the Company has operations or plans to acquire or develop operations;
- expectations of market size and growth in the United States and the states in which the Company operates;
- the impact of the novel coronavirus disease (“**COVID-19**”) on the Company’s business;
- additional funding requirements;
- the payment of dividends;

- expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally;
- the proposed acquisition of facilities and properties in Virginia, the planned build-out of the Company's Virginia facility and the effects thereof; and
- other events or conditions that may occur in the future.

Company shareholders and other readers are cautioned that the forward-looking information contained in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein by reference is based on the assumptions and estimates of management of the Company at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company's forward-looking information is expressly qualified in its entirety by this cautionary statement.

A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking information. See "*Risk Factors*" in this Prospectus Supplement, the Prospectus and in the AIF for further details. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. In formulating the forward-looking information contained herein, the Company has assumed, without limitation, receipt of requisite regulatory approvals on a timely basis, receipt and/or maintenance of required licenses and third-party consents in a timely manner, successful integration of the Company's and its subsidiaries' operations, and no unplanned materially adverse changes to its facilities, assets, customer base and the economic conditions affecting the Company's current and proposed operations. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. In addition, the Company has assumed that there will be no material adverse change to the current regulatory landscape affecting the cannabis and hemp industries and has also assumed that the Company will remain compliant in the future with all laws, regulations and rules imposed upon it by law.

There can be no assurance that such forward-looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided and made as of the date of this Prospectus Supplement, the Prospectus or the applicable documents incorporated herein and therein by reference, as applicable, and the Company does not undertake any obligation to revise or update any forward-looking information or statements other than as required by applicable law.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference into this Prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Jushi Holdings Inc. at 1800 NW Corporate Boulevard, Boca Raton, Florida 33431, telephone: (561) 418-7991, and are also available electronically at [www.sedar.com](http://www.sedar.com).

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of this Offering. Other documents are also incorporated or are deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof.

As of the date of this Prospectus Supplement, the following documents, filed by the Company with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the Prospectus as of the date of this Prospectus Supplement:

- a) the AIF;
- b) the audited consolidated financial statements as at and for the year ended December 31, 2019 and for the period from January 23, 2018 through December 31, 2018;
- c) the management's discussion and analysis for the year ended December 31, 2019;

- d) the condensed unaudited interim consolidated financial statements as at September 30, 2020 and for the three and nine month periods then ended (the “**Interim Financial Statements**”);
- e) the management’s discussion and analysis for the three and nine month periods ended September 30, 2020;
- f) the management information circular dated May 4, 2020;
- g) the material change report dated January 31, 2020, regarding Jushi Inc, a wholly-owned subsidiary of the Company, becoming the majority owner of two Illinois medical cannabis dispensaries;
- h) the material change report dated February 3, 2020, regarding the upsizing of the Company’s previously announced debt financing;
- i) the material change report dated June 22, 2020 regarding the definitive binding agreement to purchase a grower-processor in Pennsylvania;
- j) the material change report dated July 30, 2020 regarding the upsizing and closing of the Company’s previously announced debt financing;
- k) the material change report dated August 11, 2020 regarding the closing of the Company’s acquisition of a grower-processor in Pennsylvania;
- l) the material change report dated October 23, 2020 regarding the closing on October 23, 2020 of an underwritten overnight marketed offering of 11,500,000 Subordinate Voting Shares (including the exercise of the applicable over-allotment option) at a price of C\$3.55 per Subordinate Voting Share by the Company (the “**October Offering**”);
- m) the material change report dated January 7, 2021 regarding the closing on January 7, 2021 of an underwritten overnight marketed offering of 6,210,000 Subordinate Voting Shares (including the exercise of the applicable over-allotment option) at a price of C\$6.50 per Subordinate Voting Share by the Company (the “**January Offering**”); and
- n) the “template version” (as defined under applicable Canadian securities laws) of the term sheet for the Offering dated February 10, 2021.

Any documents of the type required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements (in each case, including any applicable exhibits containing updated earnings coverage information) and the independent auditor’s report thereon, management’s discussion and analysis and information circulars of the Company filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein.

Any statement contained in this Prospectus Supplement, the Prospectus or any document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus for the purposes of the Offering shall be deemed to be modified or superseded for purposes of this Prospectus Supplement and the Prospectus to the extent that a statement contained in this Prospectus Supplement, the Prospectus or any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus Supplement or the Prospectus, except as so modified or superseded. References to our website in any documents that are incorporated by reference into this Prospectus Supplement and the Prospectus do not incorporate by reference the information on such website into this Prospectus Supplement or the Prospectus, and we disclaim any such incorporation by reference.

## **DESCRIPTION OF THE BUSINESS**

The Company is a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and/or processing operations in both medical and adult-use markets. The Company and its management team are focused on

building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license jurisdictions. The Company has targeted assets in highly populated, limited licensed medical markets with a trajectory toward adult-use legalization, such as Pennsylvania, Virginia, and Ohio, and limited license, fast-growing, large adult-use markets, such as Illinois, California, and Nevada.

As of September 30, 2020, the date of the Company's most recently filed financial statements, 100% the Company's business was directly derived from U.S. cannabis-related activities. As such, the Company's balance sheet and operating statement exposure to U.S. cannabis related activities is 100%.

The Company's head office is located at 1800 NW Corporate Boulevard, Boca Raton, Florida 33431, and its registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8. Additional information about our business is included in the documents incorporated by reference into this Prospectus.

## **Strategy**

The Company's business strategy is to evaluate each market opportunity pursuant to the relevant local competitive and regulatory landscape, supply/demand dynamics, and growth potential. The Company evaluates the economic viability of each opportunity before making capital allocation decisions and may decide to participate in one or more facets of the supply chain based on the dynamics mentioned above. In certain markets, the Company may seek to apply a capital-light or retail-focused strategy, especially where cultivation may become further commoditized in future years. In early stage, vertical limited license markets, the Company may seek to buy controlling interests despite the high level of capital intensity required, given the significant market opportunity. In other markets, the Company may seek a more balanced capital allocation approach where it may acquire a grower-processor and/or additional retail dispensaries in a market where it currently operates. By establishing a strong platform and retail-brand recognition in markets that have the greatest growth potential, the Company expects to be well-positioned to have a first-mover advantage for future growth in adult-use cannabis once it is further legalized.

## **Growth**

The Company is focused on expanding its retail presence in current markets, while pursuing acquisition opportunities across the supply chain in limited license markets that complement the Company's existing portfolio. The Company's financial capacity allows it to operate from a position of strength and it is expected that such financial capacity will help the Company emerge as an even stronger player in this distressed industry. The Company plans to implement its growth strategy by expanding its presence in current markets, targeting acquisition opportunities in limited license jurisdictions, and applying for de novo licenses.

## **Current Operations**

As of the date of this Prospectus Supplement, the Company operates ten medical cannabis dispensaries in the Commonwealth of Pennsylvania, located in or around the cities of Ardmore, Bethlehem, Bristol, Johnstown, Philadelphia (two locations), Reading, Scranton (two locations), and West Chester.

As of the date of this Prospectus Supplement, the Company operates four adult use (with two co-located medical) cannabis dispensaries in the State of Illinois, located in or around the cities of Sauget, Normal and Bloomington. All four dispensaries are operated under the Company's "Beyond/Hello" brand.

As of the date of this Prospectus Supplement, the Company operates one medical cannabis dispensary in the Commonwealth of Virginia, located in the city of Manassas. The dispensary is operated under the Company's "Beyond/Hello" brand. The Company is permitted to open five additional dispensaries in the Commonwealth of Virginia.

As of the date of this Prospectus Supplement, the Company operates one medical and adult use cannabis dispensary in the State of California located in the City of Santa Barbara. The dispensary is operated under the Company's "Beyond/Hello" brand.

The Company also operates a cannabidiol retail store at the Dent Neurologic Institute in Amherst, New York, where it sells its physician formulated industrial hemp-derived products under its "Nira" brand. Given that "Nira" branded

products are derived from industrial hemp, they may be sold legally under U.S. federal law pursuant to the Farm Bill. In addition, “Nira” branded products are sold throughout the U.S. in premier retailers and pharmacies as well as through a small number of third-party vendors who buy the products from a subsidiary of the Issuer at wholesale prices. The Company utilizes third party manufacturers who produce the “Nira” products on behalf of the Company.

### **Recent Developments**

On July 24, 2020, the Company acquired GSG SBCA, Inc., a licensed Santa Barbara, CA dispensary, which commenced retail operations on October 14, 2020.

