



Ayr Strategies Announces \$75 Million Senior Secured Debt Financing

4-Year, 12.5% Notes Contain No Equity Component

Toronto, Ontario, December 4, 2020 – Ayr Strategies Inc. (CSE: AYR.A, OTCQX: AYRSF) (“Ayr” or the “Company”), a leading vertically integrated cannabis multi-state operator, has received commitments from a syndicate of lenders for US\$75 million in Senior Secured Notes (the “Notes”) with a further \$25 million agent’s overallotment option. The Notes will pay interest of 12.5% per annum, payable semi-annually, with a maturity 48 months from closing. The offering is being led by Canaccord Genuity Corp. and is expected to close by the end of next week.

Speaking on the financing, Ayr’s CEO Jonathan Sandelman commented, “The attractive and non-dilutive financing terms we are announcing today are a result of the disciplined strategy we put in place when we started Ayr – committed to superior operational execution in the most attractive markets. This strategy has led us to industry-leading margins and cash flow, strengthening our credit profile and providing access to capital. This, combined with our operational excellence, makes us the acquiror of choice as the U.S. cannabis market enters into another period of consolidation.”

The Notes will mature four years after their issuance and will also contain certain covenants and restrictions on Ayr’s business, including restrictions on the incurrence of debt, asset sales and dividends and other distributions. The Notes, which are expected to be exchange-listed following the required four-month holding period under Canadian Securities Laws, are to be secured by a first-priority security interest in specified assets of Ayr and certain of its subsidiaries. As previously announced, Ayr intends to use the proceeds from the issuance of the Notes, in addition to cash from the proceeds of in-the-money warrant exercise and cash from operations, to fund the cash portion of its pending acquisitions in Pennsylvania, Ohio and Arizona, as well as the additional capital expenditures required for completion of the cultivation and processing facilities in those states.

Completion of the Offering is subject to definitive agreements to be entered into by the parties. The closing of the Offering will be subject to certain conditions being satisfied, including, but not limited to, the receipt of all necessary approvals and the absence of material adverse changes.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “target”, “expect”, “anticipate”, “believe”, “foresee”, “could”, “would”, “estimate”, “goal”, “outlook”, “intend”, “plan”, “seek”, “will”, “may”, “tracking”, “pacing” and “should” and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr’s future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; and Ayr may not be able to raise additional debt or equity capital. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. In particular, there can be no assurance that we will complete the pending acquisitions in or enter into agreements with respect to other acquisitions.



About Ayr Strategies Inc.

Ayr Strategies (“Ayr”) is an expanding vertically integrated, U.S. multi-state cannabis operator, focusing on high-growth markets. The Company cultivates and manufactures branded cannabis products for distribution through its network of retail outlets and through third-party stores. Ayr strives to enrich consumers’ experience every day – helping them to live their best lives, elevated.

Ayr’s leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrstrategies.com.

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