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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-56468

JUSHI HOLDINGS INC.

(Exact name of registrant as specified in its charter)

British Columbia		**98-1547061**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
301 Yamato Road, Suite 3250 Boca Raton, Florida	**(561) 617-9100**	**33431**
(Address of Principal Executive Offices)	Registrant's telephone number, including area code	(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	**N/A**	**N/A**

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YesNo

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YesNo

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's outstanding subordinate voting shares held by non-affiliates (based on the last reported sale price of these shares on the OTCQX Best Market) on June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, was $253.9 million.

As of April 12, 2023, the registrant had 196,633,371 subordinate voting shares, no par value per share, no multiple voting shares, no par value per share, no super voting shares, no par value per share, and no preferred shares, no par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the definitive proxy statement to be filed by the registrant in connection with the 2023 Annual Meeting of Stockholders (the "2023 Proxy Statement"). The 2023 Proxy Statement will be filed by the registrant with the Securities and Exchange Commission not later than 120 days after December 31, 2022, the end of the registrant's fiscal year.

JUSHI HOLDINGS INC.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "report") may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws, including Canadian securities legislation and United States ("U.S.") securities legislation (collectively, "forward-looking information") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. All information, other than statements of historical facts, included in this report that address activities, events or developments that Jushi expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information is often identified by the words, "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: future business strategy, competitive strengths, goals, expansion and growth of Jushi's business, operations and plans, including new revenue streams, the completion of contemplated acquisitions by Jushi of additional assets, the integration and benefits of recently acquired businesses or assets, roll out of new operations, the implementation by Jushi of certain product lines, implementation of certain research and development, the application for additional licenses and the grant of licenses that will be or have been applied for, the expansion or construction of certain facilities, the expansion into additional U.S. and international markets, any potential future legalization of adult use and/or medical marijuana under U.S. federal law; expectations of market size and growth in the U.S. and the states in which Jushi operates; expectations for other economic, business, regulatory and/or competitive factors related to Jushi or the cannabis industry generally; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of the management of Jushi at the time they were provided or made and such information involves known and unknown risks, uncertainties, including our ability to continue as a going concern, and other factors that may cause the actual results, level of activity, performance or achievements of Jushi, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: risks relating to U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to the economy generally; risks relating to pandemics and forces of nature including but not limited to the 2019 novel coronavirus ("COVID-19"); risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of Jushi; Jushi's history of operating losses and negative operating cash flows; reliance on the expertise and judgment of senior management of Jushi; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to Jushi; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to the Company's recent debt financing and other financing activities including increased leverage and issuing additional equity securities; risks relating to the management of growth; costs associated with Jushi being a publicly-traded company; the Company being a U.S. filer in addition to a Canadian filer; increasing competition in the industry; risks associated with cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labor; reliance on manufacturers and contractors; risks of supply shortages or supply chain disruptions; cybersecurity risks; constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada; risks related to completed, pending or future acquisitions or dispositions, including potential future impairment of goodwill or intangibles acquired and/or post-closing disputes; sales of a significant amount of shares by existing shareholders; the limited market for securities of the Company; risks related to the continued performance of existing operations in California, Illinois, Massachusetts, Nevada, Ohio, Pennsylvania, and Virginia; risks related to the anticipated openings of additional dispensaries or relocation of existing dispensaries; the risks relating to the expansion and optimization of the grower-processor in Pennsylvania, the vertically integrated facilities in Virginia and Massachusetts and the facility in Nevada; the risks related to opening new facilities which is subject to licensing approval; limited research and data relating to cannabis; and risks related to the Company's critical accounting policies and estimates.

Although Jushi 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. 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 information. Accordingly, readers should not place undue reliance on the forward-looking information contained in this report or other forward-looking statements made by Jushi. Forward-looking information is provided and made as of the date of this Annual Report on Form 10-K and Jushi does not undertake any obligation to revise or update any forward-looking information or statements other than as required by applicable law.

Unless the context requires otherwise, references in this report to “Jushi,” “Company,” “we,” “us” and “our” refer to Jushi Holdings Inc. and our subsidiaries.

PART I

Item 1. Business

Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. We are focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license markets. We have targeted assets in highly populated, limited license medical markets that are on a trajectory toward adult-use legalization, including Pennsylvania and Ohio, markets that are in the process of transitioning to adult-use, namely Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

Business Strategy

We seek to find market opportunities with favorable relevant local competitive and regulatory landscapes, supply/demand dynamics, and growth potential. We are focused on expanding our retail presence in current markets, increasing our offering of branded product lines, targeting acquisition opportunities across the supply chain, and applying for de novo licenses. We evaluate 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 of each individual market. In certain markets, we may seek to apply a capital-light or retail-focused strategy, especially where cultivation may become further commoditized in future years. In limited license medical markets (e.g., Pennsylvania), or markets in the process of transitioning to adult-use (e.g., Virginia), we may seek to expand our cultivation assets despite the high level of capital investment required, given the significant market opportunity. Also, in other markets, we may seek a more balanced capital allocation approach where we may acquire a grower-processor and/or additional retail dispensaries in a market where we currently operate, such as California, Illinois, Massachusetts, Nevada and Ohio. Lastly, in limited license adult-use cannabis markets that are expanding, we may allocate significant capital to acquire a vertically integrated operator. By establishing a strong platform and retail-brand recognition in markets that have the greatest growth potential, we expect to be well-positioned for future growth in the adult-use cannabis market if and when it is further legalized.

Current Operations

Sales

With respect to cannabis retail locations, we target highly visible locations adjacent to or near heavily trafficked roads. For cultivation, production and other forms of industrial activity, we target locations with immediate capabilities as well as future expansion potential. We use an internal team for the selection of real estate, as well as a broad network of real estate brokers. We make the determination to purchase or lease our underlying real estate on a case-by-case basis.

We plan to expand our network of cannabis retail locations in select markets. We have developed key indicators to identify attractive sites based on existing competition, population, real estate, parking, traffic and regulatory market attractiveness. We intend to inform patients and consumers about our product offerings in a welcoming environment through one-on-one interactions with staff.

Retail

The table below reflects the number of dispensaries that were in operation in each state as of December 31, 2022:

	Number of Dispensaries			
State	**Medical-use**	**Adult-use**	**Total**	**Brands**
California [1]	—	3	3	BEYOND HELLO™
Illinois [2]	—	4	4	BEYOND HELLO™
Massachusetts [3]	—	2	2	Nature's Remedy™
Nevada	—	4	4	BEYOND HELLO™/NuLeaf™
Pennsylvania	18	—	18	BEYOND HELLO™
Virginia [4]	4	—	4	BEYOND HELLO™
Total [4][5]	22	13	35	

(1) Includes three co-located medical dispensaries.
(2) Includes two co-located medical dispensaries.
(3) Includes one co-located medical dispensaries.
(4) Excludes one store that was opened in January 2023. We are permitted to open one additional dispensary, subject to local zoning and state regulatory approvals.
(5) One medical cannabis dispensary was opened in the State of Ohio during January 2023, under the BEYOND HELLO™ brand.

Online Platforms

We operate three age-gated online platforms through www.beyond-hello.com, www.naturesremedyma.com, and www.nuleafnv.com for patients and customers (the "Online Platforms"). The Online Platforms are not intended to be used for advertising activities but are intended to be used as a virtual tool, allowing patients and customers to understand the cannabis products that we offer and view real-time pricing and product availability at our dispensaries. The Online Platforms do not provide any information or any other functionalities with respect to any third-party dispensaries.

No cannabis purchase and sale transactions occur on the Online Platforms. A patient or customer may reserve products using the Online Platforms, but the patient or customer must be physically present at the point-of-sale to consummate the purchase and sale of products. This requirement allows us and dispensary staff to ensure that the standard operating procedures, including our compliance programs, are applied to all patients and customers in connection with the purchase and sale of products.

In jurisdictions where medical cannabis is legal, upon arrival of the patient at the applicable dispensary, or at the point of delivery (where permissible), dispensary staff must verify the patient's identity and accreditation (such as a state-issued medical cannabis card) and confirm the patient's allotment to ensure the user is not exceeding the state's allotment limits. Once the foregoing is verified, the patient may pay for the product(s) to complete the purchase. If the patient does not have valid identification and accreditation, the patient will not be able to purchase medical cannabis at our applicable dispensary, or at the point of delivery (where permissible), irrespective of any reservation(s) made on one of our Online Platforms.

In jurisdictions where recreational cannabis is legal, upon arrival of the customer at the applicable dispensary, or at the point of delivery (where permissible), dispensary staff must verify that the customer is at least 21 years of age by verifying the customer's government-issued identification. Once the identification is verified, the customer may pay for the product(s) to complete the transaction. If the customer does not have valid identification, the customer will not be able to purchase recreational cannabis at our applicable dispensary, or at the point of delivery (where permissible), irrespective of any reservation(s) made on one of our Online Platforms.

Product Selection and Offerings

We offer both in-house brands and third party products at each of our retail locations. We negotiate with potential brand vendors across all product categories including flower, vape pens, oils, extracts, edibles and pre-rolls to make future product selection decisions. Leveraging our managements' experience, we analyze market dynamics, product quality, profitability, impact and consumer demand to carry out our long-term strategy in each market. With high-impact retail locations in key markets, we expect to be a desirable partner for nationally scaling brands and/or in-house products.

In Massachusetts, Nevada, Ohio, Pennsylvania and Virginia, our dispensaries sell our own in-house brands and a variety of third-party cannabis products, including, cannabis dry flower, vaporizer forms of cannabis, edibles (where permissible), cannabis oil in capsule, tinctures, cannabis in topical products, and other cannabis products. In Illinois and California, our dispensaries sell a variety of third-party cannabis products, including cannabis dry flower, vaporizer forms of cannabis, cannabis oil in capsule, tinctures, cannabis in topical products, cannabis edible products and other cannabis products. Further, in California, we sell a variety of third-party manufactured cannabis products bearing our branding, through a white label licensing arrangement.

In connection with such cultivation and processing, we intend to utilize intellectual property, including trademarks, trade secrets, extraction techniques, concentrates and other proprietary information related to our cannabis brands within the states such cannabis brands are marketed and sold. We have received state approval to produce and market these products under such brands where applicable. We may pursue trademark registration of material brands with the U.S. Patent and Trade Office promptly following a change in the U.S. Patent and Trade Office's policy position towards cannabis products, which currently does not accept such registrations, or a change in related laws. We rely on non-disclosure and confidentiality agreements to protect our intellectual property rights. These brands and formulations include:

Premium Flower: The Bank

The Bank is known for its superior plant genetics and next-level cultivation. The Bank offers pre-packaged flower, infused blunts and pre-rolls comprised of three tiered lines including: Gold Standard, Cache and Vault each offering varying degrees of quality, availability and price. Currently, The Bank is available at our dispensaries in Massachusetts, Nevada, Pennsylvania, Ohio and Virginia, and other licensed retailers across these markets.

Vapes & Concentrates: The Lab

The Lab is renowned for high-quality, precision vape products, and concentrates, including the pioneering of live rosin. The Lab offers a wide selection of vape cartridges, disposables and concentrates. The Lab products are available at our dispensaries in Massachusetts, Nevada, Ohio, Pennsylvania, and Virginia, and other licensed retailers across these markets.

Within The Lab brand family, we launched our first line of solventless live rosin extracts, the new top-shelf product line, produced purely from premium flower and extracted simply with ice and water, including a 0.5g vape extract cartridge and a 1g jarred concentrate available exclusively at our dispensaries in Massachusetts, Pennsylvania and Virginia under the name The Lab™ Solventless Live RSN. It is also expected to launch at our dispensaries in Nevada and Ohio pending regulatory approval.

Also within The Lab brand family, in 2022 we debuted our first line of concentrates made using hydrocarbon extraction. The Lab™ Live Resin is the second of several single-source concentrate product lines to be launched. Initially, we will exclusively carry The Lab™ Live Resin 500mg full-spectrum 0.5 gram 510 cartridges and 300mg rechargeable, all-in-one 0.3g vapes at our BEYOND HELLO™ retail locations in Massachusetts, Nevada, Pennsylvania and Virginia. We plan to roll out our hydrocarbon-extracted line at partner dispensaries across Massachusetts, Nevada, Pennsylvania and Virginia in the coming months. We also plan to launch a variety of 1 gram concentrates in the coming months, pending regulatory approval.

Edibles: Tasteology

Jushi launched Tasteology, an edible brand offering premium, real fruit, cannabis-infused gummies and chewable tablets. Tasteology is the culmination of extensive consumer research into both the taste and effect preferences of people in Jushi's markets where edibles can be offered. Currently, Tasteology is available at our dispensaries in Massachusetts, Nevada, Ohio and Virginia, and other licensed retailers across these markets.

Fine Grind (Shake), Fine Flower (Popcorn) and Singles (Pre-Rolls): Sèchè

Sèchè is a new category in cannabis that redefines the perception of value products like shake and popcorn. Sèchè offers products like Fine Grind (Shake), Fine Flower (Popcorn) and Singles (Pre-Rolls). Currently, Sèchè is available at our dispensaries across California, Massachusetts, Nevada, Ohio, Pennsylvania and Virginia, and other licensed retailers across these markets.

Premium Flower: Hijinks

In 2023, Jushi will be launching Hijinks, a new flower brand which is being developed to address the premium flower market and introduce our newer genetics. Hijinks will be available in Massachusetts, Pennsylvania and Virginia.

Cultivation & Processing

We are currently engaged in cannabis cultivation and processing in Pennsylvania, at our grower-processor facility operated by our wholly-owned subsidiary Pennsylvania Medical Solutions, LLC ("PAMS"). In November 2020, we announced our intention to launch a phased expansion of the PAMS facility to better serve the growing medical cannabis market in Pennsylvania. The first phase of the expansion, which was completed in the second quarter of 2022, expanded the facility from 81,000 sq. ft. to 123,000 sq. ft., increased total canopy from approximately 16,000 sq. ft. to approximately 35,000 sq. ft., and increased annual biomass capacity from about 8,000 lbs. to approximately 22,000 lbs. Phase two of the expansion, which will commence pending favorable regulatory developments in Pennsylvania, such as adult-use legislation, is expected to increase the PAMS facility from 123,000 sq. ft. to 210,000 sq. ft., increase total canopy from 35,000 sq. ft. to approximately 107,000 sq. ft., and increase annual biomass capacity from about 22,000 lbs. to approximately 60,000 lbs. In addition to these two phases of buildout, PAMS continues to assess and develop further expansion opportunities at the PAMS facility to meet the needs of patients and wholesale market demand, now and in the future.

We are also engaged in cannabis cultivation and processing in Virginia. Through our wholly-owned subsidiary Dalitso LLC ("Dalitso"), we operate a facility in Manassas, Virginia (the "Manassas Facility") which allows us to cultivate, process, dispense and deliver medical cannabis to registered patients in Virginia. The Manassas Facility is approximately 93,000 sq. ft.

In May 2021, we began phase one of the expansion of the Manassas Facility, which added approximately 63,000 sq. ft. of cultivation, manufacturing and processing capacity and was completed in the second quarter of 2022. At full capacity, the facility has approximately 19,000 sq. ft. of canopy and an annual biomass production capacity of approximately 12,000 lbs. We are in the design phase of constructing a second connected on-site building that would be built in two phases (phase two and phase three), pending regulatory developments. Phase two of the second building is expected to increase the facility from 93,000 sq. ft. to 195,000 sq. ft., increase total canopy from about 19,000 sq. ft. to approximately 54,000 sq. ft., and increase annual biomass production from about 12,000 lbs. to approximately 35,000 lbs. We anticipate commencing phase two of the expansion when there is clear line of sight into the timing of the state's regulatory developments surrounding the beginning of an adult-use sales program. Phase three would add another approximately 68,000 sq. ft. to the facility, 69,000 sq. ft. of canopy, and 45,000 lbs. of annual biomass production for a total of approximately 263,000 sq. ft., 123,000 sq. ft. of canopy, and 80,000 lbs. of annual biomass capacity. Dalitso's planned facility buildout enables Dalitso to efficiently produce a consistent supply of medical cannabis products as patient access increases and the medical cannabis program continues to mature and expand.

In September 2021, we closed on our acquisition of Nature's Remedy. Nature's Remedy currently operates a 50,000 sq. ft. cultivation and processing facility in Lakeville, Massachusetts with indoor flower canopy and extraction and manufacturing capabilities (the "Lakeville Facility"). The Lakeville Facility completed an expansion to approximately 33,000 sq. ft. of canopy during the second half of 2021. As part of the expansion, the Lakeville Facility will be capable of producing annual biomass of approximately 21,000 lbs.

In Nevada, through our subsidiary FBS NV, we engage in cultivation and processing operations in North Las Vegas, Nevada, and are permitted to purchase and/or sell cannabis and cannabis products to other authorized licensees on a wholesale basis. FBS NV operates a 7,200 sq. ft. facility featuring state-of-the-art, indoor, multi-tier vertical cultivation that yields approximately 2,800 lbs. of high-quality dry flower per year. Pursuant to the hemp handler license, FBS NV was also permitted to handle raw industrial hemp, purchase hemp-derived constituents (such as hemp-derived CBD) from licensed hemp operators, and to infuse or manufacture products containing hemp-derived constituents. FBS NV surrendered its hemp handler license in 2022.