On November 19, 2020, Dalitso LLC (“**Dalitso**”), the Company’s Virginia-based pharmaceutical processor permit holder, announced it had commenced operations at its cultivation, manufacturing, processing and retail facility in Manassas, Virginia (the “**Manassas Facility**”).

In November and December 2020 the Company closed a series of transactions pursuant to which the Company acquired all the remaining equity interests of Dalitso, the Company’s Virginia pharmaceutical processor permit holder. The Company now owns 100% of the issued and outstanding equity interests of Dalitso.

On November 24, 2020 the Company exercised its right to accelerate the expiration of certain outstanding warrants issued to participants in the Company’s previously announced private placement offering that closed in April 2018 and June 2018. Pursuant to the exercise of the Company’s acceleration right, the holders of the warrants had thirty (30) days from November 24, 2020 to exercise their warrants. Each warrant entitled the holder to purchase one Subordinate Voting Share at an exercise price of US\$2.00 per share, subject to adjustment in certain events. In connection with the acceleration of the applicable warrants, the Company issued approximately 16 million additional Subordinate Voting Shares and received cash proceeds of approximately US\$32 million.

On December 1, 2020, the Company listed for trading on the Canadian Securities Exchange \$76,352,000 of 10% senior secured notes due January 15, 2023. The publicly traded senior secured notes were issued to certain existing holders of the Company’s existing 10% senior secured notes due January 15, 2023 who elected to exchange their then-outstanding non-listed existing senior secured notes for the new publicly traded senior secured notes in the same principal amount. Other existing holders of the Company’s non-listed 10% senior secured notes due January 15, 2023, representing an aggregate principal amount of \$6,975,000, elected to retain their non-listed senior secured notes.

On December 1, 2020 the Company commenced medical marijuana dispensary sales at the Manassas Facility, its first retail location in the State of Virginia.

On December 7, 2020, the Company entered into a definitive agreement to acquire approximately 78% of the equity of a retail license holder located in Grover Beach, California with the rights to acquire the remaining equity in the future. The closing of such acquisition is subject to, among other things, state and local regulatory approvals.

On December 18, 2020, the Company closed on the purchase of Pennsylvania Dispensary Solutions, LLC (“**PADS**”) from Vireo Health, Inc. PADS is a Pennsylvania medical marijuana dispensary permit holder with two dispensaries operating in Bethlehem and Scranton (that had been operating under the “Green Goods” name while the Company awaited regulatory approval to transition those dispensaries to the Company’s “Beyond/Hello” brand), and a third under development in Stroud Township. The Company received regulatory approval to operate the Bethlehem and Scranton dispensaries under the Company’s “Beyond/Hello” brand around January 11, 2021.

On December 22, 2020, the Company opened its second retail location in Sauget, Illinois.

On December 24, 2020 the Company exercised its right to accelerate the expiration of certain outstanding warrants issued to participants in the Company’s previously announced private placement offering that closed in March 2019. Pursuant to the exercise of the Company’s acceleration right, holders of the warrants had thirty (30) days from December 24, 2020 to exercise their warrants. Each warrant entitled the holder to purchase one Subordinate Voting Share in the capital of the Company at an exercise price of US\$3.00 per share, subject to adjustment in certain events. In connection with the acceleration of the applicable warrants, the Company issued approximately 3.7 million additional Subordinate Voting Shares upon the exercise of that number of warrants and received cash proceeds of approximately US\$11 million.

On January 14, 2021, the Company entered into a definitive agreement to acquire 100% of the equity of Organic Solutions of the Desert, LLC, an operating dispensary located in Palm Springs, California. The closing of such acquisition is subject to, among other things, state and local regulatory approvals.

On January 25, 2021, the Company acquired all the remaining outstanding shares of Agape Total Health Care Inc. (“**Agape**”), a Pennsylvania dispensary permittee. The Company now owns 100% of the issued and outstanding shares of Agape.

On January 26, 2021, the Company opened a retail location in Bloomington, Illinois, the Company’s fourth retail location in the State of Illinois.

In connection with the January Offering, on January 31, 2021, the Company redeemed US\$4.934 million of principal outstanding under the Company’s 10% Notes due January 15, 2023 (as defined below) pursuant to the terms set forth therein.

On February 9, 2021, Max Cohen resigned as a director of the Company.

**For certain other details about the Company’s business, please refer to the AIF and other documents incorporated by reference in this Prospectus Supplement and the Prospectus that are available on SEDAR at [www.sedar.com](http://www.sedar.com).**

#### USE OF PROCEEDS

The net proceeds from the Offering, assuming that the Over-Allotment Option is not exercised and after payment of the estimated expenses of the Offering and the Underwriters’ Fee, are estimated to be C\$61,555,000. If the Over-Allotment Option is exercised in full, then the net proceeds to the Company, after payment of the estimated expenses of the Offering and the Underwriters’ Fee, are estimated to be C\$70,817,500.

The Company intends to use the net proceeds of the Offering for potential strategic transactions, which may include the acquisition of the 93,000 square foot facility in Prince William County, Virginia operated by the Company’s wholly-owned subsidiary and properties adjacent to the facility, and to pursue other strategic acquisitions and business expansion opportunities as well as for general corporate purposes. It is anticipated that the purchase price of the facility and adjacent properties will be approximately US\$20 million. Subject to regulatory approvals, the acquisition, together with the planned build-out of the facility, will enable the Company to efficiently produce a consistent supply of medical products as patient access improves and as the medical program matures and expands. In addition, the Company intends to use up to one third of the net proceeds from the Offering to redeem (the “**Notes Redemption**”) a portion of the Company’s 10% senior secured notes due January 15, 2023 (the “**10% Notes due January 15, 2023**”) pursuant to the mandatory redemption provisions of such notes, subject in each case to a holder of such notes waiving their right to have their notes so redeemed (the “**Redemption Waivers**”). The proceeds of the 10% Notes due January 15, 2023 were used principally for working capital and general corporate purposes.

As the Company is in preliminary talks with respect to the Virginia real estate acquisitions described above, it has entered into certain, but not all, associated definitive agreements with respect to same, and has not yet sought regulatory approvals necessary to complete the planned build-out, no assurances can be given that such acquisitions will be completed or that such acquisitions will be completed on the terms described above.

Pursuant to Section 6.4(2) of National Instrument 41-101F1 – *Information Required in a Prospectus*, the Company makes the following disclosures with respect to certain holders of the 10% Notes due January 15, 2023:

Name	Relationship to the Company	Outstanding Amount Owed (Directly and/or Beneficially)
Kimberly Bambach	Chief Financial Officer	\$100,000
Benjamin Cross	Director	\$200,000

Upon completion of the Offering, as at September 30, 2020, without giving effect to exercise of the Over-Allotment Option and assuming no holders of the 10% Notes due January 15, 2023 waive their redemption right in connection

with the Notes Redemption, the Company expects to have approximately C\$41,241,850 available to it to spend for the purposes of capital expenditures, opportunistic acquisitions and for general corporate purposes (after the deduction of the Underwriters Fee and estimated expenses of the Offering of C\$195,000). The use of the net proceeds is consistent with the Company's business objective of reducing the Company's financing costs while maintaining its financial liquidity.

If the Over-Allotment Option is exercised, any additional net proceeds will be allocated to general corporate purposes, including working capital or business development, as well as for the Notes Redemption, subject to the Redemption Waivers.

While the Company currently anticipates that it will use the net proceeds of the Offering as set forth above, subject to the Company's obligations in connection with the Notes Redemption, the Company may re-allocate the net proceeds of the Offering from time to time, giving consideration to its strategy relative to the market, development and changes in the cannabis and hemp industries and regulatory landscape, as well as other conditions relevant at the applicable time. Consistent with the high level of activity in the sector, the Company has discussed various potential strategic transactions. At the present time, there is insufficient information to provide with respect to potential transactions. The Company intends to continue to monitor industry developments and may have further discussions in respect of strategic transactions in the future, but the Company can offer no assurance that any transaction would result from any such future discussions. Until utilized, some or all of the net proceeds of the Offering may be held in cash balances in the Company's bank account or invested at the discretion of the Board of Directors of the Company, in short-term, high quality, interest bearing corporate, government-issued or government-guaranteed securities. Subject to the Company's obligations in connection with the Notes Redemption, management will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. See "Risk Factors" in this Prospectus Supplement, the Prospectus and the AIF.

