



Ayr Strategies Moves to Definitive Merger Agreement with Parma Wellness Center, LLC

Expected Closing in First Quarter 2021

Toronto, Ontario, December 18, 2020 – Ayr Strategies Inc. (CSE: AYR.A, OTCQX: AYRSF) (“Ayr” or the “Company”), a vertically-integrated cannabis multi-state operator (MSO), has moved to a Definitive Merger Agreement from Letter of Intent with the management company of Parma Wellness Center, LLC (“Parma”). The Merger Agreement is subject to approval by the Ohio Department of Commerce.

As previously announced on October 1, 2020, Ayr intends to purchase 100% of the membership interests of the management company of Parma and associated real estate for total purchase consideration of US\$17 million in cash. The purchase consideration will be allocated as \$13 million for the management company interests and \$4 million for real estate.

Speaking on the Parma acquisition, Ayr’s CEO Jonathan Sandelman commented, “Ohio will be the fourth state in our key Eastern cluster. Ohio, while behind Pennsylvania and some other medical markets in terms of patient penetration due to a more limited set of qualifying conditions, is a state with a population of almost 12 million people and only 19 level 1 cultivation provisional licenses (the largest canopy license). As the market expands and develops over the coming months, we expect demand to grow significantly and we look forward to bringing our cultivation and processing expertise to the market to improve patients’ access to quality cannabis.”

Parma holds a provisional level 1 medical marijuana cultivator license, with initial construction plans for 25,000 ft² of canopy inside a 58,000 ft² building. Following the closing and completion of the initial phase of the level 1 cultivation facility build-out, Ohio law provides Ayr flexibility to further expand canopy space subject to the approval of the Ohio Department of Commerce. The transaction is expected to close in the first quarter of 2021, subject to customary conditions and required regulatory approvals, including the Ohio Department of Commerce.

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.



Assumptions

Forward-looking information in this subject to the assumptions and risks as described in our MD&A for September 30, 2020. For more information about the Company's 2020 operations and outlook, please view Ayr's corporate presentation posted in the Investors section of the Company's website at www.ayrstrategies.com. As well, we remind you that adjusted EBITDA is a non-IFRS measure. Additional reconciliations and other disclosures concerning non-IFRS measures will be provided in our MD&A for the three and nine months ended September 30, 2020.

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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