In April 2022, we expanded our capabilities in Nevada by acquiring NuLeaf, a Nevada-based vertically integrated business operating a 27,000 sq. ft. cultivation facility in Sparks, Nevada, and a 13,000 sq. ft. processing facility in Reno. NuLeaf's cultivation operations span 27,000 sq. ft. over two floors in a 15,000 sq. ft. building in Sparks, Nevada. The building is equipped with ten single tier flower rooms, with a flower canopy encompassing approximately 6,800 sq. ft., and a custom building automation system for controlled temperature, humidity, lighting, and CO2 enrichment. NuLeaf also operates a separate 13,000 sq. ft. processing facility in Reno, Nevada. The facility currently has hydrocarbon extraction capabilities and can hold an additional extraction unit within the existing space.

In August 2021, we completed the acquisition of FBS OH, a licensed medical marijuana processor in Ohio. FBS OH operates an 8,000 sq. ft. state-of-the-art processing facility located in Columbus, Ohio. Additionally, we acquired OhiGrow, LLC ("OhiGrow") located in Toledo, Ohio. OhiGrow holds a Level II cultivation license that initially allowed for up to 3,000 sq. ft. of cultivation area. OhiGrow currently operates approximately 1,900 sq. ft. of canopy in a free-standing building. There is additional available vacant space on the property, which can be further developed. We applied for the necessary state approvals to expand the OhiGrow facility's cultivation area to up to 6,000 sq. ft. of cultivation area and our application was approved in February 2023.

Wholesale

In addition to branded and manufactured finished products, we plan to sell bulk refined cannabinoids and terpenes to vendors for use in their own finished products, as our production capacity increases in certain markets. The full scale and allocation of production utilization will depend upon the scale of our owned and managed retail footprint in addition to the production capacity of our cultivation and production facilities.

Branding and Marketing

We continue the rollout of our flagship brands across our key operating markets. After the launch of our online pre-ordering platform, BEYOND HELLO™ has evolved into a fully integrated digital to brick-and-mortar experience, providing customers real-time access to pricing and product availability. All of our current retail locations operate under the BEYOND HELLO™ brand except in Massachusetts and Nevada. In Massachusetts, our retail locations operate under the Nature's Remedy brand. In Nevada, we operate three retail locations under the NuLeaf brand and one under the BEYOND HELLO™. We are planning for our future retail locations in Virginia, California and other states to operate under the BEYOND HELLO™ brand as well. Further, in states where we have licensed cultivation and processing operations, we produce products under our in-house brands including The Lab™, Seche™ and Tasteology™ where allowed.

We operate a state-by-state opt-in loyalty program, "The Hello Club," that rewards patients and customers with points and other exclusive offers based on their past purchases. We leverage SMS and email lists to promote specific products.

We provide retail partners with approved merchandise, and other display materials to support sales. We create product imagery, video and descriptions which are included across online dispensary menus where our products are sold.

We take advantage of various directory platforms for cannabis businesses to help prospective patients and customers find our respective retail locations. We also run out-of-home marketing campaigns in approved markets and locations for our retail dispensaries.

Principal Markets & Competition

We compete against other retail and vertical licensees across the various state markets that we operate in. In certain markets, such as California, many of our competitors are small local dispensaries; however, we expect to compete against both large Multi-State Operators (“MSO”), as well as Canadian licensed producers, if and when cannabis is federally legal in the U.S. A "Multi-State Operator" is a colloquial term used to describe a company that engages in the cultivation, production and/or sale of cannabis and cannabis products in more than one state in accordance with applicable state and local laws, rules and regulations. In addition, we expect to compete against both third party and direct delivery services. We seek to address our competitive risk in these markets by picking strategic locations, with defensible buffers naturally built in through local regulations and local dispensaries laws.

With respect to cultivation and processing, we compete with both MSO's and local operators in the states in which we operate. In Massachusetts, Nevada, Ohio, Pennsylvania, and Virginia, we compete with larger MSO's that may have better access to public markets, more experienced management teams, or are further along in terms of reaching scale. We are positioning ourselves to minimize all of the above risks through accretive acquisitions, superior execution, and thoughtful location of retail and manufacturing sites.

Business in Europe

We hold a 51% interest in Jushi Europe SA, a company organized under the laws of Switzerland. Jushi Europe’s wholly owned Portuguese subsidiary, JPTREH Unipessoal Limitada, a business entity organized under the laws of Portugal (Jushi Portugal), submitted an application to Portugal’s National Authority for Medicines and Health Products (INFARMED) for import, cultivation and export of medical cannabis. Jushi Portugal was granted a pre-license in November 2020. Jushi Portugal acquired 32 acres of land to construct a greenhouse cultivation facility in southern Portugal. The build-out of the greenhouse cultivation facility commenced, but was subsequently halted.

In February 2022, Jushi Europe filed a notice of over-indebtedness with the Swiss courts. Then in March 2022, the independent accounting firm for Jushi Europe also filed a notice of over-indebtedness with the Swiss courts. As a result of the impending bankruptcy of Jushi Europe, we determined that the assets of Jushi Europe were impaired and recognized an impairment loss of $4.6 million for the year ended December 31, 2021, which is included in operating expenses in the consolidated statements of operation and comprehensive income (loss). The Swiss courts declared Jushi Europe’s bankruptcy in May 2022. As a result, Jushi Europe updated its corporate name to Jushi Europe SA in liquidation, which is still on-going.

Neither Jushi Europe nor Jushi Portugal operates nor plans to operate in any emerging markets (as defined by Ontario Securities Commission Staff Notice 51-720 – Issuer Guide for Companies Operating in Emerging Markets).

Regulatory Overview

Below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where we are currently directly involved in the cannabis industry.

Federal Regulation of Cannabis in the U.S.

Under U.S. federal law, marijuana is classified as a Schedule I drug. The Controlled Substances Act (CSA) has five different tiers or schedules. A Schedule I drug means the Drug Enforcement Agency considers it to have a high potential

for abuse, no accepted medical treatment and lack of accepted safety for the use of it even under medical supervision. Other Schedule I drugs include heroin, LSD and ecstasy. In June 2018, the U.S. Food and Drug Administration (the FDA) approved Epidiolex, a purified form of CBD derived from the marijuana plant and used to treat two rare, intractable forms of epilepsy. We believe marijuana's categorization as a Schedule I drug is thus not reflective of the medicinal properties of marijuana or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties and can be safely administered. In this respect, 38 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have passed laws authorizing comprehensive, publicly available medical marijuana programs, and 21 of those states and the District of Columbia have passed laws legalizing marijuana for adult-use.

In an effort to address incongruities between marijuana prohibition under the CSA and legalization under various state laws, the federal government issued guidance to law enforcement agencies and financial institutions during the Presidency of Barack Obama through Department of Justice (DOJ) memoranda. The most recent such memorandum is a DOJ memorandum issued by Deputy Attorney General James Cole in 2013 (the Cole Memo). The Cole Memo provided guidance to federal enforcement agencies as to how they should prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The Cole Memo shielded individuals and businesses participating in state-legal marijuana operations from prosecution under federal drug laws, excepting marijuana-related conduct that fell into one of the following enumerated prosecution priorities:

1. Preventing the distribution of marijuana to minors;
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
4. Preventing the state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
5. Preventing the violence and the use of firearms in the cultivation and distribution of marijuana;
6. Preventing the drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
8. Preventing marijuana possession or use on federal property.

In January 2018, then U.S. Attorney General Jeff Sessions issued the Sessions Memo, which rescinded the Cole Memo. Rather than provide nationwide guidance respecting marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that "[i]n deciding which marijuana activities to prosecute. With the DOJ's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions." Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles. Former U.S. Attorney General Jeff Sessions resigned in November 2018 and was replaced by Matthew Whitaker as interim Attorney General. In February 2019, William Barr was sworn in as Attorney General. Mr. Barr resigned as Attorney General in December 2020 and Merrick Garland was sworn in as Attorney General in March 2021. Attorney General Merrick Garland's public comments to date suggest that the prosecution priorities outlined in the Cole Memo shape the Department of Justice's prosecutorial priorities under his tenure.

Despite rescission of the Cole Memo, we remain mindful of the common-sense prosecution priorities set forth therein and have not modified policies or procedures intended to support its underlying safety-focused intent. To this end, we and our operating subsidiaries adhere to industry best practices for operations, mandate strict compliance with applicable state and local laws, rules, regulations, ordinances, guidance and like authority, implement procedures designed to ensure operations do not exceed what is authorized under applicable licenses, perform stringent diligence on third-parties with whom we do business, perform background checks on employees and maintain state-of-the-art seed-to-sale inventory tracking and other security infrastructure. Regular reviews of the foregoing and related operations, premises, documentation and the like are performed to ensure compliance with our safety, security and compliance standards.

Due to the CSA categorization of marijuana as a Schedule I drug, U.S. federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the Bank Secrecy Act. Under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to account for the trend towards legalizing medical and adult-use marijuana by U.S. states, the Treasury Department Financial Crimes Enforcement Network FinCEN has issued guidance in 2014 to prosecutors handling money laundering and other financial crimes advising them not to focus enforcement efforts on banks and other financial institutions servicing marijuana-related businesses so long as such businesses are legally operating under state law and not engaging in conduct within the scope of a Cole Memo prosecution priority (such as keeping marijuana away from minors and out of the hands of organized crime). The 2014 FinCEN guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. Verifying with the appropriate state authorities whether the business is duly licensed and registered;
2. Reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;
3. Requesting from state licensing and enforcement authorities available information about the business and related parties;
4. Developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult-use customers);
5. Ongoing monitoring of publicly available sources for adverse information about the business and related parties;
6. Ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
7. Refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, the 2014 FinCEN guidance allows financial institutions to reasonably rely on the accuracy of information provided by state licensing authorities where states make such information available.

Unlike the Cole Memo, 2014 FinCEN guidance remains effective as of the date of this Form 10-K. During the Trump Administration, Secretary of the Treasury Steven Mnuchin publicly voiced his intent to leave such guidance in force and effect. The current Secretary of the Treasury, Janet Yellen, has not provided any public comment regarding her positions on the 2014 FinCEN guidance, but has previously indicated that she would be in favor of legislation that would provide safe harbor to financial institutions that worked with state-legal marijuana-related businesses. Nonetheless, despite FinCEN's guidance, most banks and other financial institutions are still unwilling to provide banking or other financial services to marijuana businesses resulting in largely cash-based operations. While the FinCEN guidance decreased some risk for banks and financial institutions that accept marijuana business, it has not increased the industry's access to banking services because financial institutions are required to perform extensive, continuous customer diligence respecting marijuana customers and are not immune from prosecution based on transacting business with such customers. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses' accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

Although the Cole Memo was rescinded and FinCEN's guidance has not made financial services widely available to legal marijuana businesses, a key legislative safeguard for the medical cannabis industry remains in place. Specifically, certain temporary federal legislative enactments that protect the medical marijuana industry have also been in effect. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of a temporary appropriations measures that has been enacted into law as an amendment or "rider" to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. First adopted in the Appropriations Act of 2015, Congress has

since included in successive budgets a "rider" that prohibits the DOJ from expending any funds to enforce any law that interferes with a state's implementation of its own medical marijuana laws. The rider is known as the "Rohrbacher-Farr" Amendment after its original lead sponsors (it is also sometimes referred to as the Rohrabacher-Blumenauer Amendment or the Joyce-Leahy Amendment). In 2021, President Biden proposed a budget with the Rohrbacher-Farr amendment included. The amendment has been renewed numerous times since then, and is currently effective through September 2023.

Though there is no guarantee the Presidency of Joe Biden or a future administration will not change relevant federal policy, as a practical matter, the legal marijuana industry has not seen a material change in federal enforcement activities since rescission of the Cole Memo. In testimony given on March 1, 2023, Attorney General Merrick Garland indicated that the Department of Justice policy on marijuana policy will be consistent with Cole Memo policy. Regardless, it is possible existing appropriation rider protection and existing prosecutorial discretion not to enforce federal drug laws against state-legal marijuana business could change at any time.

Finally, revenue from our marijuana operations is subject to Section 280E of the Code. Section 280E of the Code prohibits marijuana businesses from deducting ordinary and necessary business expenses, resulting in a materially higher effective federal income tax rate than businesses in other industries. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be in a different industry.

Industrial Hemp

In December 2018, the Agricultural Improvement Act of 2018 ("the Farm Bill") became law in the U.S. Under the Farm Bill, industrial and commercial hemp is no longer to be classified as a Schedule I controlled substance in the U.S. Hemp includes the plant cannabis sativa L and any part of that plant, including seeds, derivatives, extracts, cannabinoids and isomers. To qualify under the Farm Bill, hemp must contain no more than 0.3 % of delta-9-THC. The Farm Bill explicitly allows interstate commerce of hemp which will enable the transportation and shipment of hemp across state lines, thus, the Farm Bill fundamentally changed how hemp and hemp-derived products (such as those containing CBD extracted from hemp) are regulated in the U.S.

State Regulatory Environment

The following sections describe the legal and regulatory landscape in states where our subsidiaries currently operate or intend to operate in the near-term future. While we actively work to ensure all of our operations are fully compliant with applicable state and local laws, rules, regulations, licensing requirements, ordinances and other applicable governing authority, the rules and regulations as outlined below are not a comprehensive representation of all the rules that we and our subsidiaries are required to follow in each applicable state. There are significant risks associated with our business and readers are strongly encouraged to carefully review and consider all of the risks set forth and described herein.

Common State Law Requirements

Although each state has its own laws and regulations regarding the operation of cannabis businesses, certain of the laws and regulations are consistent across jurisdictions. For example, to operate legally under state laws, marijuana businesses must typically obtain a license from the state. In some states, local marijuana-specific approvals are also required. In these jurisdictions, local governments may be authorized to prohibit or otherwise impose material restrictions on cannabis operations, including by proscribing rules limiting the type(s) and/or number of license(s) allowed (such authority is in addition to ordinary and customary building, fire and land use regulatory control). In many cases, securing local approval(s) is a prerequisite to state issuance of a full or unconditional license. Further, only cannabis grown or manufactured within the state can be sold in such state.

License application and renewal processes are unique to each state, and as applicable, each locality. However, generally each state's application process requires a comprehensive criminal history disclosure of key individuals (such as major shareholders, directors, officers, certain managers and other individuals to the extent they are known at the time of application (Key Individuals)), and as to the applicant entity (and often its affiliates) and such Key Individuals, marijuana

licensing and compliance history, financial and personal disclosures, detailed operating plans, facility information (often including drawings and plans), security-related plans, an affirmative obligation to report changes to or deviations from information set forth in the application, and other information designed to ensure only reputable, law-abiding individuals and entities ready, willing and able to operate in compliance with applicable state laws, rules and regulations are awarded marijuana licenses.

Applicants for marijuana licenses are commonly required to submit standard operating procedures ("SOPs") describing how the proposed business will secure its facility(ies), manage inventory, comply with inventory tracking requirements and other reporting obligations, effectuate safe marijuana transactions, handle waste, train employees, implement quality control measures, and perform other tasks necessary and appropriate to operate in a safe, secure, and compliant manner. SOPs submitted as part of licensing applications are typically reviewed, evaluated and ultimately approved by regulators, and must generally remain in force and effect after issuance of a license. Any material change to SOPs requires prior written regulatory approval in nearly all cases. Finally, marijuana operations are continuously subject to inspection, with or without notice, by cannabis regulators and certain authorized law enforcement agencies.

California

California Licenses

In California, State and local medical and adult-use cannabis business licenses are renewed annually. Each year, licensees are required to submit a renewal application per guidelines published by the Department of Cannabis Control ("the DCC"), which is the successor regulator to the Bureau of Cannabis Control. While renewals are annual, there is no limit to the number of renewals a licensee may obtain. Assuming requisite renewal fees are paid, renewal applications are submitted in a timely manner, and the establishment has not been cited for material violations, renewal applicants can anticipate approval in the ordinary course of business. However, any unexpected denials, delays or costs associated with a licensing renewal could impede planned operations and may have a material adverse effect on our business, financial condition, results of operations or prospects.

We currently hold three (3) medical and adult-use cannabis business licenses to operate dispensaries in Santa Barbara, California, Palm Springs, California and Grover Beach, California. Our dispensaries located in Santa Barbara and Grover Beach are currently operational. Our Palm Springs dispensary's operations, which were voluntarily suspended while the store underwent a significant renovation, resumed operations in the third quarter of 2022. In addition, one of our subsidiaries entered into a long-term lease agreement for a bespoke, ground-up build in Culver City, California. We also received approval to move forward in the merit-based application process as one of three selected applicants for a storefront retail (and ancillary delivery) permit in Culver City, California.