### CONSOLIDATED CAPITALIZATION

The following table sets forth the Company's consolidated capitalization as of September 30, 2020 on an actual basis prior to the Offering, after giving effect to the Offering (assuming no exercise of the Over-Allotment Option) and after giving effect to the Offering (assuming the exercise of the Over-Allotment Option in full). The following table is based on the condensed unaudited interim consolidated statements of financial position of the Company as at September 30, 2020 and should be read in conjunction with the Interim Financial Statements and other information included in the documents incorporated by reference in this Prospectus Supplement and the Prospectus.

(tabular amounts in US \$, except for share amounts)	As at September 30, 2020 before giving effect to the Offering	As at September 30, 2020 after giving effect to the Offering (assuming no exercise of the Over- Allotment Option) <sup>(1)</sup>	As at September 30, 2020 after giving effect to the Offering (assuming the Over- Allotment Option is exercised in full) <sup>(1)</sup>
<b><u>Cash:</u></b> <sup>(9)</sup>	\$35,767,000	\$84,161,541	\$91,443,719
<b><u>Debt:</u></b> <sup>(2)</sup>			
Acquisition Related Promissory Notes <sup>(3)</sup>	\$15,647,000	\$15,647,000	\$15,647,000
Senior Notes <sup>(8)</sup>	\$83,328,000	\$83,328,000	\$83,328,000
Total Debt <sup>(2)</sup>	\$98,975,000	\$98,975,000	\$98,975,000
<b><u>Shareholders' Equity:</u></b>			
Super Voting Shares (as- converted)	14,900,000	14,900,000	14,900,000
Multiple Voting Shares	4,000,000	4,000,000	4,000,000
Subordinate Voting Shares <sup>(4)(7)</sup>	93,137,102	99,637,102	100,612,102
Warrants (as-converted) <sup>(5)</sup>	101,266,633	101,266,633	101,266,633
Stock Options <sup>(6)</sup>	9,090,500	9,090,500	9,090,500
Shares Outstanding <sup>(7)</sup>	222,394,235	228,894,235	229,869,235

Total Equity <sup>(9)</sup>	\$71,636,000	\$120,030,541	\$127,312,719
<b>Total Capitalization:</b>	\$170,611,000	\$219,005,541	\$226,287,719

Notes:

- (1) After deducting the Underwriters' Fee and the estimated expenses of the Offering.
- (2) Reflects the principal amounts and excludes lease liabilities.
- (3) Includes unsecured promissory notes dated from July 2019 through August 2020, with annual interest rates ranging from 6% to 10%, due between December 2020 and August 2024. Excludes principal amount of \$2.4 million of unsecured convertible promissory notes due November 2022 with annual interest rate of 1% entered into subsequent to September 30, 2020 in connection with an acquisition. Subsequent to September 30, 2020 \$10.3 million of promissory notes were repaid or matured.
- (4) Excludes 3,794,478 Subordinate Voting Shares issued in connection with equity purchase agreements and excludes 375,000 Subordinate Voting Shares issued in connection with a confidential settlement, both subsequent to September 30, 2020. Excludes Subordinate Voting Shares issued for warrant and stock option exercises subsequent to September 30, 2020.
- (5) Excludes 1,300,000 warrants issued as compensation to consultants and 260,075 warrants issued pursuant to an equity purchase agreement, both subsequent to September 30, 2020. Includes warrants that were exercised subsequent to September 30, 2020.
- (6) Excludes 810,000 stock option grants subsequent to September 30, 2020. Includes stock options that were exercised subsequent to September 30, 2020.
- (7) Assuming the exercise and conversion of all outstanding warrants and options. Excludes issuances subsequent to September 30, 2020. Excludes 910,000 Subordinate Voting Shares that are issuable on conversion of an unsecured convertible promissory note, which note was issued subsequent to September 30, 2020. Excludes 11,500,000 Subordinate Voting Shares issued in connection with the October Offering. Excludes 6,210,000 Subordinate Voting Shares issued in connection with the January Offering.
- (8) Includes \$4.9 million of principal redeemed in connection with the January Offering pursuant to the terms of the Company's 10% Notes due January 15, 2023.
- (9) Excludes \$28.9 million of funds received in connection with the October Offering. Excludes \$29.5 million of funds received in connection with the January Offering.

## DETAILS OF THE OFFERING

The Offering consists of 6,500,000 Initial SV Shares at a price of C\$10.00 per Initial SV Share and 975,000 Additional SV Shares at a price of C\$10.00 per Additional SV Share if the Underwriters exercise the Over-Allotment Option in full. The Offered SV Shares will be issued on the Closing Date, and on the closing of the exercise of the Over-Allotment Option, if applicable, pursuant to the Underwriting Agreement.

As at February 10, 2021, 142,396,081 Subordinate Voting Shares are issued and outstanding. For a summary of the material attributes of the Subordinate Voting Shares and certain rights attaching thereto, see "*Description of Securities – Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares*" in the Prospectus.

## NON-CERTIFICATED INVENTORY SYSTEM

No certificates representing the Offered SV Shares to be sold in the Offering will be issued to purchasers under this Prospectus, except in certain limited circumstances. Registration will be made in the depository service of CDS, or to its nominee, and electronically deposited with CDS on the Closing Date. Each purchaser of Offered SV Shares, including a purchaser of Offered SV Shares in the United States who is a Qualified Institutional Buyer, will typically only receive a customer confirmation of purchase from the participants in the CDS depository service ("**CDS Participants**") from or through which such Offered SV Shares are purchased, in accordance with the practices and procedures of such CDS Participant, subject to limited exceptions. Transfers of ownership of Offered SV Shares will be effected through records maintained by the CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book-entry system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly.

## PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement among the Company and the Underwriters, the Company has agreed to sell and the Underwriters have severally, and not jointly (or jointly and severally), agreed to purchase on the Closing Date or on such other date as may be agreed upon by the parties, subject to compliance with the terms and conditions of the Underwriting Agreement, all but not less than all of the 6,500,000 Initial SV Shares at an aggregate price of C\$10.00 payable in cash to the Company against delivery of the Initial SV Shares.



In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to 5.0% of the gross proceeds of the Offering (being C\$0.50 per Offered SV Share) for an aggregate Underwriters' Fee (assuming no exercise of the Over-Allotment Option) of C\$3,250,000. All fees payable to the Underwriters will be paid out of the proceeds of the Offering.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable on or before 12:00 p.m. (Toronto time) on the date that is 30 days after the Closing Date, to purchase up to 975,000 Additional SV Shares on the same terms solely to cover over-allotments, if any, and for market stabilization purposes. The purchase price for the Additional SV Shares pursuant to the Over-Allotment Option will be equal to the Offering Price.

The Offering Price of the Offered SV Shares has been determined based upon arm's length negotiation among the Company and the Underwriters. Among the factors considered in determining the Offering Price were the following:

- the market price of the Subordinate Voting Shares;
- prevailing market conditions;
- historical performance and capital structure of the Company;
- estimates of the business potential and earnings prospects of the Company;
- availability of comparable investments;
- an overall assessment of management of the Company; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

If the Over-Allotment Option is exercised in full, and before the deduction of expenses of the Offering estimated to be C\$195,000, the price to the public, the Underwriters' Fee and the net proceeds to the Company will be C\$74,750,000, C\$3,737,500 and C\$71,012,500, respectively.

This Prospectus qualifies the distribution of the Initial SV Shares and the Additional SV Shares issuable on exercise of the Over-Allotment Option. A purchaser who acquires Additional SV Shares forming part of the Underwriters' over-allocation position acquires those Additional SV Shares under this Prospectus, regardless of whether the over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several), and may be terminated at their discretion upon the occurrence of certain stated events, including: (a) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the CSE or any securities regulatory authority), other than an inquiry, investigation, proceeding or order based upon the activities of the Underwriters, or there is a change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters, operates to prevent, restrict or otherwise seriously adversely affects the distribution or trading of the subordinate voting shares of the Company or any other securities of the Company or the market price or value of the Subordinate Voting Shares of the Company or the Offered SV Shares; (b) there shall occur or come into effect any material change in the business, affairs (including, for greater certainty, any change to the board of directors or executive management of the Company, including the departure of the Company's CEO, CFO, COO or president (or persons in equivalent positions)), financial condition or financial prospects of the Company, any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriters, has or could reasonably be expected to seriously adversely affect the market price value, or marketability of the Offered SV Shares; (c) there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident or major financial, political or economic occurrence of national or international consequence, any escalation in the severity of the COVID-19 pandemic from February 10, 2021, or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the U.S. or the business, operations or affairs of the Company; (d) an order shall have been made or threatened to cease or suspend trading in securities of the Company, or to otherwise prohibit or restrict in any manner the distribution or trading of the Subordinate Voting Shares or the Offered SV Shares, or proceedings are announced or commenced for the making of any such order by any securities regulatory authority or similar regulatory or judicial authority or the CSE; or (e) the Company is in breach of any material term,

condition or covenant of the Underwriting Agreement that may not be reasonably expected to be remedied prior to the Closing Time or any representation or warranty given by the Company becomes false.

