

## Curaleaf Signs Amended Agreement for the Acquisition of Grassroots

### ***Positions Curaleaf as the World's Largest Cannabis Company***

### ***Brings Together the Largest Public and Largest Private Multi-State Operators in the U.S.***

WAKEFIELD, Mass., June 22, 2020 /PRNewswire/ -- **Curaleaf Holdings, Inc.** (CSE: CURA) (OTCQX: CURLF) ("Curaleaf" or the "Company"), a leading vertically integrated cannabis operator in the United States, today announced that it has signed an amended agreement for its acquisition of GR Companies, Inc. ("Grassroots"), the largest private vertically-integrated multi-state operator in the United States.

Joseph Lusardi, CEO of Curaleaf, stated, "Today's announcement marks another significant step forward in finalizing our acquisition of Grassroots, providing Curaleaf an important entry to highly populous, vertically integrated markets in the Midwest. The pending integration of Grassroots will solidify Curaleaf's position as the world's largest cannabis company by revenue and the most well-diversified, vertically integrated cannabis company in the United States, the world's largest cannabis market. We are well positioned to continue to lead our growing industry, and we look forward to closing the transaction and serving new patients and customers in the Grassroots community."

On July 17, 2019, Curaleaf announced the signing of a definitive agreement to acquire Grassroots. Under the new mutually agreed and amended terms of the agreement, the principal component of the transaction consideration remains the same at approximately 102.8 million subordinate voting shares ("SVS") of Curaleaf. What had initially been a \$75 million cash component of the consideration has been eliminated, while the component of additional Curaleaf SVS to be priced at the 10-day volume-weighted average price prior to closing of the transaction has been increased from \$40 million to approximately \$90.1 million, subject to final adjustment. Accordingly, the total SVS consideration for the transaction is expected to be approximately 118.9 million shares<sup>(1)</sup>. Curaleaf and Grassroots mutually aligned on the updated terms in support of the further optimization of cash, providing maximum flexibility to support the future growth of the business following the close of the transaction. In addition, the parties have resolved that certain Grassroots assets in Illinois, Ohio and Maryland will be designated for sale after closing to comply with local limitation on license ownership. The transaction price remains subject to usual working capital and other adjustments. Curaleaf's acquisition of Grassroots is currently expected to close upon completion of certain pre-closing conditions within the coming weeks.

Grassroots is a strong market leader throughout the Midwest, with an affiliated portfolio of over 50 dispensary licenses, including more than 30 operational dispensaries. The transaction is expected to strategically accelerate Curaleaf's expansion into Illinois and Pennsylvania, which are among the largest and fastest-growing cannabis markets in the United States. Grassroots also has a leading presence in new state markets in which Curaleaf does not currently operate, including Arkansas, North Dakota, and Vermont. The transaction is also complementary to Curaleaf's existing business in seven other states, providing additional scale and operating leverage in major markets such as Arizona, Maryland, Michigan, and Ohio.

The planned integration of Grassroots is expected to expand Curaleaf's presence from 18 to 23 states, with the combined company having over 135 dispensary licenses, 88 operational dispensary locations, over 30 processing facilities and 22 cultivation sites with 1.6 million square feet of current cultivation capacity.

At closing, security holders in Grassroots will have approximately 18% pro forma ownership of Curaleaf on a fully-diluted basis. The amended terms of the transaction were unanimously approved by the Boards of Directors at both companies. A copy of the amended transaction agreement with respect to the proposed transaction will be filed under Curaleaf's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Upon closing of the transaction, the core security holders of Grassroots will have, as a group, the right to appoint one person to serve on the Curaleaf Board of Directors. Mitch Kahn, co-founder and CEO of Grassroots, will fill the allotted board seat. Kahn co-founded Grassroots in 2014 and brings with him more than 20 years of executive experience.

#### **About Curaleaf Holdings, Inc.**

Curaleaf Holdings, Inc. (CSE: CURA) (OTCQX: CURLF) ("Curaleaf") is a leading vertically integrated multi-state cannabis operator with a mission to improve lives by providing clarity around cannabis and confidence around consumption. As a high-growth cannabis company known for quality, expertise and reliability, the company and its brands, Curaleaf and Select, provide industry-leading service, product selection and accessibility across the medical and adult-use markets. The company currently operates in 18 states with 57 dispensaries, 15 cultivation sites and 24 processing sites. Curaleaf employs over 2,200 people across the United States. For more information please visit [www.curaleaf.com](http://www.curaleaf.com).

#### **About Grassroots**

Grassroots is a cannabis company dedicated to serving, advancing and respecting the cannabis movement. Through its unique, vertically integrated business model, Grassroots grows, processes and sells trusted cannabis products that enhance life's moments for people from all backgrounds. Its retail brand, Herbology, offers a unique wellness and education-focused

dispensary experience.

Grassroots has built its portfolio at an unprecedented pace, with licenses and facilities in highly competitive markets, including Illinois, Nevada, Pennsylvania, Michigan, Maryland, Oklahoma, Ohio, Vermont, North Dakota, Arkansas and Connecticut. The executive management team is composed of a group of highly skilled business leaders united by a common belief: Cannabis inspires us to live deeply. For more information, visit [www.grassrootscannabis.com](http://www.grassrootscannabis.com).

## **FORWARD LOOKING STATEMENT**

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects the current beliefs of Curaleaf and is based on information currently available to Curaleaf and on assumptions that Curaleaf believes are reasonable. These assumptions include, but are not limited to, the ability of Curaleaf to complete the transaction described above and the anticipated benefits to Curaleaf of the transaction described above. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Curaleaf to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the failure of Curaleaf to complete the transaction described above; the ability of Curaleaf to successfully integrate the business of Grassroots and their respective corporate cultures; delay or failure to receive board, shareholder or regulatory approvals; the actual results of future operations; competition; changes in legislation affecting Curaleaf; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labor or loss of key individuals and the other factors identified in Curaleaf's Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2019 and its other public filings with the Canadian Securities Exchange. Although Curaleaf has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Curaleaf as of the date of this news release and, accordingly, is subject to change after such date. However, Curaleaf expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

The subordinate voting shares issuable in connection with the proposed transaction have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or an applicable exemption from those registration requirements.

### Footnote:

(1) Total shares of 118.9 million equals the fixed 102.8 million SVS shares plus an additional 16.1 million SVS shares which is dependent on the 10 day volume-weighted average price of Curaleaf's subordinate voting shares on the Canadian Securities Exchange of US \$5.60 as of June 19, 2020. The actual total number of shares to be issued at closing will dependent upon the Curaleaf 10 day VWAP on the last trading day prior to closing for the component of additional SVS shares issued.

### **Investor Contact:**

Curaleaf Holdings, Inc.  
Daniel Foley, VP, Corporate Finance & Investor Relations  
[IR@curaleaf.com](mailto:IR@curaleaf.com)

### **Media Contact:**

Curaleaf Holdings, Inc.  
Tracy Brady, VP, Corporate Communications  
[Media@curaleaf.com](mailto:Media@curaleaf.com)

SOURCE Curaleaf Holdings, Inc.