License and Regulations

Adult-use retailer licenses permit the sale of cannabis and cannabis products to any individual age 21 years of age or older who does not possess a physician's recommendation. Thus, should a subsidiary be awarded a license, it will be authorized to sell cannabis and cannabis products to adults over the age of 21 subject to customer presentation of a valid government-issued photo ID. As with all state-legal marijuana programs, only cannabis grown in California can be sold in California and retail licensees may only sell cannabis products procured from a duly licensed distributor or licensed microbusiness authorized to engage in distribution. All cannabis products are subject to appropriate laboratory testing, packaging, labeling, and tracking requirements. Upon receipt, licensed retailers must confirm cannabis products have not expired, are properly packaged and bear batch numbers which correspond with tracking and laboratory analysis documentation. Cannabis and cannabis products may only be displayed for inspection and sale on the sales floor of the facility, and may only be removed from packaging for customer inspection if placed in a proper container provided by the licensee and not readily accessible without the assistance of licensee staff (who must remain with the customer throughout such inspection). Any cannabis product displayed or inspected in this manner must be destroyed following inspection or when no longer being used for display purposes and may not be sold or consumed. Retailers may only provide free cannabis

products under certain, very limited circumstances and may not sell other goods, with the exception of cannabis accessories and branded merchandise.

Medicinal retailer licenses permit the sale of medicinal cannabis and cannabis products for use pursuant to the Compassionate Use Act of 1996, found at Section 11362.5 of the California Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations. We maintain an open, transparent and collaborative relationship with the DCC and local-level cannabis regulators.

Reporting Requirements

The State of California uses Metrc LLC's METRC solution ("METRC") as the state's track-and-trace (T&T) system used to track commercial cannabis activity and movement along the legal supply chain. The system allows for other third-party system integration via application programming interface.

Operating Procedure Requirements

Licensing applicants must submit SOPs describing how the operator will, among other requirements, secure the facility, manage inventory, comply with seed-to-sale requirements, dispense cannabis, and handle waste. Once an SOP is approved by the governing regulating body(ies), licensees must provide their employees with SOP training and seek written approval from governing regulating bodies before materially changing their SOPs.

Storage and Security

To ensure the safety and security of cannabis facilities and operations, the DCC requires licensees to:

1. Maintain a fully operational security alarm system;
2. Contract for security guard services;
3. Maintain a video surveillance system that records continuously 24 hours a day;
4. Ensure adequate lighting is installed and maintained on and about licensed facilities;
5. Only transact business during authorized hours of operations;
6. Store cannabis and cannabis product only in areas identified for such purposes on drawings submitted to and approved by the State of California in connection with licensing;
7. Store all cannabis and cannabis products in a secured, locked room or a vault;
8. Report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
9. To the extent applicable based on a licensee's authorized scope of operations, ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the DCC, that meet DCC distribution requirements, are to be used to transport cannabis and cannabis products.

In addition to DCC storage and security requirements, local jurisdictions may have additional storage and security requirements. Such requirements, to the extent they exist, may vary from one locality to another.

Site-Visits & Inspections

The DCC and its authorized representatives have broad authority, with or without notice, to inspect licensed cannabis operations, including premises, facilities, equipment, books and records (which may be copied, and such copies retained), and cannabis products. Failure to grant DCC representatives full and immediate access to facilities, property, and premises, and to cooperate with inspections and investigations may result in disciplinary action. Laws and regulations enacted by many local jurisdictions grant local cannabis governing bodies and law enforcement agencies similar inspection authority.

We are in compliance with the laws of the State of California and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation which are outstanding which may have an impact on our licenses, business activities or operations in the State of California. Notwithstanding the foregoing, like most businesses, we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of California, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of California. See "Regulatory Framework – Compliance."

Illinois

Illinois Regulatory Landscape

In January 2014, the Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with certain debilitating or "qualified" medical conditions to access medical marijuana, became effective. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program, that allows individuals who have/could receive a prescription for opioids to access medical marijuana.

In June 2019, Illinois legalized adult-use marijuana pursuant to the Cannabis Regulation and Tax Act (the IL Act). Effective January 1, 2020, Illinois residents 21 years of age and older may possess up to 30 grams of marijuana (non-residents may possess up to 15 grams). Existing medical dispensaries were able to apply for an "Early Approval Adult Use Dispensing Organization License" to serve adult users at an existing medical dispensary or at a secondary site. The Illinois Department of Financial and Professional Regulation ("IDFPR") has granted approximately 48 Early Approval Adult Use Dispensing Organization licenses to date. The IL Act further authorized the IDFPR to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 2020 and an additional 110 conditional licenses during 2021 (no person may hold a financial interest in more than 10 dispensing organizations); due to procedural delays related to litigation against the State of Illinois to which we are not currently a party to, conditional licenses began being issued in 2021 and 192 have been issued to-date. Conditional licenses from this round of applications have been awarded. In December 2022, Governor Pritzker's administration announced another 55 Conditional Adult Use Dispensing Organization licenses to be awarded via a lottery to take place in 2023, for which applicants must be qualified as social equity criteria as mandated by the state.

The Illinois Department of Agriculture ("the IL Ag. Department") is authorized to make up to 30 cultivation center licenses available between the state's medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an "Early Approval Adult Use Cultivation Center License." The IL Ag. Department has issued approximately 21 Early Approval Adult Use Cultivation Centers to date. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 sq. ft. of canopy space. Cultivation centers are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. The IL Ag. Department was also permitted to license up to 40 craft growers and 40 infuser organizations by July 2020 (license awards have been delayed due to the COVID-19 pandemic) and another 60 of each license type by the end of 2021; however, the remaining 60 craft grower license awards were delayed until 2022 due to procedural delays related to litigation against the State of Illinois to which we are not currently a party to. The IL Ag. Department closed the application period for craft growers, infusers, and cannabis transporters in March 2020.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans to comply with such requirements. For example, applicants for dispensary licenses must include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan, and an operating plan. Applicants for craft growers must similarly submit a facility plan, an employee training plan, a security plan, a record keeping plan, a cultivation plan, a product safety and labeling plan, a business plan, an environmental plan, and more.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy, water, and waste-management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

The IL Ag. Department is authorized to promulgate, and has promulgated, regulations for cultivators, craft growers, infuser organizations, and transporting organizations. The IDFPR is authorized to regulate dispensaries but has not yet issued adult-use regulations. Therefore, currently licensed adult-use retail operations are governed by the IL Act and adult-use retail applications submitted during the application window, which closed in January 2020, will be evaluated under and in accordance with the IL Act.

We, through our subsidiaries in the State of Illinois, are in compliance with applicable licensing requirements in the State of Illinois.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Illinois. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “Risk Factors – Risks Related to the Regulatory Environment.”

Illinois Licenses

As of the date of this Form 10-K, we operate 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 our BEYOND HELLO™ brand.

In August 2021, Jushi’s partner Northern Cardinal Ventures, LLC was selected to receive a Conditional Adult Use Dispensing Organization license in Illinois via the state’s lottery process. The dispensary location is designated for the Peoria Bureau of Labor Statistics region in Illinois and will be BEYOND HELLO’s fifth location in the state. After delays due to an injunction pursuant to litigation against the State of Illinois of which neither Northern Cardinal Ventures, LLC nor Jushi is a party to, in July 2022, Northern Cardinal Ventures, LLC received its Conditional Adult Use Dispensing Organization license, and has received local approvals necessary to proceed with its Adult Use Dispensing Organization license.

All medical and adult-use dispensing organizations licensed by IDFPR hold registration certificates valid for a period of one year and subject to annual or biannual renewals after required fees are paid and the organization remains in good standing. Renewals are generally communicated by IDFPR within 90 days of a license's expiration through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Beyond Hello IL, LLC (“BHIL”) would expect to receive the applicable renewed license in the ordinary course of business. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Medical marijuana retail dispensary licenses permit BHIL to purchase cannabis and cannabis products from licensed cultivation/processing facilities and to sell cannabis and cannabis products to registered patients. The adult-use dispensing organization license permits BHIL to acquire cannabis from a licensed cultivation center, craft grower, processing organization, or another dispensary and to sell cannabis and cannabis products (and limited other items) to adult-use purchasers, registered medical cannabis patients and registered caregivers.

BHIL must operate in accordance with the representations made in its license application materials, unless otherwise approved by the IDFPR. It must include its name on the packaging of any cannabis product it sells. All medical products must be obtained from an Illinois registered medical cultivation center, while all adult-use products must be obtained from a licensed adult-use cultivation center, craft grower, processing organization, or another dispensary. BHIL must inspect and document (e.g., through the State of Illinois tracking system and in accordance with SOPs) all cannabis and cannabis products it acquires for resale. Any cannabis or cannabis products not properly packaged, labeled or inconsistent with State of Illinois tracking records must be rejected at the time of delivery. At all times, dispensing facilities must remain in compliance with all applicable building, fire, safety and land use laws, rules and regulations, and may not operate a drive through window or offer delivery services. BHIL may only operate during state regulated approved hours (6 a.m. to 10 p.m., daily) and must ensure two or more employees are present during all operating hours.

Each dispensary must submit a list of all third-party vendors to the IDFPR and identify all service professionals that will work at the dispensary by name and set forth a description of the services such person will provide. No service professional may work in the dispensary until his or her name is provided to IDFPR and appears on the facility's service professional list.

BHIL may not produce or manufacture cannabis or cannabis products and may not permit on-site consumption at its facilities. BHIL may only sell cannabis or cannabis products to consumers who present a valid medical cannabis registration identification card or valid government-issued photo identification (ID) evidencing the customer is 21 years of age or older. BHIL must deal with all suppliers on the same terms and may not enter into an exclusive agreement with any supplier. Further, BHIL may not contract with, pay, or have a profit-sharing arrangement with third party groups involved in assisting individuals with finding a physician or completing the patient or participant application; nor may it pay a referral fee to a third-party group for sending it patients or participants. No more than 40% of its adult-use inventory may originate from a single supplier. Dispensing organizations are subject to inspections, with or without notice. Licensees are required to cooperate with such inspections and must make all records, plans, logs, reports and other operational documents available for inspection and copying upon request.

Craft grower licensees are authorized to cultivate cannabis and manufacture cannabis products (including cannabis infused products), and to sell cannabis and cannabis products to licensed adult-use dispensing organizations or for use at licensed manufacturers. Transportation licensees are authorized to transport cannabis and cannabis products between licensed cannabis facilities.

Reporting Requirements

The State of Illinois uses BioTrack THC as its inventory tracking system used to track commercial cannabis activity and movement along the legal supply chain. The system allows for other third-party system integration via application programming interface

Storage and Security

BHIL dispensaries must store inventory on-site in a secured and restricted-access area and enter information into the State of Illinois' tracking system as required by Illinois law and IDFPR rules. Any cannabis or cannabis products in an open or defective package, which have expired, or which we otherwise have reason to believe have been opened or tampered with must be segregated in secure storage until promptly and properly disposed of.

Dispensing facilities are also required to implement security measures designed to deter and prevent unauthorized entry into the facility (and restricted-access areas) and theft, loss or diversion of cannabis or cannabis products. In this respect, dispensing facilities must maintain a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. BHIL must also implement various security measures, as required by law, rule regulation or SOPs, designed to protect the premises, customers and dispensing organization agents (employees).

Transportation Requirements

Currently, licensed cultivation centers may transport cannabis and cannabis products in accordance with certain guidelines; however, from July 2020 cultivation centers are prohibited from transporting adult-use cannabis without obtaining a separate transporting organization license beginning, provided that such prohibition was and remains suspended pursuant to Executive Order 2020-45. For medical marijuana, dispensing organizations must receive a copy of the shipping manifest prepared by the cultivation center in advance of transport and is required to check the product delivered against such manifest at the time of delivery. All cannabis and cannabis products must be packaged in properly labeled and sealed containers and may not be accepted by a dispensary recipient if packaging is damaged or labels are missing, damaged or tampered with.

We are in compliance with the laws of the State of Illinois and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the State of Illinois. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Illinois, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Illinois. See "Regulatory Framework – Compliance."

Massachusetts

Massachusetts Regulatory Landscape

Cannabis for medical use was legalized in Massachusetts by voter approval of the Massachusetts Medical Marijuana Initiative in 2012. The law took effect on January 1, 2013, eliminating criminal and civil penalties for the possession and use of up to a 60-day or ten (10) ounce supply of marijuana for medical use for patients possessing a State-issued registration card. In November 2016, Massachusetts voters approved Question 4 or the Massachusetts Marijuana Legalization, Regulation and Taxation of Marijuana Initiative, which allowed for recreational or "adult-use" cannabis in Massachusetts. In July 2017, the Cannabis Control Commission ("the CCC") was established under Chapter 55 of the Acts of 2017 to implement and administer laws enabling access to medical and adult-use cannabis. The Commission was appointed in September 2017, and in November 2018, the CCC issued the first notices for retail marijuana establishments to commence adult-use operations in Massachusetts. Under the current law, there are no State-wide limits on the total number of licenses issued; however, no individual or entity shall be an owner or a controlling person over more than three licenses in a particular class of license. Similarly, no individual, corporation or other entity shall be an owner or in a position to control the decision making of more than three licenses in a particular class of license. In addition, all marijuana establishments are required to enter into host community agreements with the municipality in which they are located.

Massachusetts Licenses

Through an affiliate we acquired the licenses previously held by Nature's Remedy, which include one (1) final adult-use cultivation license, one (1) final adult-use product manufacturer license and two (2) final adult-use retailer licenses in Massachusetts. Nature's Remedy also holds one (1) provisional license for adult-use cultivation. Furthermore, Nature's Remedy held one (1) medical license that permits vertically-integrated operations including the ability to maintain one (1) medical marijuana dispensary in Massachusetts. Under the terms of the adult-use marijuana cultivator license, the licensee may cultivate, process and package marijuana, and transfer marijuana products to marijuana establishments, but not to consumers. An adult-use marijuana product manufacturer is an entity authorized to obtain, manufacture, process and package marijuana and marijuana products, to transfer marijuana and marijuana products to marijuana establishments, but not to consumers. An adult-use marijuana retailer is an entity authorized to purchase, repackage, white label, and transport marijuana and marijuana products from marijuana establishments and transfer marijuana and marijuana products to marijuana establishments and to sell to consumers. The medical marijuana treatment center ("MTC") licenses are vertically integrated and permit a licensee to cultivate, manufacture, process, package, transport, deliver, sell, and

purchase marijuana pursuant to the terms of the medical licenses. Massachusetts does not issue a single vertically integrated adult-use license like the MTC license. License types for adult-use are individual for each function and a licensee may pursue multiple license types. Because marijuana is not federally legal, a licensee can sell only cannabis that is grown and manufactured in Massachusetts. An adult-use marijuana retailer provides a retail location which may be accessed by consumers 21 years of age or older or, if the retailer is co-located with an MTC, by individuals who are registered qualifying patients with the Medical Use of Marijuana Program with a registration card. In order for a customer to be dispensed marijuana, they must present a valid government issued photo ID immediately upon entry of the retail facility. If the individual is younger than 21 years old but 18 years of age or older, he or she shall not be admitted unless he or she produces an active medical registration card issued by the CCC. If the individual is younger than 18 years old, he or she shall not be admitted unless he or she produces an active medical registration card and is accompanied by a personal caregiver with an active medical registration card. In addition to the medical registration card, registered qualifying patients 18 years of age and older and personal caregivers must also produce proof of identification. Each recreational customer may be dispensed no more than one ounce of marijuana or five grams of marijuana concentrate per transaction as outlined in 935 CMR 500.140(3)(a)(1). Medical patients may be dispensed up to a 60- day supply of marijuana, or the equivalent amount of marijuana in marijuana infused products, that a registered qualifying patient would reasonably be expected to need over a period of 60 calendar days for his or her personal medical use, which is ten ounces, subject to 935 CMR 501.140(3)(a). Allowable forms of marijuana in Massachusetts include smokable dried flower, dried flower for vaporizing, cannabis derivative products (i.e., vape pens, gel caps, tinctures, etc.) and medical cannabis-infused products, including edibles.

Reporting Requirements

The CCC uses METRC as its T&T system used to track commercial cannabis activity and movement across the distribution chain. The system allows for other third-party system integration via application programming interface.

Medical Cannabis Regulations

Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (“the MUMP”) registers qualifying patients, personal caregivers, MTCs, and MTC agents. MTCs were formerly known as Registered Marijuana Dispensaries (“RMD”). The MUMP was established by Chapter 369 of the Acts of 2012, “An Act for the Humanitarian Medical Use of Marijuana”, following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. (referred to herein as the Massachusetts Medical Act). MTC Certificates of Registration are vertically integrated licenses in that each MTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary locations. There is a limit of three MTC licenses per person/entity. The CCC regulations, 935 CMR 501.000 et seq. (referred to herein as the Massachusetts Medical Regulations), provide a regulatory framework that requires MTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency virus (AIDS), hepatitis C, amyotrophic lateral sclerosis, Crohn’s disease, Parkinson’s disease, and multiple sclerosis when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient’s healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health in December 2018. The CCC approved revised regulations for the MUMP in November 2020, which are now effective.

Medical Cannabis Licensing Requirements

The Massachusetts Medical Regulations delineate the licensing requirements for MTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of Commonwealth of Massachusetts, Department of Revenue and Department of Unemployment Assistance; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MTC licenses; (iii) an MTC may not cultivate medical cannabis from more than two locations statewide; (iv) MTC agents must be registered with the CCC; (v) an MTC must have a program to provide reduced cost or free marijuana to patients with

documented verifiable financial hardships; (vi) one executive of an MTC must register with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information system; (vii) the MTC applicant has at least $500,000 in its control as evidenced by bank statements, lines of credit or equivalent; and (viii) payment of the required application fee.