Under applicable securities laws in Canada, certain persons and individuals, including the Company and the Underwriters, have statutory liability for any misrepresentation in this Prospectus, subject to available defences. Pursuant to the terms of the Underwriting Agreement, the Company has agreed to (i) indemnify the Underwriters and their respective affiliates, directors, officers, employees and partners against certain liabilities including, without restriction, civil liabilities under applicable securities legislation in Canada and to contribute to any payments that the Underwriters may be required to make in respect thereof, and (ii) reimburse the Underwriters for certain expenses incurred in connection with the Offering.

The Offered SV Shares will be offered in each of the provinces of Canada (except Québec) through those Underwriters or their affiliates who are registered to offer the Offered SV Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable laws, the Underwriters may offer the Offered SV Shares outside of Canada.

Pursuant to the Underwriting Agreement, the Company has agreed that it will not, directly or indirectly, for a period of 60 days following the Closing Date, and each of its named executive officers has agreed that such person will not, directly or indirectly, for a period of 60 days following the Closing Date, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Subordinate Voting Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Subordinate Voting Shares or other equity securities of the Company without the prior written consent of Canaccord Genuity, on behalf of the Underwriters, such consent not to be unreasonably withheld other than: (i) as contemplated by the Underwriting Agreement; (ii) in conjunction with the grant of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements; (iii) the exercise of outstanding stock options and warrants; (iv) obligations of the Company in respect of existing agreements; (v) the issuance of securities by the Company in connection with acquisitions and consulting and services agreements entered into with arms length parties, in each case in the normal course of business; (vi) in the case of a person other than the Company, in order to accept a bona fide take over bid made to all securityholders of the Company or similar business combination transaction; and (vii) in the case of a person other than the Company, transfers by such persons to its affiliates for tax or other bona fide tax or estate planning purposes, provided that each transferee agrees to enter into a substantially similar undertaking as a condition precedent to such transfer. The Underwriters may not, throughout the period of distribution, bid for or purchase the Subordinate Voting Shares. The foregoing restriction is subject to certain exemptions. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and market balancing activities and a bid or purchase made on behalf of a customer where the order was not solicited. In connection with the Offering, the Underwriters (or any of them) may over-allocate or effect transactions which stabilize or maintain the market price of the Subordinate Voting Shares at a level above that which might otherwise prevail in the open market, but in each case as permitted by Canadian securities laws. Such stabilization transactions, if any, may be discontinued at any time. The Underwriters propose to offer the Initial SV Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Initial SV Shares at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Initial Subordinate Voting Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company.

The summary of certain provisions of the Underwriting Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the provisions of the Underwriting Agreement, a copy of which has been filed with the securities commissions in Canada and is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company has applied to list the Offered SV Shares qualified hereunder on the CSE. Listing of the Offered SV Shares is subject to the Company fulfilling all of the listing requirements of the CSE.

The Offered SV Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state in the United States and, subject to certain exemptions from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold in the United States. The Underwriting Agreement enables the Underwriters, through their U.S. Affiliates, to offer and resell the Offered SV Shares that they have acquired

pursuant to the Underwriting Agreement in the United States to Qualified Institutional Buyers in transactions in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder and similar exemptions from registration under applicable state securities laws. The Offered SV Shares that are sold in the United States will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein. The Underwriters will offer and sell the Offered SV Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered SV Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made in compliance with Rule 144A under the U.S. Securities Act or another exemption under the U.S. Securities Act and any applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered SV Shares in the United States.

### PRIOR SALES

For the 12-month period before the date of this Prospectus Supplement, the Company issued the following Subordinate Voting Shares and securities exercisable or convertible into Subordinate Voting Shares<sup>(8)</sup>.

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security (US\$)
February 13, 2020	Warrants	1,075,074	\$1.25
February 14, 2020	Subordinate Voting Shares	73,529	\$1.36
February 14, 2020	Stock options	150,000	\$1.36
February 18, 2020	Subordinate Voting Shares	633,433	\$1.58
March 18, 2020	Warrants	350,000	\$1.35
May 15, 2020	Subordinate Voting Shares	14,286	\$0.91
May 15, 2020	Stock options	15,000 <sup>(1)</sup>	\$0.91
June 8, 2020	Subordinate Voting Shares	552,325	\$1.22
June 19, 2020	Subordinate Voting Shares	11,719	\$1.28
June 19, 2020	Stock options	17,500 <sup>(2)</sup>	\$1.28
June 19, 2020	Warrants	5,089,560 <sup>(3)</sup>	\$1.25
June 25, 2020	Subordinate Voting Shares	769,231	\$1.30
June 25, 2020	Warrants	633,433	\$1.25
July 10, 2020	Warrants	2,265,000 <sup>(4)</sup>	\$1.25
July 17, 2020	Subordinate Voting Shares	46,429	\$1.40
July 17, 2020	Warrants	360,000	\$1.25
July 17, 2020	Warrants	200,000	\$1.31
July 21, 2020	Warrants	30,000	\$1.25
July 24, 2020	Warrants	339,000	\$1.25
July 30, 2020	Warrants	9,714,738 <sup>(5)</sup>	\$1.25
August 8, 2020	Subordinate Voting Shares	37,360	\$1.88
August 8, 2020	Stock options	240,000	\$1.88
August 19, 2020	Subordinate Voting Shares	102,593 <sup>(6)</sup>	\$1.35 - \$2.00
August 28, 2020	Subordinate Voting Shares	26,000 <sup>(6)</sup>	\$1.25
September 22, 2020	Subordinate Voting Shares	3,775,720	\$2.43
September 25, 2020	Subordinate Voting Shares	250,000	\$1.00
September 29, 2020	Subordinate Voting Shares	26,258	\$1.25
October 1, 2020	Warrants	1,300,000	\$2.47
October 7, 2020	Subordinate Voting Shares	9,259 <sup>(6)</sup>	\$2.00
October 8, 2020	Subordinate Voting Shares	750,000 <sup>(6)</sup>	\$2.00
October 13, 2020	Subordinate Voting Shares	11,150	\$2.87
October 13, 2020	Stock options	280,000	\$2.87
October 13, 2020	Subordinate Voting Shares	250,000 <sup>(6)</sup>	\$1.00
October 19, 2020	Subordinate Voting Shares	62,500 <sup>(6)</sup>	\$2.00
October 23, 2020	Subordinate Voting Shares	11,500,000	C\$3.55
October 26, 2020	Subordinate Voting Shares	250,000 <sup>(6)</sup>	\$2.00
November 2, 2020	Subordinate Voting Shares	135,000	C\$3.45
November 5, 2020	Subordinate Voting Shares	28,684 <sup>(6)</sup>	\$2.00

November 13, 2020	Subordinate Voting Shares	375,000	\$2.81
November 19, 2020	Subordinate Voting Shares	910,000	\$2.65
November 17, 2020	Subordinate Voting Shares	100,000 <sup>(6)</sup>	\$2.00
November 20, 2020	Subordinate Voting Shares	1,375,000 <sup>(6)</sup>	\$2.00
November 23, 2020	Subordinate Voting Shares	200,000 <sup>(6)</sup>	\$2.00
November 24, 2020	Subordinate Voting Shares	125,000 <sup>(6)</sup>	\$2.00
November 25, 2020	Subordinate Voting Shares	310,000 <sup>(6)</sup>	\$2.00
November 25, 2020	Warrants	260,075	C\$3.71
December 1, 2020	Stock options	395,000	\$3.98
December 1, 2020	Subordinate Voting Shares	2,249,478	\$3.13
December 1, 2020	Subordinate Voting Shares	1,405,277 <sup>(6)</sup>	\$2.00
December 3, 2020	Subordinate Voting Shares	561,111 <sup>(6)</sup>	\$2.00
December 4, 2020	Subordinate Voting Shares	893,350 <sup>(6)</sup>	\$1.25 - \$2.00
December 7, 2020	Subordinate Voting Shares	1,530,092 <sup>(6)</sup>	\$0.50 - \$2.00
December 8, 2020	Subordinate Voting Shares	1,585,053 <sup>(6)</sup>	\$1.25 - \$2.75
December 8, 2020	Subordinate Voting Shares	16,666 <sup>(8)</sup>	\$1.26
December 10, 2020	Subordinate Voting Shares	1,683,567 <sup>(6)</sup>	\$2.00 - \$2.75
December 11, 2020	Subordinate Voting Shares	2,465,184 <sup>(6)</sup>	\$2.00
December 14, 2020	Subordinate Voting Shares	2,125,000 <sup>(6)</sup>	\$2.00 - \$2.25
December 15, 2020	Subordinate Voting Shares	1,978,703 <sup>(6)</sup>	\$2.00
December 16, 2020	Subordinate Voting Shares	512,020 <sup>(6)</sup>	\$2.00
December 17, 2020	Subordinate Voting Shares	3,295,000 <sup>(6)</sup>	\$1.25 - \$2.00
December 18, 2020	Subordinate Voting Shares	1,268,994 <sup>(6)</sup>	\$1.25 - \$2.75
December 22, 2020	Subordinate Voting Shares	10,000 <sup>(7)</sup>	\$2.00
December 23, 2020	Subordinate Voting Shares	37,500 <sup>(6)</sup>	\$3.00
December 29, 2020	Subordinate Voting Shares	805,374 <sup>(6)</sup>	\$1.25 - \$3.00
December 30, 2020	Subordinate Voting Shares	30,000 <sup>(6)</sup>	\$3.00
December 31, 2020	Subordinate Voting Shares	415,000 <sup>(6)</sup>	\$1.25 - \$3.00
January 7, 2021	Subordinate Voting Shares	6,210,000	C\$6.50
January 8, 2021	Subordinate Voting Shares	1,447,500 <sup>(6)</sup>	\$1.25 - \$3.00
January 14, 2021	Subordinate Voting Shares	372,500 <sup>(6)</sup>	\$3.00
January 15, 2021	Subordinate Voting Shares	625,000 <sup>(6)</sup>	\$3.00
January 19, 2021	Stock options	135,000	\$6.13
January 20, 2021	Subordinate Voting Shares	400,000 <sup>(6)</sup>	\$3.00
January 21, 2021	Subordinate Voting Shares	265,742 <sup>(6)</sup>	\$2.75 - \$3.00
January 25, 2021	Subordinate Voting Shares	500,000	\$6.85
February 3, 2021	Subordinate Voting Shares	110,833 <sup>(6)</sup>	\$1.25 - \$3.00
February 8, 2021	Subordinate Voting Shares	68,442 <sup>(6)</sup>	\$2.75

**Notes:**

- (1) Excludes 15,000 stock options which were issued but subsequently cancelled.
- (2) Excludes 50,000 stock options which were issued but subsequently cancelled.
- (3) Excludes 89,640 warrants which were issued but subsequently exercised.
- (4) Excludes 300,000 warrants which were issued but subsequently exercised.
- (5) Excludes 2,020,422 warrants which were issued but subsequently exercised.
- (6) Issued pursuant to the exercise of warrants.
- (7) Issued pursuant to the exercise of stock options.
- (8) Excludes additional warrants issued by the Company pursuant to anti-dilution provisions contained in certain warrants issued by the Company in 2019.

### TRADING PRICE AND VOLUME

The Subordinate Voting Shares are currently listed on the CSE and commenced trading under the symbol “JUSH” on December 9, 2019 and quoted on the OTCQB under the symbol “JUSHF”. On February 9, 2021, being the last trading day completed prior to the announcement of the Offering, the closing price of the Subordinate Voting Shares on the CSE was C\$10.91 and the closing price of the Subordinate Voting Shares on the OTCQB was \$8.60. On February 10, 2021, being the last trading day completed prior to the filing of this Prospectus, the closing price of the Subordinate Voting Shares on the CSE was C\$10.50 and the closing price of the Subordinate Voting Shares on the OTCQB was \$8.25. The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Subordinate Voting Shares on the CSE, as quoted on the CSE.

Month	High (C\$)	Low (C\$)	Total Volume
February 1 – 10, 2021	11.59	8.5	8,382,774
January 2021	9.21	6.44	15,327,886
December 2020	8	5	8,943,087
November 2020	5.32	3.45	6,980,062
October 2020	4.34	3.15	7,350,031
September 2020	3.50	2.57	3,404,424
August 2020	2.82	2.43	1,956,462
July 2020	2.44	1.63	2,227,877
June 2020	1.82	1.37	812,963
May 2020	1.45	1.12	1,214,078
April 2020	1.75	1.18	689,586
March 2020	1.65	1.00	2,493,807
February 2020	1.83	1.10	1,166,599
January 2020	1.95	1.63	1,944,690

#### CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and DLA Piper (Canada) LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) as amended from time to time, including the regulations promulgated thereunder (the “**Tax Act**”) generally applicable to an investor who acquires Offered SV Shares as beneficial owner pursuant to the Offering and who at all relevant times, for purposes of the Tax Act holds the Offered SV Shares as capital property and deals at arm’s length with the Company and the Underwriters and is not affiliated with the Company or the Underwriters (a “**Holder**”). Generally, the Offered SV Shares will be considered to be capital property to a Holder unless they are held or acquired in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (a) that is a “financial institution”, as defined in the Tax Act for purposes of the mark-to-market rules; (b) an interest in which would be a “tax shelter investment” as defined in the Tax Act; (c) that is a “specified financial institution” as defined in the Tax Act; (d) which has made an election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency; or (e) that has entered into, or will enter into, a “derivative forward agreement” under the Tax Act with respect to the Offered SV Shares. Any such Holder to which this summary does not apply should consult its own tax advisor with respect to the tax consequences of the Offering.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is (or does not deal at arm’s length with a corporation resident in Canada for purposes of the Tax Act that is), or becomes, controlled by a non-resident person, or a group of non-resident persons, for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring the Offered SV Shares.

This summary is based on the facts set out in this Prospectus Supplement, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“**Tax Proposals**”) before the date of this Prospectus Supplement, the current published administrative policies and assessing practices of the Canada Revenue Agency and the *Canada - United States Tax Convention* (1980), as amended (the “**Treaty**”). No assurance can be made that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law or administrative policy or assessing

practice, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

The Company is a Canadian corporation for purposes of the Tax Act. As referenced under “*Certain United States Income Tax Considerations*” and under “*Risk Factors – United States Tax Classification of the Company*”, the Company is also classified as a U.S. domestic corporation for United States federal income tax purposes, with related consequences and potential consequences to the Company and its shareholders. Accordingly, all prospective purchasers, including Holders as defined above, should review the discussion under “*Certain United States Income Tax Considerations*” and under “*Risk Factors – United States Tax Classification of the Company*”, and consult with their own tax advisors in this regard before purchasing Offered SV Shares. For the purposes of the discussion of Canadian federal income tax considerations below, it has been assumed that the Company is and will be classified as a U.S. domestic corporation for United States federal income tax purposes at all relevant times. No legal opinion or tax ruling has been sought or obtained in this regard or with respect to any other assumptions made for purposes of this summary.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representation concerning the tax consequences to any particular Holder or prospective Holder are made. Prospective Holders of Offered SV Shares should consult their own tax advisors with respect to an investment in the Offered SV Shares having regard to their particular circumstances.**

#### **Holders Resident in Canada**

This portion of the summary applies to a Holder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada (a “**Resident Holder**”). Resident Holders whose Offered SV Shares do not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Offered SV Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors with respect to whether the election is available and advisable in their particular circumstances.

#### *Taxation of Dividends*

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on the Offered SV Shares will be included in computing the Resident Holder’s income and will generally be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations. Provided that appropriate designations are made by the Company, any such dividend will be treated as an “eligible dividend” for the purposes of the Tax Act and a Resident Holder who is an individual will be entitled to an enhanced dividend tax credit in respect of such dividend. There may be limitations on the Company’s ability to designate dividends and deemed dividends as eligible dividends.

Dividends received or deemed to be received on the Offered SV Shares by a Resident Holder that is a corporation will be required to be included in computing the corporation’s income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the corporation’s taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Offered SV Shares to the extent that such dividends are deductible in computing the Resident Holder’s taxable income for the taxation year.