In an MTC application, an applicant must also demonstrate or include: (i) the name, address, date of birth and resumes of each executive of the applicant and of the members of the entity; (ii) a plan to obtain liability insurance coverage in compliance with statutes; (iii) a detailed summary of the business plan for the MTC; (iv) an operational plan for the cultivation of marijuana including a detailed summary of policies and procedures; and (v) a detailed summary of the operating policies and procedures for the MTC including security, prevention of diversion, storage of marijuana, transportation of marijuana, inventory procedures, procedures for quality control and testing of product for potential contaminants, procedures for maintaining confidentiality as required by law, personnel policies, dispensing procedures, record keeping procedures, plans for patient education and any plans for patient or personal caregiver home delivery. An MTC applicant must also demonstrate that it has: (i) a successful track record of running a business; (ii) a history of providing healthcare services or services providing marijuana for medical purposes in or outside of Massachusetts; (iii) proof of compliance with the laws of Massachusetts; (iv) complied with the laws and orders of Massachusetts; and (v) a satisfactory criminal and civil background. Finally, an MTC applicant must specify a cultivation tier for their license, which establishes the minimum and maximum square footage of canopy for their cultivation operation.

Upon the determination by the CCC that an MTC applicant has responded to the application requirements in a satisfactory fashion, the MTC applicant is required to pay the applicable registration fee and shall be issued a Provisional MTC license and, following completion of certain regulatory requirements, a Final MTC license.

After receipt of a Provisional MTC license, the CCC shall review architectural plans for the building of the MTC's cultivation facility and/or dispensing facilities, and shall either approve, modify or deny the same. Once approved, the MTC provisional license holder shall construct its facilities in conformance with the requirements of the Massachusetts Medical Regulations. Once the CCC completes its inspections and issues approval for an MTC of its facilities, the CCC shall issue a Final MTC License to the MTC applicant. Final MTC Licenses are valid for one year, and shall be renewed by filing the required renewal application no later than sixty days prior to the expiration of the certificate of registration. A licensee may not begin cultivating marijuana until it has been issued a Final MTC License by the CCC.

MTC Licenses in Massachusetts are renewed annually. Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, we would expect to receive the applicable renewed licenses in the ordinary course of business.

Massachusetts Medical Cannabis Dispensary Operational Requirements

An MTC shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Medical Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) a price list for marijuana; (v) storage and waste disposal protocols in compliance with state law; (vi) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vii) procedures to ensure accurate recordkeeping including inventory protocols; (viii) plans for quality control; (ix) a staffing plan and staffing records; (x) diversion identification and reporting protocols; and (xi) policies and procedures for the handling of cash on MTC premises including storage, collection frequency and transport to financial institutions. The siting of dispensary locations is expressly subject to local/municipal approvals pursuant to state law, and municipalities control the permitting application process that an MTC must comply with. More specifically, an MTC is to comply with all local requirements regarding siting, provided however that if no local requirements exist, an MTC shall not be sited within a radius of 500 feet of a school, daycare center, or any facility in which children commonly congregate. The 500-foot distance under this section is measured in a straight line from the nearest point of the facility in question to

the nearest point of the proposed MTC. The Massachusetts Medical Regulations require that MTCs limit their inventory of seeds, plants, and useable marijuana to reflect the projected needs of registered qualifying patients. An MTC may only dispense to a registered qualifying patient or caregiver who has a current valid certification.

Massachusetts Medical Cannabis Security and Storage Requirements

An MTC is to implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the MTC. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MTC facility; (ii) preventing individuals from remaining on the premises of an MTC if they are not engaging in activities that are permitted; (iii) disposing of marijuana or by-products in compliance with law; (iv) establishing limited access areas accessible only to authorized personnel; (v) storing finished marijuana in a secure locked safe or vault; (vi) keeping equipment, safes, vaults or secured areas securely locked; (vii) ensuring that the outside perimeter of the MTC is sufficiently lit to facilitate surveillance; and (viii) ensuring that landscaping or foliage outside of the RMD does not allow a person to conceal themselves. An MTC shall also utilize a security/alarm system that: (i) monitors entry and exit points and windows and doors, (ii) includes a panic/duress alarm, (iii) includes system failure notifications, (iv) includes 24-hour video surveillance of safes, vaults, sales areas, areas where marijuana is cultivated, processed or dispensed, and (v) includes date and time stamping of all records and the ability to produce a clear, color still photo. The video surveillance system shall have the capacity to remain operational during a power outage. The MTC must also maintain a backup alarm system with the capabilities of the primary system, and both systems are to be maintained in good working order and are to be inspected and tested on regular intervals.

Massachusetts Medical Cannabis Transportation Requirements

Marijuana or marijuana-infused products (MIPs) may be transported between licensed MTCs by MTC agents on behalf of an MTC. MTCs or deliver-only retailers may, with CCC approval, transport marijuana or MIPS directly to registered qualifying patients and caregivers as part of a home delivery program. An MTC shall staff transport vehicles with a minimum of two dispensary agents. At least one agent shall remain with the vehicle when the vehicle contains marijuana or MIPs. Prior to leaving the origination location, an MTC must weigh, inventory, and account for, on video, the marijuana to be transported.

Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. An MTC shall ensure that delivery times and routes are randomized. Each MTC agent shall carry his or her CCC-issued MUMP ID Card when transporting marijuana or MIPs and shall produce it to CCC representatives or law enforcement officials upon request. Where videotaping is required when weighing, inventorying, and accounting of marijuana before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. An MTC must document and report any unusual discrepancy in weight or inventory to the CCC and local law enforcement within 24 hours. An MTC shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. An MTC shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Any cash received from a qualifying patient or personal caregiver must be transported to an MTC immediately upon completion of the scheduled deliveries. Vehicles used in transportation must be owned, leased or rented by the MTC, properly registered, and contain a GPS system that is monitored by the MTC during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, an MTC is to ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle transporting the marijuana or MIPs; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); (iii) marijuana or MIPs are not visible from outside the vehicle; and (iv) the product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana

or MIPs and does not indicate the name of the MTC. Each MTC agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Massachusetts Adult-Use Cannabis Licensing Requirements

Many of the same application requirements exist for an adult-use marijuana establishment license application as to those for a medical MTC application, and each owner, officer or member must undergo background checks and fingerprinting with the CCC. Applicants must submit the location and identification of each site, and must establish a property interest in the same, and the applicant and the local municipality must have entered into a host agreement authorizing the location of the adult-use marijuana establishment within the municipality, and said agreement must be included in the application. Applicants must include disclosure of any regulatory actions against it by Massachusetts, as well as the civil and criminal history of the applicant and its owners, officers, principals or members. The application must include, amongst other information, the proposed timeline for achieving operations, liability insurance, a business plan, and a detailed summary describing the marijuana establishment's proposed operating policies including security, prevention of diversion, storage, transportation, inventory procedures, quality control, dispensing procedures, personnel policies, record keeping, maintenance of financial records, diversity plans, and employee training protocols.

Massachusetts Adult-Use Cannabis Dispensary Operational Requirements

Marijuana retailers are subject to certain operational requirements in addition to those imposed on marijuana establishments generally. Dispensaries must immediately inspect patrons' identification to ensure that everyone who enters is at least 21 years of age. Dispensaries may not dispense more than one ounce of marijuana or five grams of marijuana concentrate per transaction. Point-of-sale systems must be approved by the CCC, and retailers must record sales data. Records must be retained and available for auditing by the CCC and the Secretary of Massachusetts, Department of Revenue and Department of Unemployment Assistance. Retailers are required to conduct monthly analyses of equipment and sales data to determine that such systems have not been altered or interfered with to manipulate sales data, and to report any such discrepancies to the CCC.

Dispensaries must also make consumer education materials available to patrons in languages designated by the CCC, with analogous materials for visually- and hearing-impaired persons. Such materials must include:

1. A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
2. A warning that when under the influence of marijuana, driving is prohibited and machinery should not be operated;
3. Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
4. Materials offered to consumers to enable them to track the strains used and their associated effects;
5. Information describing proper dosage and titration for different routes of administration, with an emphasis on using the smallest amount possible to achieve the desired effect;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
8. A statement that consumers may not sell marijuana to any other individual;
9. Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
10. Any other information required by the CCC.

Massachusetts Adult-Use Cannabis Security and Storage Requirements

Each marijuana establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public shall include, but not be limited to, the following:

1. Positively identifying and limiting access to individuals 21 years of age or older who are seeking access to the marijuana establishment or to whom marijuana products are being transported;
2. Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication are allowed to remain on the premises;
3. Proper disposal of marijuana in accordance with applicable regulations;
4. Securing all entrances to the marijuana establishment to prevent unauthorized access;
5. Establishing limited access areas which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
6. Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft or loss;
7. Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage, including prior to disposal, of marijuana or marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana;
8. Keeping all locks and security equipment in good working order;
9. Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
10. Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
11. Ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable;
12. Ensuring that all marijuana products are kept out of plain sight and are not visible from a public place, outside of the marijuana establishment, without the use of binoculars, optical aids or aircraft;
13. Developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary;
14. Establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
15. Sharing the marijuana establishment's floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the marijuana establishment;
16. Sharing the marijuana establishment's security plan and procedures with law enforcement authorities, including police and fire services departments, in the municipality where the marijuana establishment is located and periodically updating law enforcement authorities, police and fire services departments, if the plans or procedures are modified in a material way; and
17. Marijuana must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including the ability to record footage to be retained for at least 90 days.

Massachusetts Adult-Use Cannabis Transportation Requirements

Marijuana products may only be transported between licensed marijuana establishments by agents of registered marijuana establishments. A licensed marijuana transporter may contract with a marijuana establishment to transport that licensee's marijuana products to other licensed establishments. All transported marijuana products are linked to the seed-to-sale tracking program. Any marijuana product that is undeliverable or is refused by the destination marijuana establishment shall be transported back to the originating establishment. All vehicles transporting marijuana products shall be staffed with a minimum of two marijuana establishment agents. At least one agent shall remain with the vehicle at all times that the vehicle contains marijuana or marijuana products. Prior to the products leaving a marijuana establishment, the originating marijuana establishment must weigh, inventory, and account for, on video, all marijuana products to be transported. Within eight hours after arrival at the receiving marijuana establishment, the receiving establishment must re-weigh, re-inventory, and account for, on video, all marijuana products transported. Marijuana products must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. In the case of an emergency stop during the transportation of marijuana products, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. A marijuana establishment or a marijuana

transporter transporting marijuana products is required to ensure that all transportation times and routes are randomized and remain within Massachusetts.

Vehicles must additionally be equipped with a video system that includes one or more cameras in the storage area of the vehicle and one or more cameras in the driver area of the vehicle. The video cameras must remain operational at all times during the transportation process and have the ability to produce a clear color still photo whether live or recorded, with a date and time stamp embedded and that does not significantly obscure the picture.

Vehicles used for transport must be owned or leased by the marijuana establishment or transporter, and they must be properly registered, inspected, and insured in Massachusetts. Marijuana may not be visible from outside the vehicle, and it must be transported in a secure, locked storage compartment. Each vehicle must have a global positioning system, and any agent transporting marijuana must have access to a secure form of communication with the originating location.

CCC Inspections

The CCC or its agents may inspect an MTC, marijuana establishment and their affiliated vehicles at any time without prior notice. An MTC or marijuana establishment shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MTC or marijuana establishment to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MTC or marijuana establishment, and the MTC or marijuana establishment shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC shall have the authority to suspend or revoke a certificate of registration in accordance with the applicable regulations.

We are in compliance with the laws of Massachusetts and the related cannabis licensing framework. There are no incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the State of Massachusetts. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Massachusetts, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Massachusetts. See “Regulatory Framework – Compliance.”

Nevada

Nevada Regulatory Landscape

Medical marijuana use was legalized in Nevada by a ballot initiative in 2000. In November 2016, voters in Nevada passed an adult-use marijuana measure to allow for the sale of adult-use marijuana in the state. The first dispensaries to sell adult-use marijuana began sales in July 2017. The Nevada Cannabis Compliance Board (NV CCB) is the regulatory agency overseeing the medical and adult-use cannabis programs. Similar to California, cities and counties in Nevada are allowed to determine the number of local marijuana licenses they will issue.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Nevada. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, “Risk Factors – Risks Related to the Regulatory Environment.”

Nevada Licenses

FBS NV holds medical and adult-use cannabis cultivation, processing and distribution licenses issued by the NV CCB and a hemp handler license issued by the Nevada Department of Agriculture (NV DOA). Under applicable laws, licenses issued by the NV CCB or the NV DOA permit the applicable entities to cultivate, manufacture/process, package, sell or

purchase pursuant to the terms of the license, which is issued by the NV CCB under the provisions of Nevada Revised Statutes section 453A.

In March 2022, we acquired 100% of the equity interest of an entity operating an adult-use and medical retail dispensary in Las Vegas, Nevada which has been rebranded to BEYOND HELLO™. Additionally, in April 2022, we acquired NuLeaf, a Nevada-based vertically integrated operator. NuLeaf operates three adult-use and medical retail dispensaries in Las Vegas, Nevada, and Lake Tahoe, Nevada, in addition to a 27,000 sq. ft. cultivation facility in Sparks, Nevada, as well as a 13,000 sq. ft. processing facility in Reno, Nevada.

All marijuana establishments must register with the NV CCB. If applications contain all required information and after vetting by officers, establishments are issued a medical marijuana establishment registration certificate. In a local governmental jurisdiction that issues business licenses, the issuance by the NV CCB of a medical marijuana establishment registration certificate is considered provisional until the local government has issued a business license for operation and the establishment is in compliance with all applicable local governmental ordinances. Final registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email from the NV CCB and include a renewal form. The renewal periods serve as an update for the NV CCB on the licensee's status toward active licensure. It is important to note that provisional licenses do not permit the operation of any commercial or medical cannabis activity. Only after a provisional licensee has gone through necessary state and local inspections, if applicable, and has received a final registration certificate from the NV CCB may an entity engage in cannabis business operation.

Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Retail dispensary licenses and registration certificates permit a license holder to purchase marijuana from cultivation facilities, marijuana and marijuana products from product manufacturing facilities and marijuana from other retail stores and allows the sale of marijuana and marijuana products to consumers.

Medical cultivation licenses permit a license holder to acquire, possess, cultivate, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries, facilities for the production of edible medical marijuana products and/or medical marijuana-infused products, or other medical marijuana cultivation facilities. One must have a final medical registration certificate in order to apply for adult-use status. Once so licensed, adult-use cultivators are authorized to perform the previously described for the adult-use market.

Medical product manufacturing licenses permit a license holder to acquire, possess, manufacture, deliver, transfer, transport, supply, or sell edible marijuana products or marijuana infused products to other medical marijuana production facilities or medical marijuana dispensaries. One must have a final medical registration certificate in order to apply for adult-use status. Once so licensed, adult-use cultivators are authorized to perform the previously described for the adult-use market.

Hemp handler licenses permit a license holder to handle raw industrial hemp, purchase hemp-derived constituents (such as hemp-derived CBD) from licensed hemp operators, and to infuse or manufacture products containing hemp-derived constituents.

Reporting Requirements

The State of Nevada uses METRC as its T&T system used to track commercial cannabis activity and movements along the legal supply chain. While METRC is interoperable with other third-party systems via application programming interface, only licensees have access to METRC itself.

Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against diversion, theft, and loss of cannabis and cannabis products, FBS NV and NuLeaf's cultivation and processing facilities are required to do the following:

1. Maintain an enclosed, locked facility;
2. Have a single secure entrance;
3. Train employees in security measures and controls, emergency response protocol, confidentiality requirements, safe handling of equipment, procedures for handling products, as well as the differences in strains, methods of consumption, methods of cultivation, methods of fertilization and methods for health monitoring;
4. Implement and install, at a minimum, the following security equipment and practices to deter and prevent unauthorized entrances:
    a. devices that detect unauthorized intrusion (which may include a signal system);
    b. exterior lighting designed to facilitate surveillance;
    c. electronic monitoring devices, further including (without limitation):
        i. at least one call-up monitor that is at least 19 inches in size;
        ii. a video printer that can immediately produce a clear still photo from any video camera image;
        iii. video cameras with a recording resolution of at least 704 x 480 that full capture all of the building's points of ingress and egress as well as all interior limited access areas such that such cameras capture and can identify any activity occurring in or adjacent to the building;
        iv. a video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, purchasing medical marijuana;
        v. a video camera in each grow room that can identify any activity occurring within the grow room in low light conditions;
        vi. a method for storing video recordings from the video cameras for at least 30 calendar days;
        vii. a failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;
        viii. sufficient battery backup for video cameras and recording equipment to support at least five (5) minutes of recording in the event of a power outage; and
        ix. a security alarm to alert local law enforcement of unauthorized breach of security; and
5. Implement security procedures that:
    a. restrict access of the establishment to only those persons/employees authorized to be there;
    b. deter and prevent theft;
    c. provide identification (badge) for those persons/employees authorized to be in the establishment;
    d. prevent loitering;
    e. require and explain electronic monitoring; and
    f. require and explain the use of automatic or electronic notifications to alert local law enforcement of any security breaches.

We are in compliance with the laws of Nevada and the related cannabis licensing framework. There are no incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in the State of Nevada. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Nevada, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Nevada. See "Regulatory Framework – Compliance."

Ohio

Ohio Regulatory Landscape

House Bill 523 became effective in September 2016 and legalized medical marijuana in Ohio. The Ohio Medical Marijuana Control Program (MMCP) allows people with certain medical conditions, upon the recommendation of an Ohio-licensed physician certified by the State Medical Board of Ohio, to purchase and use medical marijuana. House Bill 523 required that the framework for the MMCP would be in place no later than September 2018. This timeframe allowed for a deliberate process to ensure the safety of the public and to promote access to a safe product. Sales of medical marijuana in Ohio began in January 2019.

The following three state government agencies are responsible for the operation of the MMCP: (i) the Ohio Department of Commerce is responsible for overseeing medical marijuana cultivators, processors and testing laboratories; (ii) the State of Ohio Board of Pharmacy is responsible for overseeing medical marijuana retail dispensaries, the registration of medical marijuana patients and caregivers, the approval of new forms of medical marijuana and coordinating the Medical Marijuana Advisory Committee; and (iii) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical marijuana and may add to the list of qualifying conditions for which medical marijuana can be recommended. Qualifying medical conditions for medical marijuana include: HIV/AIDS, Lou Gehrig's disease, Alzheimer's disease, cancer, chronic traumatic encephalopathy, Crohn's disease, epilepsy or other seizure disorder, fibromyalgia, glaucoma, hepatitis C, inflammatory bowel disease, multiple sclerosis (MS), pain (either chronic, severe, or intractable), Parkinson's disease, post-traumatic stress disorder, sickle cell anemia, spinal cord disease or injury, Tourette's syndrome, traumatic brain injury, ulcerative colitis. In order for a patient to be eligible to obtain medical marijuana, a physician must make the diagnosis of one of these conditions. The State of Ohio Board of Pharmacy has published regulations for dispensaries, for the forms and methods for administering medical marijuana, and for patients and caregivers.

Several forms of medical marijuana are legal in Ohio, these include: inhalation of marijuana through a vaporizer (not direct smoking), oils, tinctures, plant material, edibles, patches and any other forms approved by the State of Ohio Board of Pharmacy.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to the State of Ohio. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, "Risk Factors – Risks Related to the Regulatory Environment."

Ohio Licenses

In June 2019, we entered into a management services agreement with FBS OH, a licensed medical marijuana processor in Ohio. In July 2021, the licensed medical marijuana processor received authorization to commence operation at the processing facility. We and the licensed medical marijuana processor have applied for a change of ownership to state regulators for the licensed medical marijuana processor to become a subsidiary of us. In August 2021, we closed on the acquisition of FBS OH.

In July 2021, we acquired OhiGrow, a licensed marijuana cultivator, inclusive of an approximately 10,000 sq. ft. cultivation facility and 1.35 acres of land.

In May 2022, we received a provisional dispensary license as part of the State of Ohio Board of Pharmacy "RFA II" application process. Following completion of application requirements and regulatory inspection, we opened our first dispensary in the State of Ohio near Cincinnati in January 2023.

License and Regulations

To obtain a Certificate of Operation for a cultivation facility, processing facility, or medicinal dispensary, as applicable, the prospective licensee must be capable of operating in accordance with Chapter 3796 of the Revised Code, as administered by the Medical Marijuana Control Program. Certificates of Operation carry one-year terms.

Reporting Requirements

Ohio uses METRC as its T&T system used to track commercial cannabis activity and movement along the legal supply chain. The system allows for other third-party system integration via application programming interface.

Storage and Security

All licensees must have a security system that remains operational at all times and that uses commercial grade equipment to prevent and detect diversion, theft or loss of medical cannabis, including:

- A perimeter alarm;
- Motion detectors; and
- Duress and panic alarms.

Video cameras must be installed at licensed facilities and directed at all approved safes, approved vaults, cannabis sales areas, and any other area where plant material, medical cannabis extract, or medical cannabis products are being processed, stored or handled. Video surveillance must take place 24 hours a day, 7 days a week. Recordings from all video cameras must be readily available for immediate review by regulating and law enforcement with jurisdiction upon request and must be retained for at least 45 days.

We are in compliance with the laws of Ohio and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our business activities or operations in the State of Ohio. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including the State of Ohio, and such non-compliance may have an impact on our business activities or operations in the state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including the State of Ohio. See “Regulatory Framework – Compliance.”

Pennsylvania

Pennsylvania Regulatory Landscape

The Pennsylvania Medical Marijuana Act (the PAMMA) was signed into law in April 2016 and originally provided access to Pennsylvania residents with one of 17 qualifying conditions, including epilepsy, chronic pain, and post-traumatic stress disorder. Retail sales began in February 2018. Pennsylvania, which consists of nearly 13 million residents and qualifies as the fifth largest population in the U.S., operates as a high-barrier market with very limited market participation. The PAMMA authorizes a maximum of 25 grower/processing permits and 50 dispensary permits. As part of “Phase 1” of Pennsylvania’s permitting process in 2017, the Pennsylvania Department of Health (the PA DOH) which administers Pennsylvania’s Medical Marijuana Program, originally awarded only 12 grower/processing permits and 27 dispensary permits. Subsequently, in 2018, PA DOH conducted “Phase 2” of the permitting process, during which it awarded the remaining 13 grower/processing permits and 23 dispensary permits authorized under the PAMMA. In July of 2019, the PA DOH expanded the list of qualifying medical conditions to include anxiety disorders and Tourette syndrome, increasing the number of qualifying conditions to 23.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to Pennsylvania. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, "Risk Factors – Risks Related to the Regulatory Environment."

Pennsylvania Licenses

Through separate subsidiaries, we collectively hold six dispensary permits, allowing for up to 18 medical marijuana retail dispensary locations in applicable regions within Pennsylvania. As of the date of this Form 10-K, we operate 18 medical cannabis dispensaries in Pennsylvania, located in or around the cities of Ardmore, Bethlehem, Bristol, Colwyn, Dickson City, Easton, Hazleton, Irwin, Johnstown, Philadelphia (three locations), Reading, Pittsburgh, Pottsville, Scranton, Stroudsburg, and West Chester. All the dispensaries operate under our BEYOND HELLO™ brand. Further we, through our subsidiary Pennsylvania Medical Solutions, LLC, hold one grower-processor permit, allowing for cultivation and manufacturing options in our Scranton facility.

All dispensaries and grower-processors must register with the PA DOH. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, we would expect our Pennsylvania subsidiaries to receive the applicable renewed license in the ordinary course of business. However, any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations and could have a material adverse effect on our business, financial condition, results of operations or prospects.

License and Regulations

Each retail dispensary license permits the holder to purchase marijuana and marijuana products from grower/processing facilities and allows the sale of marijuana and marijuana products to registered patients. Each grower/processing license permits the holder to purchase marijuana and marijuana products from other grower/processing facilities and allows the sale of marijuana and marijuana products to retail dispensary license permitted entities.

Reporting Requirements

The PA DOH uses MJ Freeway as a T&T system used to track commercial cannabis activity and movement along the legal supply chain. The system allows for other third-party system integration via an application programming interface.

Storage and Security

All dispensaries are required to have a locked limited access area for the storage of medical marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packages have been opened or breached until such product is returned to the grower/processor. Our subsidiary dispensaries maintain security systems with professional monitoring, 24-hours a day and seven days a week, and fixed cameras on the interior and exterior of the facilities in a manner consistent with Pennsylvania law. Security surveillance recordings are required to be stored for at least 180 days in a readily available format for investigative purposes.

Site-Visits & Inspections

All licensed dispensary locations must be inspected and approved by the PA DOH before commencing live operations. Thereafter, dispensaries are subject to PA DOH inspection, whether with or without notice.

We are in compliance with the laws of Pennsylvania and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in Pennsylvania. Notwithstanding the foregoing, like all businesses we may from time-to-time

experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including Pennsylvania, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including Pennsylvania. See "Regulatory Framework – Compliance."

Virginia

Virginia Regulatory Landscape

Virginia legalized medical marijuana for the treatment of glaucoma and cancer as part of sweeping changes to its drug laws in 1979. In 2015, Virginia passed legislation that provided an affirmative defense for the possession of CBD or THC-A oil pursuant to a valid written certification for patient use of the oils from a physician to alleviate intractable epilepsy but made no provision for a patient to acquire these substances.

In 2017, Virginia commenced a program that allows registered patients to access and use cannabis oil. The enabling legislation also authorized Virginia Board of Pharmacy (the "VA BOP") to issue five (5) pharmaceutical processor licenses that allow the holder thereof to cultivate, manufacture and dispense medical cannabis from a single location. Pharmaceutical processor licenses are issued by the VA BOP on a regional (restricted) basis such that only one licensee is permitted to operate in each of five (5) defined Health Service Areas across Virginia. In 2018, Virginia expanded the program to allow eligible practitioners to recommend medical cannabis to patients suffering from any diseases or conditions. Additionally, the law required information about dispensed oils to be reported in the Prescription Monitoring Program (the "PMP") and mandated that practitioners check the PMP prior to issuing patient certifications. In March 2020, Virginia further expanded the medical marijuana program by authorizing licensees to add 5 off-site dispensing locations within their Health Service Area, replacing definitions of CBD oil and THC-A oil with a single definition of "cannabis oil," and removing certain restrictions applicable to oil potency. The March 2020 legislation became effective in July 2020, and a subset of the regulations implementing the March 2020 legislation became effective in September 2020 with the remaining provisions taking effect in February 2021. In March 2021, Virginia passed legislation again expanding the program by authorizing flower, or "botanical cannabis." In 2022, further legislative expansion largely focused on patient access and accessibility passed. Under the 2022 bill, the Virginia's requirement for patients to (i) obtain a certification from a registered practitioner and thereafter (ii) apply to the VA BOP for a registration card before participating in the program was streamlined to remove the registration care requirement. In other words, patients could obtain a certification and promptly purchase medical cannabis in much the same way an ordinary prescription is filled. The 2022 bill made a number of other changes, including removing the mandatory THC-A to CBD ratio, and authorizing additional extraction methods. While changes relating to patient certification and product formulation went into effect on July 1, 2022, regulations implementing other changes have not been finally approved.

We, through our subsidiary Dalitso, are in compliance with applicable licensing requirements and the regulatory framework enacted in Virginia.

To the knowledge of management, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action specific to Virginia. For more information on federal enforcement and the risks associated with the U.S. cannabis regulatory environment generally, see without limitation, "Risk Factors – Risks Related to the Regulatory Environment."

Virginia Licenses

Dalitso currently holds a conditional approval from the VA BOP to cultivate, manufacture, and dispense medical cannabis in Health Service Area II, which covers Loudoun, Fairfax, Arlington and Prince William Counties. As of the date of this Form 10-K, we operate five medical cannabis dispensaries and engage in cultivation and manufacturing operations in Virginia at our facility located in Prince William County. The dispensaries operate under our BEYOND HELLO™ brand. We are permitted to open one additional dispensary in Health Service Area II of Virginia.

License and Regulations

Pharmaceutical processors and cannabis dispensing facilities are required to designate a "Pharmacist in Charge" to manage its operation, and to have a supervising pharmacist on duty during all hours of the medical cannabis dispensary's operation; further, the cultivation and manufacturing operations may be overseen by a "Responsible Party" in lieu of the Pharmacist in Charge. Numerous tasks that involve handling cannabis oil must be performed by a pharmacist or a pharmacy technician acting under a pharmacist's supervision. Those tasks include, for example, labeling oils, removing oils from inventory, measuring oils for dispensing, and selling oils. Pharmacists and pharmacy technicians must have current licenses, and the ratio of pharmacists to pharmacy technicians cannot exceed 6-to-1. The VA BOP has also imposed certain educational requirements cultivation and manufacturing processes, as well as significant employee training, both upon hire and on a regular, continuous basis thereafter.

Pharmaceutical processors and cannabis dispensing facilities must operate for a minimum of 35 hours per week, unless otherwise authorized by the VA BOP. Access to the facility is limited to employees performing their job duties (who must display ID badges) and patients (and their parents or guardians). Pharmacists are required to be available to counsel registered patients (and parents/legal guardians as applicable) about medical cannabis products, including (but not limited to) proper use and storage.

As a general matter, the VA BOP prohibits use of pesticides in cultivation (with some exception) and mandates that extraction methods meet industry standards. All medical cannabis products must be branded, tested, and registered with the VA BOP before they can be dispensed. Medical cannabis products must be packaged in child-resistant containers (with limited exceptions), properly labeled, and tested (at the batch level) by qualified independent laboratories. In the course of dispensing operations, a pharmacist or pharmacy technician must check patient identification and certification before dispensing any medical cannabis products and detailed records about all dispensing transactions (along with other records) must be maintained for a period of not less than three years, and the licensee must implement a stringent quality assurance program designed to prevent dispensing errors. Expired, damaged or otherwise waste cannabis plant material and products must be stored in a secure manner until properly destroyed.

Reporting Requirements

Pharmaceutical processors are required to maintain an electronic tracking system comprised of an electronic radio-frequency identification seed-to-sale system capable of tracking cannabis from either the seed or immature plant stage until the cannabis oils are sold to a registered patient, parent, or legal guardian or until the cannabis, including the seeds, parts of plants, and extracts, are destroyed. The electronic tracking system shall include, at a minimum, a central inventory management system and standard and ad hoc reporting functions as required by the VA BOP (and must otherwise satisfy recordkeeping laws, rules and regulations).

Storage and Security

Pharmaceutical processors are subject to a number of inventory and security requirements under Virginia law and VA BOP regulations. For example, they must: conduct an initial comprehensive inventory; establish ongoing inventory controls and procedures; conduct weekly inventory reviews; and prepare an annual inventory report (inventory records must be made available to the VA BOP and its agents for inspection and copying). All parts of the cannabis plant and medical cannabis products (whether finished or in process) must be stored in a locked and secured vault or safe with appropriate access limitations and the pharmaceutical processor must maintain a sophisticated security system that satisfies VA BOP-mandated criteria. Cannabis and cannabis products must be stored in a generally clean, sanitary, and secure area, and storage areas and related procedures are subject to a number of VA BOP requirements. Pharmaceutical processors must install and maintain a video surveillance system that captures all areas where cannabis and cannabis products (whether finished or in process) are handled or stored. Surveillance recordings must be stored for 30 days and made available for the VA BOP's immediate review upon request. All security breaches or other events must be promptly reported to the VA BOP.

Site-Visits & Inspections

At all times, pharmaceutical processing facilities are subject to inspection by the VA BOP and certain other authorized agencies, and pharmacists and pharmacy technicians on-site must be prepared to present their current license or registration to the VA BOP or its agencies during inspections.

We are in compliance with the laws of Virginia and the related cannabis licensing framework. There are no current incidences of non-compliance, citations or notices of violation outstanding which have an impact on our licenses, business activities or operations in Virginia. Notwithstanding the foregoing, like all businesses we may from time-to-time experience incidences of non-compliance with applicable rules and regulations in the states in which we operate, including Virginia, and such non-compliance may have an impact on our licenses, business activities or operations in the applicable state. However, we take steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on our licenses, business activities or operations in all states in which we operate, including Virginia. See "Regulatory Framework – Compliance."

Compliance

With the oversight and under the direction of our legal department, our compliance department, led by our Vice President of Compliance, oversees, maintains and implements a compliance program in conjunction with our operations in each jurisdiction. In addition to our legal and compliance departments, we have local regulatory/compliance counsel engaged in every jurisdiction (state and local) in which we operate. Together with on-site management in each jurisdiction, our legal and compliance departments are responsible for ensuring operations and employees strictly comply with applicable laws, regulations and licensing conditions and ensure that operations do not endanger the health, safety or welfare of the community. We designate a duly qualified and experienced manager at each location who is responsible to coordinate with operational units within each facility (to extent applicable) to ensure that the operation and all employees are following and complying with our written security procedures and all regulatory compliance standards.

In conjunction with our human resources and operations departments, the compliance and quality departments help oversee and implement training for all employees, including on the following topics:

- compliance with state and local laws;
- cultivation/manufacturing/dispensing/transport procedures (as applicable);
- security and safety policies and procedures;
- inventory control, T&T, seed-to-sale, and point of sale systems training (as applicable); and
- quality control.

Our compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis (including living plants and harvested plant material) and cannabis product inventory. Only authorized, properly trained employees are allowed to access our inventory management systems.

Our compliance department and legal team, comprised of in-house and local outside counsel, monitors all compliance notifications from the regulators and inspectors in each market, timely resolving any issues identified. The team maintains records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved. We have created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. We maintain accurate records of our inventory at all licensed facilities. Adherence to our standard operating procedures is mandatory and ensures that our operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. Training on these standard operating procedures is mandatory by all employees and defined by function and role.