Dividends received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

As described under “*Certain United States Income Tax Considerations*”, a Resident Holder may be subject to United States withholding tax on dividends received on the Offered SV Shares. A foreign tax credit under the Tax Act in respect of tax (including withholding tax) paid to a foreign country is, in general terms, limited to the Canadian tax otherwise payable in respect of income from sources in that foreign country, and is subject to the other requirements of the Tax Act. Dividends received on the Offered SV Shares by a Resident Holder may not be treated as income from a source in the United States for these purposes, such that a foreign tax credit under the Tax Act may not be available. Resident Holders should consult their own tax advisors regarding the availability of a foreign tax credit, or deduction, under the Tax Act in respect of any United States withholding tax applicable to dividends on the Offered SV Shares in their particular circumstances. See also “*Certain United States Income Tax Considerations*” and “*Risk Factors – United States Tax Classification of the Company*”.

#### *Disposition of Offered SV Shares*

Upon a disposition or deemed disposition of an Offered SV Share, a capital gain (or capital loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of such security to the Resident Holder immediately before the disposition and any reasonable costs of disposition. The adjusted cost base of an Offered SV Share to a Resident Holder will be determined in accordance with the Tax Act by averaging the cost to the Resident Holder of an Offered SV Share with the adjusted cost base of all other Subordinate Voting Shares held by the Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the treatment described below under “*Taxation of Capital Gains and Capital Losses*”.

#### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder must be included in the Resident Holder’s income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one-half of any capital loss incurred by a Resident Holder (an “**allowable capital loss**”) must be deducted from taxable capital gains realized by the Resident Holder in the taxation year in which the disposition occurs. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, in the circumstances and to the extent provided in the Tax Act.

A capital loss realized on the disposition of an Offered SV Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends which have been previously received or deemed to have been received by the Resident Holder on the Offered SV Share. Similar rules may apply where a corporation is, directly or indirectly through a trust or partnership, a member of a partnership or a beneficiary of a trust that owns Offered SV Shares. Resident Holders to whom these rules may be relevant are urged to consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, which is defined to include an amount in respect of taxable capital gains.

Capital gains realized by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

As described under “*Certain United States Income Tax Considerations*”, the Offered SV Shares will be treated as shares of a U.S. domestic corporation for relevant Code (as defined below) purposes. If a Resident Holder is subject to United States tax on a gain realized in respect of a disposition of Offered SV Shares, such gain may not be treated as income from a source in the United States for purposes of the foreign tax credit under the Tax Act, and such foreign tax credit under the Tax Act may not be available. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Gains

realized on the disposition of an Offered SV Share by a Resident Holder may not be treated as income sourced in the United States for these purposes. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their own particular circumstances. See “*Certain United States Income Tax Considerations*” and “*Risk Factors – United States Tax Classification of the Company*”.

### **Non-Resident Holders**

This section of the summary applies to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not, and is not deemed to be, resident in Canada, and does not use or hold, and is not deemed to use or hold, the Offered SV Shares in the course of carrying on a business in Canada (a “**Non-Resident Holder**”). This section does not apply to a Non-Resident Holder that is: (i) an insurer who carries on an insurance business in Canada and elsewhere, or (ii) an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

#### *Taxation of Dividends*

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Offered SV Shares will be subject to Canadian withholding tax. The Tax Act imposes withholding tax at a rate of 25% on the gross amount of the dividend, although such rate may be reduced by virtue of an applicable tax treaty. For example, under the Treaty, where dividends on the Offered SV Shares are considered to be paid to a Non-Resident Holder that is the beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to all of the benefits of, the Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%. The Company will be required to withhold the applicable withholding tax from any dividend and remit it to the Canadian government for the Non-Resident Holder’s account.

#### *Disposition of Offered SV Shares*

A Non-Resident Holder who disposes of or is deemed to have disposed of an Offered SV Share will not be subject to income tax under the Tax Act unless the Offered SV Share is, or is deemed to be, “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country of residence of the Non-Resident Holder.

Generally, provided that the Offered SV Shares are, at the time of disposition, listed on a “designated stock exchange” (which currently includes the CSE), the Offered SV Shares will not constitute taxable Canadian property of a Non-Resident Holder unless, at any time during the 60-month period immediately preceding the disposition the following two conditions were satisfied concurrently: (i) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length (for the purposes of the Tax Act), and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the fair market value of such shares was derived, directly or indirectly, from one or any combination of: (a) real or immovable property situated in Canada, (b) Canadian resource property (as defined in the Tax Act), (c) timber resource property (as defined in the Tax Act) or (d) options in respect of, or interests in any of, the foregoing property, whether or not such property exists. Notwithstanding the foregoing, the Offered SV Shares may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act. Non-Resident Holders for whom the Offered SV Shares are, or may be, taxable Canadian property should consult their own tax advisors.

In the event that an Offered SV Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention, the income tax consequences discussed above under “*Holdings Resident in Canada – Disposition of Offered SV Shares*” will generally apply to the Non-Resident Holder. Non-Resident Holders should consult their own tax advisor in this regard.



## CERTAIN UNITED STATES INCOME TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Offered SV Shares that are applicable to U.S. Holders and certain Non-U.S. Holders (as defined below), that acquire the Offered SV Shares pursuant to the Offering. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations promulgated under the Code (“**Treasury Regulations**”), administrative pronouncements or practices and judicial decisions, all as of the date hereof. Future legislative, judicial, or administrative modifications, revocations, or interpretations, which may or may not be retroactive, may result in U.S. federal income tax consequences significantly different from those discussed herein. This discussion is not binding on the IRS. No ruling has been or will be sought or obtained from the IRS with respect to any of the U.S. federal tax consequences discussed herein. There can be no assurance that the IRS will not challenge any of the conclusions described herein or that a U.S. court will not sustain such a challenge. This summary assumes that the Offered SV Shares are held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment), in the hands of a shareholder at all relevant times.

This summary does not address U.S. federal income tax consequences to holders subject to special rules, including holders that (i) are banks, financial institutions, or insurance companies; (ii) are regulated investment companies or real estate investment trusts; (iii) are brokers, dealers, or traders in securities or currencies; (iv) are tax-exempt organizations; (v) hold the Offered SV Shares as part of hedges, straddles, constructive sales, conversion transactions, or other integrated investments; (vi) acquire the Offered SV Shares as compensation for services or through the exercise or cancellation of employee stock options or warrants; (vii) have a functional currency other than the U.S. dollar; (viii) own or have owned directly, indirectly, or constructively 10% or more of the voting power or value of the Company; or (ix) are U.S. expatriates. In addition, this discussion does not address any U.S. federal estate, gift, or other non-income tax, or any state, local, or non-U.S. tax consequences of the ownership and disposition of the Offered SV Shares or the impact of the U.S. federal alternative minimum tax or the U.S. Medicare contribution tax on net investment income.

If an entity classified as a partnership for U.S. federal income tax purposes holds the Offered SV Shares, the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of such partner and on the activities of the partner and the partnership. A person that is a partner of an entity classified as a partnership for U.S. federal income tax purposes where such entity holds the Offered SV Shares is urged to consult its own tax advisor.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OFFERED SV SHARES.**

### **U.S. Holders**

The discussion in this section is addressed to a holder of Offered SV Shares acquired pursuant to the Offering that is a “U.S. Holder” for U.S. federal income tax purposes. As used herein, “U.S. Holder” means a beneficial owner of the Offered SV Shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or entity classified as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any political subdivision thereof, including any State thereof and the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust that (a) is subject to the primary jurisdiction of a court within the United States and for which one or more U.S. persons have authority to control all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning of the Code).

### **Tax Classification of the Company as a U.S. Domestic Corporation**

The Company is classified as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code. A number of significant and complicated U.S. federal income tax consequences may result from such classification,

and this summary does not attempt to describe all such U.S. federal income tax consequences. Section 7874 of the Code and the Treasury Regulations promulgated thereunder do not address all the possible tax consequences that arise from the Company being treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, there may be additional or unforeseen U.S. federal income tax consequences to the Company that are not discussed in this summary.

Generally, the Company will be subject to U.S. federal income tax on its worldwide taxable income (regardless of whether such income is “U.S. source” or “foreign source”) and will be required to file a U.S. federal income tax return annually with the IRS. The Company anticipates that it will also be subject to tax in Canada. It is unclear how the foreign tax credit rules under the Code will operate in certain circumstances, given the treatment of the Company as a U.S. domestic corporation for U.S. federal income tax purposes and the taxation of the Company in Canada. Accordingly, it is possible that the Company will be subject to double taxation with respect to all or part of its taxable income. It is anticipated that such U.S. and Canadian tax treatment will continue indefinitely and that the Offered SV Shares will be treated indefinitely as shares in a U.S. domestic corporation for U.S. federal income tax purposes, notwithstanding future transfers.