We have developed and continue to refine a robust compliance program designed to ensure operational and regulatory requirements continue to be satisfied and have worked closely with experts and outside counsel to develop compliance

procedures intended to assist us in monitoring compliance with U.S. state law on an ongoing basis. We will continue to work closely with outside counsel and other compliance experts to further develop, enhance and improve our compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the complex regulatory frameworks of the states where we operate. The internal compliance program currently in place includes continued monitoring by managers and executives of us and our subsidiaries to ensure that all operations conform to and comply with required laws, rules, regulations and SOPs. We further require our operating subsidiaries to report and disclose all instances of non-compliance, regulatory, administrative, or legal proceedings that may be initiated against them.

Notwithstanding the foregoing, from time to time, as with all businesses and all rules, it is anticipated that we, through our subsidiaries and establishments to which we provide operational support, may experience incidences of non-compliance with applicable rules and regulations, which may include minor matters such as:

- staying open slightly too late due to an excess of customers at stated closing time;
- minor inventory discrepancies with regulatory reporting software;
- missing fields in regulatory reports;
- missing fields entries in a visitor log;
- cleaning schedules not available on display;
- educational materials and/or interpreter services not available in a sufficient number of languages;
- updated staffing plan not immediately available on site;
- improper illumination of external signage;
- marijuana infused product utensils improperly stored;
- partial obstruction of camera views; and/or
- supplemental use of onsite surveillance room (i.e., storage).

In addition, either on an inspection basis or in response to complaints, such as from neighbors, customers or former employees, State or local regulators may, among other things, issue investigatory- or demand-type letters, give warnings to or cite businesses which we operate or for which we provide operational support for violations, including those listed above. Such regulatory actions could lead to a requirement or directive to submit and thereafter comply with (for example) a plan of correction. Depending on the jurisdiction, it is also possible regulators may assess penalties and/or amendments, suspensions or revocations of licenses or otherwise take action that may impact our licenses, business activities, operational support activities or operations.

To minimize opportunities for non-compliance and among other measures, we have implemented regular compliance reviews to ensure our subsidiaries and establishments to which we provide operational support are operating in conformance with applicable State and local cannabis rules and regulations. In the event non-compliance is discovered, during a compliance review or otherwise, we will promptly remedy the same, including by self-reporting to applicable State and local cannabis regulators as and when required by law and will make all requisite and appropriate public disclosures of non-compliance, citations, notices of violation and the like which may have an impact on its licenses, business activities, operational support activities or operations.

State License Renewal Requirements

For each of our provisional and operational licenses, the states impose strict license renewal requirements that vary state by state. We generally must complete the renewal application process within a prescribed period of time prior to the expiration date and pay an application fee. The state licensing body can deny or revoke licenses and renewals for a variety of reasons, including but not limited to (a) submission of materially inaccurate, incomplete or fraudulent information, (b) failure of the company or any of its directors or officers to comply, or have a history of non-compliance, with any applicable law or regulation, including laws relating to minimum age of customers, safety and non-diversion of cannabis or cannabis products, taxes, child support, workers compensation and insurance coverage, or otherwise remain in good standing (c) failure to submit or implement a plan of correction for any identified violation, (d) attempting to assign registration to another entity without state approval, (e) insufficient financial resources, (f) committing, permitting, aiding

or abetting of any illegal practices in the operation of a facility, (g) failure to cooperate or give information to relevant law enforcement related to any matter arising out of conduct at a licensed facility and (h) lack of responsible operations, as evidenced by negligence, disorderly or unsanitary facilities or permitting a person to use a registration card belonging to another person. Certain jurisdictions also require licensees to attend a public hearing or forum in connection with their license renewal application.

Human Capital Resources

As of December 31, 2022, we had 1,486 employees. We are committed to hiring talented individuals and maximizing individual potential, while fostering growth and career advancement. Our goal is to use the highest standards in attracting the best talent, offering competitive compensation, as well as implementing best practices in evaluating, recruiting and onboarding our human capital.

Our employees are split across the Company as follows:

Corporate	136
Retail	829
Manufacturing	521
Total:	1,486

As of December 31, 2022, approximately 181 employees who work in our Scranton, Pennsylvania grower processor facility and approximately 27 employees who work in Scranton, Stroudsburg and Bethlehem, Pennsylvania dispensaries are covered by a collective bargaining agreement with United Food and Commercial Workers Union, Local 1776KS. We did not experience any union work stoppages in 2022 and we consider our relationship with our employees to be good.

On February 16, 2023, the National Labor Relations Board ("NLRB") conducted an election to determine whether certain Beyond Hello IL, LLC employees located at 2021 Gooselake Lake Road, Sauget, Illinois 62206 would be represented by United Food and Commercial Workers Union, Local 881 ("Local 881"). Local 881 received votes from the majority of the valid ballots cast. The NLRB certified the election on February 28, 2023.

Available Information

We maintain a website at http://www.jushico.com. Through this website, our filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all filed exhibits and amendments to those reports, will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed with or furnished to the SEC. The information provided on our website is not part of this document. You may also read and copy these reports, proxy statements and other information on the SEC's website at www.sec.gov. Additional information relating to the Company is also available under the Company's profile under SEDAR at www.sedar.com.

Item 1A. Risk Factors

Summary of Risk Factors

The Company is subject to numerous risks and uncertainties, any of which could have a significant or material adverse effect on our business, financial condition, liquidity or consolidated financial statements. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making a decision to invest in our Subordinate Voting Shares.

Risks Related to Our Business and Industry

- Our ability to grow our medical and adult-use cannabis product offerings and dispensary services may be limited.
- If we cannot manage our growth, it could have a material adverse effect on our business, financial condition and results of operations.
- We have a history of sustained losses and negative cash flow from operations, and we expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations and may not be able to achieve profitability.
- We have concluded there is a substantial doubt about our ability to continue as a going concern.
- The market for the Subordinate Voting Shares may be limited for holders of our securities who live in the U.S.
- We face increasing competition that may materially and adversely affect our business, financial condition and results of operations.
- We may not be able to accurately forecast our operating results and plan our operations due to uncertainties in the cannabis industry.
- We are highly dependent on certain key personnel.
- We face inherent risks of liability claims related to the use of our products.
- Our medical marijuana business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.
- Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.
- We have a substantial level of indebtedness that requires us to comply with certain restrictions and covenants, and we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. The terms of our indebtedness may also impair our ability to respond to changing business and economic conditions and may seriously harm our business.
- We are subject to labor risks and a dispute with our employees or labor unions could have an adverse effect on our results of operations.

Risks Related to the Regulatory Environment

- Cannabis is illegal under U.S. federal law.
- The regulation of cannabis in the U.S. is uncertain.
- Anti-Money Laundering Laws in the U.S. may limit access to funds from banks and other financial institutions.
- Potential regulation by the FDA could have a material adverse effect on our business, financial condition and results of operations.
- As a cannabis company, we may be subject to heightened scrutiny in Canada and the U.S. that could materially adversely impact the liquidity of the Subordinate Voting Shares.
- As a cannabis business, we are subject to certain tax provisions that have a material adverse effect on our business, financial condition and results of operations.
- Our property is subject to risk of civil asset forfeiture.
- We may be at a higher risk of U.S. Internal Revenue Service (“IRS”) audit.
- We could be subject to criminal prosecution or civil liabilities under RICO.

Risks Related to Owning Jushi's Subordinate Voting Shares

- Return on Subordinate Voting Shares is not guaranteed.
- Raising additional capital may cause dilution to our shareholders.
- Sales of substantial amounts of Subordinate Voting Shares by our existing shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares.
- The market price for the Subordinate Voting Shares has been and is likely to continue to be volatile.
- There may not be sufficient liquidity in the markets for our Subordinate Voting Shares.
- We will be subject to increased costs as a result of being a U.S. reporting company.
- We have identified material weaknesses in our internal control over financial reporting which, if not corrected, could affect the reliability of our consolidated financial statements and have other adverse consequences.

Risk Factors

Risks Related to Our Business and Industry

The cannabis industry is relatively new.

We are operating in a relatively new industry and market. In addition to being subject to general business risks, we must continue to build brand awareness in this industry and market share through significant investments in our strategy, production capacity, quality assurance and compliance with regulations. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids, such as cannabidiol (CBD), and tetrahydrocannabinol (THC) remains in relatively early stages. Few clinical trials on the benefits of cannabis or isolated cannabinoids have been conducted. Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies currently favored, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to medical cannabis, which could adversely affect social acceptance of cannabis and the demand for our products and dispensary services.

Accordingly, there is no assurance that the cannabis industry and the market for medicinal and/or adult-use cannabis will continue to exist and grow as currently anticipated or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets could have a material adverse effect on our business, financial condition and results of operations.

We face risks due to industry immaturity or limited comparable, competitive or established industry best practices.

As a relatively new industry, there are not many established operators in the medical and adult use cannabis industries whose business models we can follow or build upon. Similarly, there is no or limited information about comparable companies available for potential investors to review in making a decision about whether to invest in us.

Shareholders and investors should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies, like us, that are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of our business. We may fail to successfully address these risks and uncertainties or successfully implement our operating strategies. If we fail to do so, it could materially harm our business to the point of having to cease operations and could impair the value of the Subordinate Voting Shares to the extent that investors may lose their entire investments.

Our ability to grow our medical and adult-use cannabis product offerings and dispensary services may be limited.

As we introduce or expand our medical and adult-use cannabis product offerings and dispensary services, we may incur losses or otherwise fail to enter certain markets successfully. Our expansion into new markets may place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest

significant resources and the possibility that returns on those investments will not be achieved for several years, if at all. In attempting to establish new product offerings or dispensary services, we may incur significant expenses and face various other challenges, such as expanding our work force and management personnel to cover these markets and complying with complicated cannabis regulations that apply to these markets. In addition, we may not successfully demonstrate the value of these product offerings and dispensary services to consumers, and failure to do so would compromise our ability to successfully expand these additional revenue streams.

We may acquire other companies or technologies.

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers and other constituents within the cannabis industry as well as competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. In addition, we may not realize the expected benefits from completed acquisitions. The risks we face in connection with acquisition include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development and sales and marketing functions;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of intangible assets or other assets acquired in transactions that may have an adverse effect on our operating results in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former shareholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with any future acquisitions or investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in the incurrence of debt, contingent liabilities, amortization expenses, or the impairment of goodwill, any of which could harm our financial condition.

We may issue additional Subordinate Voting Shares in connection with such transactions, which would dilute our other shareholders' interests in us. The presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our business, results of operations, prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our operations.

If we cannot manage our growth, it could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to growth-related risks, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational

and financial systems and to expand, train and manage our employee base. Our inability to successfully manage our growth may have a material adverse effect on our business, financial condition, results of operations or prospects.

We have a history of sustained losses and negative cash flow from operations, and we expect to incur significant ongoing costs and obligations related to our investment in infrastructure, growth, regulatory compliance and operations and may not be able to achieve profitability.

We have sustained net losses from operations and negative cash flow from operating activities in the past and may incur such losses and negative operating cash flow in the future. We expect to incur significant ongoing costs and obligations related to our investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on our results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase our compliance costs or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition. Our efforts to grow our business may be more costly than expected, and we may not be able to increase our revenue enough to offset these higher operating expenses. We may incur significant losses in the future for a number of reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our securities may significantly decrease.

We have concluded there is a substantial doubt about our ability to continue as a going concern.

As described under “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources – Liquidity”, we have evaluated our financial condition as of the date this report and, based on this evaluation, we have determined that, as of the date of this report, the existence of certain conditions and events raise substantial doubt about the Company’s ability to continue as a going concern within twelve months following the date of this report.

In addition, our determination of the existence of substantial doubt as to the Company’s ability to continue as a going concern itself has had, and may in the future have, adverse consequences for the Company. Furthermore, such determination may cause or result in:

- harm to the Company’s reputation, investor confidence, customer relationships, relationships with the Company’s agent and lenders, and the willingness for third parties to do business with the Company on favorable terms, or at all, in the future;
- disruption of the Company’s business;
- distraction of the Company’s management and employees;
- difficulty in recruiting, hiring, motivating, and retaining talented and skilled personnel;
- difficulty in maintaining or negotiating and consummating new, business or strategic relationships or transactions;
- increased market price volatility in its subordinate voting shares; and
- increased costs and advisory fees.

If we are unable to mitigate these or other potential risks related to the uncertainty caused by the Company’s determination that substantial doubt exists as to the Company’s ability to continue as a going concern, as well as its noncompliance with the terms of its Senior Secured Credit Facility (the “Acquisition Facility”), it may disrupt the Company’s business and/or materially and adversely impact the Company’s prospects, reputation, revenue, operating results, and financial condition.

Our auditors also concluded there is a substantial doubt about our ability to continue as a going concern.

Our auditors also evaluated our financial condition as of the date of this report and reached a conclusion that the existence of certain conditions and events raise substantial doubt about the Company’s ability to continue as a going concern within twelve months following the date of this report, as described in their Report of Independent Registered Public Accounting Firm, which is included in Part II - Item 8. Audited Financial Statements.

The market for the Subordinate Voting Shares may be limited for holders of our securities who live in the U.S.

Given the heightened risk profile associated with cannabis in the U.S., capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the U.S. cannabis industry, which may prohibit or significantly impair the ability of securityholders in the U.S. to trade our securities. In the event residents of the U.S. are unable to settle trades of our securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

The COVID-19 pandemic has severely restricted the level of economic activity around the world, including where we operate in the U.S. In response to the COVID-19 pandemic the governments of many countries, states, provinces, municipalities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations, ordering temporary closures of businesses and advising or requiring individuals to limit or forego their time outside of their homes. Numerous businesses have temporarily closed voluntarily or closed permanently. Although some preventative or protective actions have been eased or lifted in varying degrees by different governments of various countries, states and municipalities, COVID-19, including new and highly contagious variants of COVID-19, continues to spread quickly throughout the world. Notwithstanding widespread vaccine availability within the U.S., the emergence of COVID-19 variants and slowing vaccination rates in certain localities have resulted in increased infection rates and has caused, and may continue to cause, several jurisdictions to reinstitute certain COVID-19 restrictions. Additional waves of increased COVID-19 infections as well as COVID-19 related restrictions imposed by various governmental authorities (including, for example, requirements to show proof of vaccination), could negatively impact our supply chain, as well as traffic and sales volume for our products, which in turn could have an adverse effect on our business, financial condition and results of operations.

While many closures or restrictions have eased as the spread of COVID-19 and infection rates decline, if the pandemic persists, including if and when new variants of the virus emerge, closures or other restrictions on the conduct our business operations or of third party manufacturers, suppliers or vendors could disrupt our supply chain. Quarantines, shelter-in-place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, could impact personnel or the availability or cost of materials, which could in turn disrupt our supply chain. In addition, as a result of COVID-19, we have in certain cases implemented work-from-home policies for certain employees, and the effects of our work-from-home policies may negatively impact productivity, disrupt access to books and records, increase cybersecurity risks and the risk of inadvertent disclosure of confidential information and disrupt our business. In addition, the continued spread of COVID-19 could result in under-utilization of our assets as a result of disruptions in labor supply, as well as delays and increased costs in construction and expansion projects.

The global impact of the COVID-19 pandemic continues to evolve rapidly, and the extent of its effect on our operational and financial performance will depend on future developments, which are highly uncertain, including the duration, scope and severity of the pandemic, the development and availability of effective treatments and vaccines, further actions taken by governments and other third parties to contain or mitigate its impact, the direct and indirect economic effects of the pandemic and related containment measures, and new information that will emerge concerning the severity and impact of COVID-19 and new variants of the virus, among others. Even after the COVID-19 pandemic subsides, our businesses could also be negatively impacted should the effects of the COVID-19 pandemic lead to changes in consumer behavior, such as reductions in discretionary spending. In addition, a severe or prolonged recession resulting from the COVID-19 pandemic would likely materially affect our business and the value of our Subordinated Voting Shares.

We expect to be subject to taxation in both Canada and the U.S., which could have a material adverse effect on our financial condition and results of operations.

We are a Canadian corporation, and as a result generally would be classified as a non-U.S. corporation under the general rules of U.S. federal income taxation. Section 7874 of U.S. Internal Revenue Code of 1986, as amended (the Code), however, contains rules that can cause a non-U.S. corporation to be taxed as a U.S. corporation for U.S. federal income tax purposes. Under Section 7874 of the Code, a corporation created or organized outside of the U.S. will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes, which is referred to as an inversion, if each of the

following three conditions are met: (i) the non-U.S. corporation acquires, directly or indirectly, or is treated as acquiring under applicable U.S. Treasury regulations, substantially all of the assets held, directly or indirectly, by a U.S. corporation or constituting a U.S. trade or business, (ii) after the acquisition, the former shareholders of the acquired U.S. corporation hold at least 80% (by vote or value) of the shares of the non-U.S. corporation by reason of holding shares of the acquired U.S. corporation or acquired trade or business, and (iii) after the acquisition, the non-U.S. corporation's expanded affiliated group does not have substantial business activities in the non-U.S. corporation's country of organization or incorporation when compared to the expanded affiliated group's total business activities.

Pursuant to Section 7874 of the Code, we are classified as a U.S. corporation for U.S. federal income tax purposes and are subject to U.S. federal income tax on our worldwide income. Regardless of any application of Section 7874 of the Code, however, we expect to be treated as a Canadian resident company for purposes of the Canadian Income Tax Act, as amended. As a result, we will be subject to taxation both in Canada and the U.S., which could have a material adverse effect on our financial condition and results of operations.

We are a holding company and our ability to pay dividends or make other distributions to shareholders may be limited.

We are a holding company and essentially all of our assets are the capital stock of our subsidiaries. We currently conduct substantially all of our business through our subsidiaries, which currently generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future growth opportunities are largely dependent on the earnings of our subsidiaries and the distribution of those earnings to Jushi Holdings Inc. The ability of our subsidiaries to pay dividends and other distributions will depend on those subsidiaries' operating results and will be subject to applicable laws and regulations that require that solvency and capital standards be maintained by a subsidiary company and contractual restrictions contained in the instruments governing any current or future indebtedness of our subsidiaries. In the event of a bankruptcy, liquidation or reorganization of our subsidiaries, holders of indebtedness and trade creditors of that subsidiary may be entitled to payment of their claims from that subsidiary's assets before we or our shareholders would be entitled to any payment or residual assets.

We face increasing competition that may materially and adversely affect our business, financial condition and results of operations.

We face competition from companies that may have greater capitalization, greater access to public equity markets, longer operating histories and more manufacturing, retail and marketing experience than us. As we execute our growth strategy, operators in markets we enter in the future will become direct competitors, and we are likely to continue to face increasing and intense competition from these companies. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and results of operations.

If the number of users of adult-use and medical marijuana in the U.S. increases, the demand for products will increase. Consequently, we expect that competition will become more intense as current and future competitors begin to offer an increasing number of diversified products to respond to such increased demand. To remain competitive, we will require a continued investment in research and development, marketing, sales and client support. We may not have sufficient resources to maintain sufficient levels of investment in research and development, marketing, sales and client support efforts to remain competitive, which could materially and adversely affect our business, financial condition and results of operations.

The cannabis industry is undergoing rapid growth and substantial change, which have resulted in an increase in competitors, consolidation and the formation of strategic relationships. Acquisitions or other consolidating transactions could harm us in a number of ways, including losing customers, revenue and market share, or forcing us to expend greater resources to meet new or additional competitive threats, all of which could harm our operating results. As competitors enter the market and become increasingly sophisticated, competition in our industry may intensify and place downward pressure on prices for our products and services, which could result in impairment of our asset values and negatively impact our profitability.

We may not be able to accurately forecast our operating results and plan our operations due to uncertainties in the cannabis industry.

Because U.S. federal and state laws prevent widespread participation in and otherwise hinder market research in the medical and adult-use cannabis industry, the third-party market data available to us is limited and unreliable. Accordingly, we must rely largely on our own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. Our market research and projections of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of our management team as of the date of this Form 10-K. A failure in the demand for our products to materialize as a result of competition, technological change or other factors could have a material adverse effect on our business, results of operations, financial condition or prospects.

We are subject to risks related to growing an agricultural product.

Our business involves the growing of cannabis, an agricultural product. Such business is subject to the risks inherent in the agricultural business, such as losses due to infestation by insects or plant diseases and similar agricultural risks. Although much of our growing is expected to be completed indoors, there can be no assurance that natural elements will not have a material adverse effect on our future production.

We are highly dependent on certain key personnel.

We depend on key managerial personnel, including James Cacioppo, our Chief Executive Officer and Chairman, for our continued success, and our anticipated growth may require additional expertise and the addition of new qualified personnel. Qualified individuals within the cannabis industry are in high demand and we may incur significant costs to attract and retain qualified management personnel, or be unable to attract or retain personnel necessary to operate or expand our business. The loss of the services of existing personnel or our failure to recruit additional key managerial personnel in a timely manner, or at all, could harm our business development programs and our ability to manage day-to-day operations, attract collaboration partners, attract and retain other employees, and generate revenues, and could have a material adverse effect on our business, financial condition and results of operations.

We face inherent risks of liability claims related to the use of our products.

As a distributor of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products cause or are alleged to have caused significant loss or injury. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us, whether or not successful, could result in materially increased costs, adversely affect our reputation with our clients and consumers generally, and have a material adverse effect on our results of operations and financial condition.

We may become party to litigation from time to time in the ordinary course of business which could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating and the market price for the Subordinate Voting Shares. Even if we achieve a successful result in any litigation in which we are involved, the costs of litigation and redirection of our management’s time and attention could have an adverse effect on our results of operations and financial condition.

Consumer preferences may change, and we may be unsuccessful in acquiring or retaining consumers and keeping pace with changing market developments. This could result in lower than expected demand for our products, which could adversely affect our revenues.

As a result of constantly changing consumer preferences, consumer products often attain financial success for a limited period of time. Even if our products achieve financial success, there can be no assurance that we are able to maintain that success or that those products will enable us to continue to be profitable. Our success will be significantly dependent upon

our ability to develop new and improved product lines and adapt to consumer preferences. Even if we are successful in introducing new products or further developing our current products, the failure of those products to gain consumer acceptance or the failure to update our products in ways that our customers expect could cause a decline in our products' popularity and impair our brand. In addition, we may be required to invest significant amounts of capital in the creation of new product lines, brands, marketing campaigns, packaging and other product features—none of which are guaranteed to be successful. Failure to introduce new features and product lines and to achieve and sustain market acceptance, or our inability to satisfy consumer preferences, could adversely affect our ability to generate sufficient revenue in order to maintain profitability.

The cannabis industry is in its early stages of development and it is likely that we, and our competitors, will seek to introduce new products in the future. We may not be successful in developing effective and safe new products, anticipating shifts in social trends and consumer demands, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on our business and results of operations.

Our medical marijuana business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.

We believe that the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of medical marijuana distributed to those consumers. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows.

Product recalls could result in a material and adverse impact on our business, financial condition and results of operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of our significant brands were subject to recall, the image of that brand and Jushi generally could be harmed. Any recall could lead to decreased demand for our products and could have a material adverse effect on our results of operations and financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business or our market, our share price and trading volume could decline.

The trading market for our Subordinate Voting Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business, our market or our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Subordinated Voting Shares or publish inaccurate or unfavorable research about our business or industry, the trading price of our shares would likely decline. In addition, if our

operating results fail to meet the forecast of analysts, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our shares could decrease, which might cause our share price and trading volume to decline.

We are subject to security risks related to our products as well as our information and technology systems.

Given the nature of our product and its limited legal availability, we are at significant risk of theft at our facilities. We implement security measures to counteract this threat, but there is no guarantee that these measures will be sufficient. A breach of our security measures at one of our facilities could expose us to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing our products.

In addition, we collect and store personal information about our patients and we are responsible for protecting that information from privacy breaches. We store certain personally identifiable information and other confidential information of our customers on our systems and applications. Though we maintain robust, proprietary security protocols, we may experience attempts by third parties to obtain unauthorized access to the personally identifiable information and other confidential information of our customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personally identifiable information and other confidential information could have a material adverse impact on our business, financial condition and results of operations.

A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on our business, financial condition and results of operations.

Our operations depend and will depend, in part, on how well we protect our networks, equipment, information technology (IT), systems and software against damage from a number of threats, including, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend and will continue to depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as preemptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

We face exposure to fraudulent or illegal activity by employees, contractors, consultants and agents, which may subject us to investigations and actions.

We are exposed to the risk that any of the employees, independent contractors and consultants of our company and our subsidiaries may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates, (i) government regulations, (ii) manufacturing standards, (iii) federal and local healthcare fraud and abuse laws and regulations, or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for us to identify and deter misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. We cannot provide assurance that our internal controls and compliance systems will protect us from acts committed by our employees, agents or business partners in violation of U.S. federal or state or local laws. If any such actions are instituted against us, and we are not successful in defending or asserting our rights, those actions could have a material impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our

operations, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Our reputation and ability to do business may be negatively impacted by the improper conduct by our business partners, employees or agents.

In certain states, we depend on third-party suppliers to produce and ship our orders. Products purchased from our suppliers are resold to our customers. These suppliers could fail to produce products to our specifications or quality standards and may not deliver units on a timely basis. Any changes in our suppliers' production or product availability could impact our ability to fulfill orders and could also disrupt our business due to delays in finding new suppliers.

Furthermore, we cannot provide assurance that our internal controls and compliance systems will protect us from acts committed by our employees, agents or business partners in violation of U.S. federal or state or local laws. Any improper acts or allegations could damage our reputation and subject us to civil or criminal investigations and related stockholder lawsuits, could lead to substantial civil and criminal monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees.

We have in the past and may in the future experience threats and breaches to our data and information technology systems, including malicious software codes, viruses, phishing, ransomware and other cyber-attacks, that disrupt our information systems or operations, or result in the dissemination of sensitive personal or confidential information or unauthorized financial access, theft or crimes, which could result in increased costs, economic losses, exposure to significant liability, reputational harm, loss of business, and other serious negative consequences.

Our data and information technology systems are subject to a growing number of threats from computer programmers, hackers, and other adversaries that may be able to penetrate our network security and misappropriate our confidential information or that of third parties, create system disruptions, or cause damage, security issues, or shutdowns. They also may be able to develop and deploy viruses, worms, ransomware and other malicious software programs that attack our systems or otherwise exploit security vulnerabilities. Because the techniques used to circumvent, gain access to, or sabotage security systems, can be highly sophisticated and change frequently, they often are not recognized until launched against a target, and may originate from less regulated and remote areas around the world. We may be unable to anticipate these techniques or implement adequate preventive measures, resulting in potential data loss and damage to our systems. Our systems are also subject to compromise from internal threats such as improper action by employees, including phishing attacks or malicious insiders, or by vendors, counterparties, and other third parties with otherwise legitimate access to our systems. Our policies, employee training (including phishing prevention training), procedures, and technical safeguards may not prevent all improper access to our network or proprietary or confidential information by employees, vendors, counterparties, or other third parties. Our facilities may also be vulnerable to security incidents or security attacks, acts of vandalism or theft, misplaced or lost data, human errors, or other similar events that could negatively affect our systems, and our and our customers' data. Additionally, our vendors and any third-party service providers we use who process information on our behalf may cause security breaches for which we are responsible or suffer losses.

For instance, in September 2022, we became aware that we were subject to what we believe was a phishing attack that resulted in the transfer of approximately $0.5 million. Although we were able to recall the transfer and recover substantially all of the amount in October 2022, such losses in the future could have a material adverse effect on our business operations, cash flows and financial condition.

Any compromise or perceived compromise of the security of our systems or the systems of one or more of our vendors or service providers could damage our reputation and brand, cause the termination of relationships with our partners and customers, result in disruption or interruption to our business operations, and subject us to significant liability and expense, which would harm our business, operating results, and financial condition.

We have a substantial level of indebtedness that requires us to comply with certain restrictions and covenants, and we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. The terms of our indebtedness may also impair our ability to respond to changing business and economic conditions and may seriously harm our business.

We had $206.4 million of indebtedness, as of December 31, 2022. We have incurred significant indebtedness under our 12% second lien notes (the "Second Lien Notes"), Acquisition Facility, and certain acquisition-related promissory notes to fund working capital and other cash needs and to fund acquisitions. We expect to incur additional indebtedness in the future.

Our debt service cost for the Second Lien Notes is approximately $2.2 million per calendar quarter and our debt service cost for the Acquisition Facility is approximately $1.8 million per calendar quarter plus an additional $2.4 million per quarter starting on July 1, 2023 (which represent required amortization payments of 15% of the outstanding principal amount per annum, or 3.75% per quarter). The Second Lien Notes and the Acquisition Facility are secured by all material assets and owned equity of the Company and certain of its wholly-owned direct and indirect subsidiaries, subject to certain exclusions including cannabis, cannabis-related, hemp and hemp-related permits and licenses, most real property, accounts receivable, inventory, and assets and equity interests that cannot be collateralized pursuant to law or contractual obligation.

In addition, the terms of our existing debt instruments require, and any debt instruments we enter into in the future may require, that we comply with certain restrictions and covenants. These covenants and restrictions, as well as any significant increase in our indebtedness, could adversely impact us for a number of reasons, including:

- resulting in an event of default if we fail to satisfy our obligations under our outstanding debt or fail to comply with the financial or other restrictive covenants contained in the agreements governing our other indebtedness, which event of default could result in all of our debt becoming immediately due and payable and could permit our lenders and noteholders to foreclose on the assets securing any such debt;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure that we will generate a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations or if we are unable to refinance existing indebtedness on favorable terms, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and thus render us unable to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, the terms of our debt instruments may prohibit such dispositions. We may not otherwise be able to consummate those dispositions or be able to obtain the proceeds which we could realize from them and any such proceeds received may not be adequate to meet any debt service obligations then due, which would seriously harm our business and prospects.

We are subject to labor risks and a dispute with our employees or labor unions could have an adverse effect on our results of operations.

Labor unions are working to organize workforces in the cannabis industry in general. As of December 31, 2022, approximately 161 of our employees are covered by collective bargaining agreements with labor unions, and it is possible that employees in certain other facilities or dispensaries will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect our business, profitability and our ability to reinvest into the growth of our business. Labor unions may also limit our flexibility in dealing with our workforce. Work stoppages and instability in our union relationships could delay the production and sale of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

Reliance on Third-Party Suppliers, Manufacturers and Contractors; Reliance on Key Inputs.

The Company's business is dependent on a number of key inputs from third-parties and their related costs, including raw materials and supplies related to its cultivation and manufacturing operations, as well as electricity, water and other local utilities. Due to the uncertain regulatory landscape for regulating cannabis in the U.S., the Company's third-party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for the Company's operations. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs from third-parties could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers in the future. If the Company becomes reliant upon a sole source supplier and that supplier was to go out of business or suspend services, the Company might be unable to find a replacement for such source in a timely manner or at all. Similarly, if any future sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Additionally, any supplier could at any time suspend or withdraw services. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

We rely on key utility services.

Our business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to our growing operations, as well as electricity, water and other local utilities. Our cannabis growing operations consume and will continue to consume considerable energy, which makes us vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may, in the future, adversely impact our business and our ability to operate profitably. Additionally, any significant interruption or negative change in the availability or economics of the supply chain for our key inputs could materially impact our business, financial condition and operating results. If we are unable to secure required supplies and services on satisfactory terms, it could have a materially adverse impact on our business, financial condition and operating results.

Inflation could pose a risk to our business.

A continued upward rate of inflation could influence the profits that we generate from our business. When the rate of inflation rises, the operational costs of running our company also increases, such as labor costs, raw materials and public utilities, thus affecting our ability to provide our serves at competitive prices. An increase in the rate of inflation could force our customers to search for other products, causing us to lose business and revenue.

Risks Related to the Regulatory Environment

Cannabis is illegal under U.S. federal law.

In the U.S., cannabis is largely regulated at the state level. Each state in which we operate (or are currently proposing to operate) authorizes, as applicable, medical and/or adult-use cannabis production and distribution by licensed or registered entities, and numerous other states have legalized adult-use of cannabis in some form. However, 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 criminalized under the Controlled Substances Act (CSA). Cannabis is a Schedule I controlled substance under the CSA, and is thereby deemed to have a high potential for abuse, no accepted medical use in the U.S., and a lack of safety for use under medical supervision. The concepts of "medical cannabis," "retail cannabis" and "adult-use cannabis" do not exist under U.S. federal law. However, in October of 2022, the Biden Administration announced its intention to review the regulation of cannabis under the CSA by directing the Secretary of Health and Human Services and the Attorney General to initiate the administrative process to expeditiously review marijuana's Schedule I status. While this directive could result in the decriminalization of marijuana for medical and adult-use by descheduling or rescheduling marijuana, there are no assurances if or when there could be any change in the regulation of marijuana under the CSA. Although we believe that our business activities are compliant with applicable state and local laws in the U.S., strict compliance with state and local cannabis laws would not provide a defense to any federal proceeding which may be brought against us. Any such proceedings may result in a material adverse effect on us. We derive 100% of our revenues from the cannabis industry. The enforcement of applicable U.S. federal laws poses a significant risk to us.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens. We may also be subject to criminal charges under the CSA, and if convicted could face a variety of penalties including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Any of these penalties could have a material adverse effect on our reputation and ability to conduct our business, our holding (directly or indirectly) of medical and adult-use cannabis licenses in the U.S., our financial position, operating results, profitability or liquidity or the market price of our publicly-traded shares. In addition, it is difficult for us to estimate the time or resources that would be needed for the investigation, settlement or trial of any such proceedings or charges, and such time or resources could be substantial.

The regulation of cannabis in the U.S. is uncertain.

Our activities are subject to regulation by various state and local governmental authorities. Our business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals necessary for the sale of our products in the jurisdictions in which we operate. Any delays in obtaining or failure to obtain necessary regulatory approvals would significantly delay our development of markets and products, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, although we believe that our operations are currently carried out in accordance with all applicable state and local rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail our ability to distribute or produce marijuana. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of marijuana, or more stringent implementation thereof could have a substantial adverse impact on us.

Government inquiries and investigations could harm our business or reputation.