## **Tax Considerations for U.S. Holders**

### *Distributions*

The Company does not anticipate declaring or paying dividends to holders of Offered SV Shares in the foreseeable future. However, if the Company decides to make any such distributions, such distributions with respect to Offered SV Shares will be taxable as dividend income when paid to the extent of the Company’s current or accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that the amount of a distribution with respect to the Offered SV Shares exceeds its current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Offered SV Shares, and thereafter as a capital gain which will be a long-term capital gain if the U.S. Holder has held such stock at the time of the distribution for more than one year. Distributions on the Offered SV Shares constituting dividend income paid to U.S. Holders that are U.S. corporations may qualify for the dividends received deduction, subject to various limitations. Distributions on Offered SV Shares constituting dividend income paid to U.S. Holders that are individuals may qualify for the reduced rates applicable to qualified dividend income.

Dividends received by U.S. Holders will be subject to Canadian withholding tax under the Tax Act. For further discussion on Canadian taxes, see “*Certain Canadian Federal Income Tax Considerations.*”

### *Sale or Redemption*

A U.S. Holder will generally recognize capital gain or loss on a sale, exchange, redemption (other than a redemption that is treated as a distribution) or other disposition of the Offered SV Shares equal to the difference between the amount realized upon the disposition and the U.S. Holder’s adjusted tax basis in the shares so disposed. Such capital gain or loss will be a long-term capital gain or loss if the U.S. Holder’s holding period for the shares disposed of exceeds one year at the time of disposition. Long-term capital gains of non-corporate taxpayers are generally taxed at a lower maximum marginal tax rate than the maximum marginal tax rate applicable to ordinary income. The deductibility of net capital losses by individuals and corporations is subject to limitations.

### *Foreign Tax Credit Limitations*

Because it is anticipated that the Company will be subject to tax both as a U.S. domestic corporation and as a Canadian corporation, a U.S. Holder may pay, through withholding, Canadian tax, as well as U.S. federal income tax, with respect to dividends paid on its Offered SV Shares. For U.S. federal income tax purposes, a U.S. Holder may elect for any taxable year to receive either a credit or a deduction for all foreign income taxes paid by the holder during the year. Complex limitations apply to the foreign tax credit, including a general limitation that the credit cannot exceed the proportionate share of a taxpayer’s U.S. federal income tax that the taxpayer’s foreign source taxable income bears to the taxpayer’s worldwide taxable income. In applying this limitation, items of income and deduction must be classified, under complex rules, as either foreign source or U.S. source. The status of the Company as a U.S. domestic corporation for U.S. federal income tax purposes will cause dividends paid by

the Company to be treated as U.S. source rather than foreign source income for this purpose. As a result, a foreign tax credit may be unavailable for any Canadian tax paid on dividends received from the Company. Similarly, to the extent a sale or disposition of the Offered SV Shares by a U.S. Holder results in Canadian tax payable by the U.S. Holder (for example, because the Offered SV Shares constitute taxable Canadian property within the meaning of the Tax Act), a U.S. foreign tax credit may be unavailable to the U.S. Holder for such Canadian tax. In each case, however, the U.S. Holder should be able to take a deduction for the U.S. Holder's Canadian tax paid, provided that the U.S. Holder has not elected to credit other foreign taxes during the same taxable year. The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding these rules.

#### *Foreign Currency*

The amount of any distribution paid to a U.S. Holder in foreign currency, or the amount of proceeds paid in foreign currency on the sale, exchange or other taxable disposition of Offered SV Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors.

#### *Information Reporting and Backup Withholding*

Information returns will be filed with the IRS in connection with payments of dividends and the proceeds from a sale or other disposition of Offered SV Shares payable to a U.S. Holder that is not an exempt recipient, such as a corporation. Certain U.S. Holders may be subject to backup withholding with respect to the payment of dividends on the Offered SV Shares and to certain payments of proceeds on the sale or redemption of Offered SV Shares unless such U.S. Holders provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with applicable requirements of the backup withholding rules.

Any amount withheld under the backup withholding rules from a payment to a U.S. Holder is allowable as a credit against such U.S. Holder's U.S. federal income tax, which may entitle the U.S. Holder to a refund, provided that the U.S. Holder timely provides the required information to the IRS. Moreover, certain penalties may be imposed by the IRS on a U.S. Holder who is required to furnish information but does not do so in the proper manner. U.S. Holders should consult their own tax advisors regarding the application of backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding under current Treasury Regulations.

### **Tax Considerations for Non-U.S. Holders**

#### *Non-U.S. Holders*

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of the Offered SV Shares that is neither a "U.S. Holder" nor an entity treated as a partnership for U.S. federal income tax purposes.

#### *Distributions*

The rules applicable to Non-U.S. Holders for determining the extent to which distributions on the Offered SV Shares, if any, constitute dividends for U.S. federal income tax purposes are the same as for U.S. Holders. See "*Tax Considerations for U.S. Holders – Distributions*".

Generally, distributions treated as dividends paid to a Non-U.S. Holder of the Offered SV Shares will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E, or other applicable documentation, certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation for a reduced treaty rate, but that qualifies for a reduced treaty rate, may

obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Notwithstanding the foregoing, dividends that are effectively connected with a Non-U.S. Holder's conduct of a trade or business within the United States and, where required by an income tax treaty, are attributable to a permanent establishment or fixed base of the Non-U.S. Holder, are not subject to the withholding tax described in the previous paragraph, but instead are subject to U.S. federal net income tax at graduated rates, provided the Non-U.S. Holder complies with applicable certification and disclosure requirements, generally by providing a properly completed IRS Form W-8ECI. Non-U.S. Holders that are corporations may also be subject to an additional branch profits tax at a 30% rate, except as may be provided by an applicable income tax treaty.

#### *Sale or Redemption*

Subject to the discussions below under “*Non-U.S. Holders – Information Reporting and Backup Withholding*” and “*Additional Withholding Tax on Payments Made to Foreign Accounts*”, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of the Offered SV Shares unless:

- such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain in substantially the same manner as a U.S. person (except as provided by an applicable tax treaty) and, if it is treated as a corporation for U.S. federal income tax purposes, may also be subject to a branch profits tax at a rate of 30% (or a lower rate if provided by an applicable tax treaty), subject to certain adjustments;
- the Non-U.S. Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- Offered SV Shares constitute a U.S. real property interest, or USRPI, by reason of the Company's status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, the Company believes it currently is not, and does not anticipate becoming, a USRPHC. Because the determination of whether the Company is a USRPHC depends, however, on the fair market value of Company's USRPIs relative to the fair market value of the Company's non-U.S. real property interests and other business assets, there can be no assurance the Company currently is not a USRPHC or will not become one in the future. Even if the Company is or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of the Offered SV Shares will not be subject to U.S. federal income tax if the Offered SV Shares are “regularly traded,” as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of the Subordinate Voting Shares throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their own tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

#### *Information Reporting and Backup Withholding*

Payments of dividends on the Offered SV Shares will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN or W-8BEN-E, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any

dividends on the Offered SV Shares paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of the Offered SV Shares within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of Offered SV Shares conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### *Additional Withholding Tax on Payments Made to Foreign Accounts*

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "**FATCA**"), on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, the Offered SV Shares paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners", as defined in the Code, or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on the Offered SV Shares. While withholding under FATCA would have also applied to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their own tax advisors regarding the potential application of withholding under FATCA to their investment in Offered SV Shares.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Stikeman Elliott LLP, counsel to the Company, and DLA Piper (Canada) LLP, counsel to the Underwriters, based on the current provisions of the Tax Act, the Offered SV Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by a registered retirement savings plan, registered retirement income fund, tax-free savings account, registered education savings plan, registered disability savings plan (collectively referred to as "**Registered Plans**") and a deferred profit sharing plan, provided that the Offered SV Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the CSE).

Notwithstanding that an Offered SV Share may be a qualified investment for a Registered Plan, if the Offered SV Share is a "prohibited investment" within the meaning of the Tax Act for the Registered Plan, the holder, annuitant or subscriber of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Offered SV Shares will not generally be a "prohibited investment" for a Registered Plan if the holder, annuitant or

subscriber, as the case may be, (i) deals at arm's length with the Company for the purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Offered SV Shares will not be a "prohibited investment" if the Offered SV Shares are "excluded property" within the meaning of the Tax Act, for the Registered Plan.

Holders, annuitants and subscribers of Registered Plans should consult their own tax advisors with respect to whether Offered SV Shares would be a prohibited investment having regard to their particular circumstances.

## **RISK FACTORS**

Before deciding whether to invest in the Offered SV Shares, investors should consider carefully the risks as well as other information set out in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein. Prospective investors should carefully consider the risks below and the risks identified in the Prospectus and in the documents incorporated by reference herein and therein, the other information elsewhere in this Prospectus Supplement and the Prospectus and consult with their professional advisors to assess any investment in the Company. See "*Risk Factors*" in the Prospectus and the AIF. A purchaser should not purchase Offered SV Shares unless the purchaser understands, and can bear, all of the investment risks involving the Offered SV Shares. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Company's control and, in spite of the Company's active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.

### **Risks Related to the Offering**

#### *No assurance future financing will be available*

The Company may need to obtain additional financing in the future. The ability to obtain such additional financing will depend upon a number of factors, including prevailing market conditions and the operating performance of the Company. There can be no assurance that any such financing will be available to the Company on favourable terms or at all. If financing is available through the sale of debt, equity or capital properties, the terms of such financing may not be favourable to the Company. Failure to raise capital when required could have a material adverse effect on the Company's business, financial condition and results of operations.

#### *Completion of the Offering is subject to conditions*

The completion of the Offering remains subject to the satisfaction of a number of conditions, including final approval of the Offering by the CSE. There can be no certainty that the Offering will be completed.

#### *Unpredictability caused by anticipated capital structure and voting control*

Although other Canadian-based companies have dual class or multiple voting share structures, given the capital structure contemplated in respect of the Company and the concentration of voting control held by the holders of the Multiple Voting Shares and Super Voting Shares, this structure and control could result in a lower trading price for, or greater fluctuations in, the trading price of the Company's Subordinate Voting Shares or adverse publicity to the Company or other adverse consequences.

#### *Sales of substantial amounts of Subordinate Voting Shares*

Sales of substantial amounts of Subordinate Voting Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Subordinate Voting Shares. A decline in the market prices of the Subordinate Voting Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

#### *Volatile market price for the Subordinate Voting Shares*

The market price for the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Company's control, including, but not limited to, the following:

(i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) changes in the economic performance or market valuations of companies in the cannabis and hemp industries; (iii) addition or departure of the Company's executive officers and other key personnel; (iv) release or expiration of transfer restrictions on the issued and outstanding shares of the Company; (v) regulatory changes affecting the cannabis and hemp industries generally and the business and operations of the Company; (vi) announcements of developments and other material events by the Company or its competitors; (vii) fluctuations to the costs of vital production materials and services; (viii) changes in global financial markets and global economies and general market conditions, such as interest rates and product price volatility; (ix) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (x) operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; (xi) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; and (xii) recommendations by securities research analysts.

Financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

These factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the Subordinate Voting Shares may be materially adversely affected.

#### *United States Tax Classification of the Company*

Although the Company is a Canadian corporation, the Company is classified as a U.S. domestic corporation for U.S. federal income tax purposes under section 7874(b) of the Code, and will be subject to U.S. federal income tax on its worldwide income. However, for Canadian tax purposes, regardless of any application of section 7874 of the Code, the Company is treated as a Canadian resident corporation. As a result, the Company is subject to taxation both in Canada and the United States which could have a material adverse effect on its financial condition and results of operations.

Any dividends received by shareholders who are residents of Canada for purposes of the Tax Act will generally be subject to U.S. withholding tax at a 30% rate or such lower rate as provided in an applicable treaty. In addition, a Canadian foreign tax credit or deduction may not be available under the Tax Act in respect of such taxes.

Dividends received by U.S. resident shareholders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax under the Tax Act at a 25% rate or such lower rate as provided in an applicable treaty. Dividends paid by the Company will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Code. Accordingly, U.S. shareholders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. residents will generally be subject to U.S. withholding tax and will also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a shareholder of the Company, subject to examination of the relevant treaty.

Since the Company is classified as a U.S. domestic corporation for U.S. federal income tax purposes under section 7874(b) of the Code, the Offered SV Shares will be treated as shares of a U.S. domestic corporation and shareholders will be subject to the relevant provisions of the Code and/or an applicable U.S. tax treaty.

**EACH SHAREHOLDER SHOULD SEEK TAX ADVICE, BASED ON SUCH SHAREHOLDER'S PARTICULAR FACTS AND CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR, INCLUDING, WITHOUT LIMITATION, IN CONNECTION WITH THE COMPANY'S CLASSIFICATION AS A U.S. DOMESTIC CORPORATION FOR UNITED STATES FEDERAL INCOME**

**TAX PURPOSES UNDER SECTION 7874(b) OF THE CODE, THE APPLICATION OF THE CODE, THE APPLICATION OF A U.S. TAX TREATY, THE APPLICATION OF U.S. FEDERAL ESTATE AND GIFT TAXES, THE APPLICATION OF U.S. FEDERAL TAX WITHHOLDING REQUIREMENTS, THE APPLICATION OF U.S. ESTIMATED TAX PAYMENT REQUIREMENTS AND THE APPLICATION OF U.S. TAX RETURN FILING REQUIREMENTS.**

*Forward-looking information may prove to be inaccurate*

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus Supplement and the Prospectus under the heading “*Cautionary Note Regarding Forward-Looking Information*”.

**AGENT FOR SERVICE OF PROCESS**

The directors and certain officers of the Company reside outside of Canada and certain experts retained by the Company are organized outside of Canada. Each of these individuals and entities have appointed the following agents for service of process:

<u>Name of Director or Officer</u>	<u>Name and Address of Agent</u>
James Cacioppo, Chairman and Chief Executive Officer	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Erich Mauff, Co-President and Director	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Kimberly Bambach, Chief Financial Officer	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Max Cohen, Director	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Benjamin Cross, Director	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Stephen Monroe, Director	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Peter Adderton, Director	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Louis J. Barack, Co-President and Secretary	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
<u>Name of Expert</u>	<u>Name and Address of Agent</u>
Duane Morris LLP	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9
Macias, Gini & O’Connell, LLP (“MGO”)	152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada, even if the party has appointed an agent for service of process.

**LEGAL MATTERS**

Certain legal matters in connection with the issue of the Offered SV Shares will be passed upon for the Company by Stikeman Elliott LLP and Duane Morris LLP (New York, New York) has acted as U.S. regulatory counsel to the Company in respect of certain matters. Certain legal matters in connection with the issue of the Offered SV Shares will be passed upon for the Underwriters by DLA Piper (Canada) LLP.



As of the date of this Prospectus Supplement, the partners and associates of each of Stikeman Elliott LLP, Duane Morris LLP and DLA Piper (Canada) LLP as a group beneficially own, directly or indirectly, less than 1% of the Company's outstanding securities.

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The Company's auditors are MNP LLP, located at 111 Richmond Street West, Suite 300, Toronto, Ontario, Canada M5H 2G4. MNP LLP has confirmed that it is independent of the Company within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct. MGO has confirmed that it is independent of the Company within the meaning of the SEC's rules on auditor independence.

The transfer agent and registrar of the Company is Odyssey Trust Company, located at the United Kingdom Building, 323-409 Granville Street, Vancouver, British Columbia V6C 1T2.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Purchasers should refer to any applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF JUSHI HOLDINGS INC.**

February 11, 2021

This short form prospectus, together with the documents incorporated in this prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of each of the provinces of Canada (except Québec).

*(Signed) James Cacioppo*  
James Cacioppo  
Chairman and Chief Executive Officer

*(Signed) Erich Mauff*  
Erich Mauff  
Co-President and Director

On Behalf of the Board of Directors

*(Signed) Stephen Monroe*  
Stephen Monroe  
Director

*(Signed) Benjamin Cross*  
Benjamin Cross  
Director

**CERTIFICATE OF THE UNDERWRITERS**

February 11, 2021

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada (except Québec).

**CANACCORD GENUITY CORP.**

*(Signed) Steve Winokur*

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Steve Winokur  
Managing Director, Investment Banking

**BEACON SECURITIES LIMITED**

*(Signed) Mario Maruzzo*

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Mario Maruzzo  
Managing Director, Investment Banking

**ATB CAPITAL MARKETS INC.**

*(Signed) Adam Carlson*

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Adam Carlson  
Managing Director, Investment Banking

**EIGHT CAPITAL**

*(Signed) Patrick McBride*

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Patrick McBride  
Head of Origination, Investment Banking

**ECHELON WEALTH PARTNERS INC.**

*(Signed) Peter Graham*

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Peter Graham  
Managing Director, Investment Banking

**PI FINANCIAL CORP.**

*(Signed) Blake Corbet*

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Blake Corbet  
Managing Director, Investment Banking