As the regulatory framework for cannabis continues to evolve in the U.S., government officials often exercise broad discretion in deciding how to interpret and apply applicable local, state and federal laws or regulations. In the future, we may receive formal and informal inquiries from or become subject to investigations by various governmental regulatory authorities regarding our business and compliance with federal, state and local laws, regulations, or standards. Any determination or allegation that our products, operations or activities, or the activities of our employees, contractors or agents, are not in compliance with existing laws, regulations or standards, could adversely affect our business in a number of ways. Even if such inquiries or investigations do not result in the imposition of fines, interruptions to our business, loss of suppliers or other third-party relationships, terminations of necessary licenses and permits, the existence of those inquiries or investigations alone could create negative publicity that could harm our business or reputation.

We are constrained by law in our ability to market our products in the jurisdictions in which we operate.

State and local jurisdictions enforce extensive and detailed requirements applicable to cannabis products in their jurisdiction. In addition, the Federal Trade Commission (the FTC) regulates advertising of consumer products generally, imposes requirements regarding the use and content of testimonials and endorsements, and also requires that advertising

claims be adequately substantiated. As such, our brand and portfolio of products must be specifically tailored, and our marketing activities carefully structured, to comply with the state and local regulations, as well as the FTC's rules and regulations. These restrictions may preclude us from effectively marketing our products and competing for market share, or impose costs on us that cannot be absorbed through increased selling prices for our products.

Anti-Money Laundering Laws in the U.S. may limit access to funds from banks and other financial institutions.

In February 2014, the Treasury Department Financial Crimes Enforcement Network (FinCEN) issued guidance (which is not law) with respect to financial institutions providing banking services to cannabis businesses, including burdensome due diligence expectations and reporting requirements. While the guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses, so long as they meet certain conditions, this guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the U.S. Department of Justice (the DOJ), FinCEN, or other federal regulators. Because of this and the fact that the guidance may be amended or revoked at any time, most banks and other financial institutions have not been willing to provide banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the U.S., and may have to operate our U.S. business on an all-cash basis. If we are unable or limited in our ability to open or maintain bank accounts, obtain other banking services or accept credit card and debit card payments, it may be difficult for us to operate and conduct our business as planned. Although, we are actively pursuing alternatives that ensure our operations will continue to be compliant with the FinCEN guidance (including requirements related to disclosures about cash management and U.S. federal tax reporting), we may not be able to meet all applicable requirements.

We are also subject to a variety of laws and regulations in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S.

In the event that any of our operations or related activities in the U.S. were found to be in violation of money laundering legislation or otherwise, those transactions could be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends or effect other distributions.

The re-classification of cannabis or changes in U.S. controlled substance laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

If cannabis is re-classified as a Schedule II or lower controlled substance under the CSA, the ability to conduct research on the medical benefits of cannabis would most likely be more accessible; however, if cannabis is re-classified as a Schedule II or lower controlled substance, the resulting re-classification would result in the need for approval by the U.S. Food and Drug Administration (the FDA) if medical claims are made about our medical cannabis products. As a result of such a re-classification, the manufacture, importation, exportation, domestic distribution, storage, sale and use of such products could become subject to a significant degree of regulation by the U.S. Drug Enforcement Administration (the DEA). In that case, we may be required to be registered to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Obtaining the necessary registrations may result in delay of the manufacturing or distribution of our products. The DEA conducts periodic inspections of registered establishments that handle controlled substances. Failure to maintain compliance could have a material adverse effect on our business, financial condition and results of operations. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to restrict, suspend or revoke those registrations. In certain circumstances, violations could lead to criminal proceedings.

Potential regulation by the FDA could have a material adverse effect on our business, financial condition and results of operations.

Should the U.S. federal government legalize cannabis, it is possible that the FDA would seek to regulate it under the Food, Drug and Cosmetics Act of 1938. Additionally, the FDA may issue rules and regulations, including good manufacturing practices related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety of our medical cannabis products. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the agency and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact on the cannabis industry is uncertain and could include the imposition of new costs, requirements, and prohibitions. If we are unable to comply with the regulations or registration as prescribed by the FDA, it may have an adverse effect on our business, operating results, and financial condition.

We could be materially adversely impacted due to restrictions under U.S. border entry laws.

Because cannabis remains illegal under U.S. federal law, those investing in Canadian companies with operations in the U.S. cannabis industry could face detention, denial of entry or lifetime bans from the U.S. as a result of their business associations with U.S. cannabis businesses. Entry into the U.S. happens at the sole discretion of U.S. Customs and Border Patrol (CBP) officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a non-U.S. citizen or foreign national. The government of Canada has warned travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal law, could mean denial of entry to the U.S. Business or financial involvement in the cannabis industry in the U.S. could also be reason enough for denial of entry into the U.S. In September 2018, the CBP released a statement outlining its current position with respect to enforcement of the laws of the U.S. It stated that Canada's legalization of cannabis will not change CBP enforcement of U.S. laws regarding controlled substances. According to the statement, because cannabis continues to be a controlled substance under U.S. law, working in or facilitating the proliferation of the marijuana industry in U.S. states where it is legal under state law may affect admissibility to the U.S. In October 2018, the CBP released an additional statement regarding the admissibility of Canadian citizens working in the legal cannabis industry in Canada. CBP stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada who seeks to come into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible. As a result, the CBP has affirmed that employees, directors, officers and managers of and investors in companies involved in business activities related to cannabis in the U.S. (such as Jushi), who are not U.S. citizens face the risk of being barred from entry into the U.S. for life.

As a cannabis company, we may be subject to heightened scrutiny in Canada and the U.S. that could materially adversely impact the liquidity of the Subordinate Voting Shares.

Our existing operations in the U.S., and any future operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the U.S. and Canada.

Given the heightened risk profile associated with cannabis in the U.S., The Canadian Depository of Securities (CDS) may implement procedures or protocols that would prohibit or significantly impair the ability of CDS to settle trades for companies that have cannabis businesses or assets in the U.S.

In February 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, the parent company of CDS, announced the signing of a Memorandum of Understanding, which we refer to as the TMX MOU, with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no assurances given that this

approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of the Subordinate Voting Shares to settle trades. In particular, the Subordinate Voting Shares would become highly illiquid until an alternative was implemented and investors would have no ability to effect a trade of the Subordinate Voting Shares through the facilities of a stock exchange.

We may not be able to locate and obtain the rights to operate at preferred locations.

In Massachusetts and other states, the local municipality has authority to choose where any cannabis establishment will be located. These authorized areas are frequently removed from other retail operations. Because the cannabis industry remains illegal under U.S. federal law, the disadvantaged tax status of businesses deriving their income from cannabis, and the reluctance of the banking industry to support cannabis businesses, it may be difficult for us to locate and obtain the rights to operate at various preferred locations. Property owners may violate their mortgages by leasing to us, and those property owners that are willing to allow use of their facilities may require payment of above fair market value rents to reflect the scarcity of such locations and the risks and costs of providing such facilities.

As a cannabis business, we are subject to certain tax provisions that have a material adverse effect on our business, financial condition and results of operations.

Under Section 280E of the Code "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the IRS to cannabis operations, prohibiting companies engaged in such operations from deducting expenses directly associated with the sale of cannabis. Section 280E of the Code may have a lesser impact on cannabis cultivation and manufacturing operations than on sales operations. Section 280E of the Code and related IRS enforcement activity has had a significant impact on the operations of cannabis companies. As a result of Section 280E of the Code, an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

We may not have access to U.S. bankruptcy protections available to non-cannabis businesses.

Because cannabis is a Schedule I controlled substance under the CSA, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to be made whole on their investments in the cannabis industry in the event of a bankruptcy. If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to us, which would have a material adverse effect on us and may make it more difficult for us to obtain debt financing.

There is doubt regarding our ability to enforce contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level in the U.S., judges in multiple states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate U.S. federal law, even if there is no violation of state law. There remains doubt and uncertainty that we will be able to legally enforce our contracts. If we are unable to realize the benefits of or otherwise enforce the contracts into which we enter, it could have a material adverse effect on our business, financial condition and results of operations.

We are subject to limits on our ability to own the licenses necessary to operate our business, which will adversely affect our ability to grow our business and market share in certain states.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person or entity may own in that state. For example, in Massachusetts, no person or entity may have an ownership interest in, or control over, more than three medical licenses or three adult-use licenses in any category, which include cultivation, product manufacturing, transport or retail. Such limitations on the acquisition of

ownership of additional licenses within certain states may limit our ability to grow organically or to increase our market share in affected states.

We may not be able to adequately protect our intellectual property.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance under the CSA, the benefit of certain federal laws and protections that may be available to most businesses, such as federal trademark and patent protection, may not be available to us. As a result, our intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, we can provide no assurance that we will ever obtain any protection for our intellectual property, whether on a federal, state or local level.

Our property is subject to risk of civil asset forfeiture.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry that is either used in the course of conducting or comprises the proceeds of a cannabis business could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal process, it could become subject to forfeiture.

We may be at a higher risk of IRS audit.

We believe there is a greater likelihood that the Internal Revenue Service will audit the tax returns of cannabis-related businesses and/or businesses who deferred estimated tax payments. Non-payment can result in asset liens, etc. by the Internal Revenue Service. Any such audit of our tax returns could result in our being required to pay additional tax, interest and penalties, as well as incremental accounting and legal expenses, which could be material.

We may be unable to obtain adequate insurance coverage.

We have obtained insurance coverage with respect to workers' compensation, general liability, directors' and officers' liability, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because we are engaged in and operate within the cannabis industry, there are exclusions and additional difficulties and complexities associated with our insurance coverage that could cause us to suffer uninsured losses, which could adversely affect our business, results of operations, and profitability. There is no assurance that we will be able to obtain insurance coverage at a reasonable cost or fully utilize such insurance coverage, if necessary.

We could be subject to criminal prosecution or civil liabilities under RICO.

RICO criminalizes the use of any profits from certain defined "racketeering" activities in interstate commerce. While intended to provide an additional cause of action against organized crime, due to the fact that cannabis is illegal under U.S. federal law, the production and sale of cannabis qualifies cannabis related businesses as "racketeering" as defined by RICO. As such, all officers, managers and owners in a cannabis related business could be subject to criminal prosecution under RICO, which carries substantial criminal penalties.

RICO can create civil liability as well: persons harmed in their business or property by actions which would constitute racketeering under RICO often have a civil cause of action against such "racketeers," and can claim triple their amount of estimated damages in attendant court proceedings. Jushi or its subsidiaries, as well as its officers, managers and owners could all be subject to civil claims under RICO.

Risks Related to Owning Jushi's Subordinate Voting Shares

Return on Subordinate Voting Shares is not guaranteed.

There is no guarantee that the Subordinate Voting Shares will earn any positive return in the short-term or long-term. A holding of Subordinate Voting Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Subordinate Voting Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Raising additional capital may cause dilution to our shareholders.

Until such time, if ever, as we can generate substantial revenue, we may finance our cash needs through a combination of equity offerings, debt financings, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or other sources. We do not currently have any committed external source of funds. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate product candidate development or future commercialization efforts

Sales of substantial amounts of Subordinate Voting Shares by our existing shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares.

Sales of a substantial number of Subordinate Voting Shares in the public market could occur at any time. These sales, or the perception in the market that holders of a large number of shares intend to sell shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Subordinate Voting Shares. As of April 12, 2023, we have an aggregate of 196,633,371 Subordinate Voting Shares issued and outstanding (excluding securities convertible into or exercisable for Subordinate Voting Shares). A decline in the market prices of the Subordinate Voting Shares could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The market price for the Subordinate Voting Shares has been and is likely to continue to be volatile.

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 our control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the cannabis industry; (iv) additions or departures of our executive officers and other key personnel; (v) release or expiration of transfer restrictions on our issued and outstanding shares; (vi) regulatory changes affecting the cannabis industry generally and our business and operations; (vii) announcements by us and our competitors of developments and other material events; (viii) fluctuations in the costs of vital production materials and services; (ix) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility; (x) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; (xi) operating and share price performance of other companies that investors deem comparable to us or from a lack of market comparable companies; (xii) false or negative reports issued by individuals or companies who have taken aggressive short sale positions; and (xiii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have experienced significant price and volume fluctuations that have 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 those companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if our 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, our operations could be adversely impacted, and the trading price of the Subordinate Voting Shares could be materially adversely affected.

There may not be sufficient liquidity in the markets for our Subordinate Voting Shares.

Our Subordinate Voting Shares are listed for trading on the CSE under the trading symbol "JUSH" and quoted on the OTCQX Best Market under the symbol "JUSHF." The liquidity of any market for the shares of our Subordinate Voting Shares will depend on a number of factors, including:

- the number of shareholders;
- our operating performance and financial condition;
- the market for similar securities;
- the extent of coverage by securities or industry analysts; and
- the interest of securities dealers in making a market in the shares.

There can be no assurance that an active trading market for the Subordinate Voting Shares, will be sustained.

We will be subject to increased costs as a result of being a U.S. reporting company.

As a public issuer, we are subject to the reporting requirements and rules and regulations under the applicable Canadian and American securities laws and rules of any stock exchange on which our securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources, which could adversely affect our business, financial condition, and results of operations.

The provisions of our articles of incorporation requiring exclusive forum in the courts of the province of British Columbia and appellate courts therefrom for certain disputes may have the effect of discouraging lawsuits against us or our directors and officers.

Pursuant to section 28 of our articles of incorporation (the Articles), unless we approve or consent in writing to the selection of an alternative forum, the courts of the province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of our Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of our Company to our Company, (c) any action asserting a claim arising pursuant to any provision of the Business Corporations Act (British Columbia) or the Notice of Articles or Articles of our Company (as either may be amended from time to time); or (d) any action asserting a claim otherwise related to the relationships among our Company, its affiliates and their respective shareholders, directors and/or officers, but this does not include claims related to the business carried on by our Company or such affiliates; provided however it is uncertain whether such provision would apply to actions arising under U.S. federal securities laws, and if it does, whether a British Columbia Court would enforce such provision since in accordance with Section 27 of the Exchange Act, United States federal courts shall have jurisdiction over all suits and any action brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and that in accordance with Section 22 of the Securities Act, United States federal and state courts shall have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

The choice of forum provision may limit the ability of our shareholders to bring a claim in a forum that they find favorable for disputes with us or our directors, officers or other employees, and may discourage such lawsuits. If a British Columbia court ruled the choice of forum provision was inapplicable or unenforceable in an action, we may incur additional costs to resolve such action in other jurisdictions. Our shareholders will not be deemed, by operation of the choice of forum provision, to have waived our obligation to comply with all applicable United States federal securities laws and the rules and regulations thereunder.

We are an "emerging growth company" and will be able take advantage of reduced disclosure requirements applicable to emerging growth companies, which could make our Subordinate Voting Shares less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act) and, for as long as we continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.235 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

We intend to take advantage of these reporting exemptions described above until we are no longer an emerging growth company. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We cannot predict if investors will find our Subordinate Voting Shares less attractive if we choose to rely on these exemptions. If some investors find our Subordinate Voting Shares less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Subordinate Voting Shares and the price of our Subordinate Voting Shares may be more volatile.

Our internal controls over financial reporting may not be effective, and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

As a U.S. public company, we will be required to evaluate our internal controls over financial reporting following the applicable phase-in period. When we cease to be an "emerging growth company" as defined by the JOBS Act, we will also be required to comply with the auditor attestation requirements of Section 404. As of the date of this Form 10-K, we have not completed an assessment, nor has our independent registered public accounting firm tested our systems of internal controls. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows.

We have identified material weaknesses in our internal control over financial reporting which, if not corrected, could affect the reliability of our consolidated financial statements and have other adverse consequences.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

We previously identified and disclosed deficiencies that constitute material weaknesses in our internal control over financial reporting as follows:

- Insufficient accounting resources, inadequate level of precision in the performance of review and monitoring controls, including management review controls, or ineffective communication, as it relates to: financial reporting, accounting, due to the restatement of the statement of cash flows; accounting and valuation for complex financial instruments (debt and equity), earnings per share, cash and financial close process relating to cash reconciliation, inventory, property plant and equipment ("PPE"), accruals, leases, revenue, impairment and business combinations.
- Insufficient information technology general controls, as it relates to: lack of user access controls, change management, passwords, access controls reviews, backup and cybersecurity losses and vulnerabilities.
- Internal controls over financial reporting, and accounting for PPE and related accounts payable and accruals due to insufficient accounting resources and inadequate level of precision in the performance of review controls. Specifically, the material weakness related to accounting for PPE, leases and related accounts payable and accruals is associated with insufficient cut-off procedures to ensure all posted and/or unposted invoices are captured in the period the services were rendered.
- Additionally, management determined that the Company also have material weaknesses in its accounts payable process relating to vendor setup and maintenance resulting from the Company's finding of phishing attacks during 2022.
- Lack of projected financial covenant calculations and related impact on financial statement presentation.

We are in the process of remediating the material weaknesses, as described in Part II, Item 9A "Controls and Procedures". While significant progress has been made to enhance our internal control over financial reporting, we are still in the process of building and enhancing our processes, procedures, and controls. Additional time is required to complete the remediation of the material weaknesses and the assessment to ensure the sustainability of these remediation actions. There can be no assurance that the additional processes, procedures, and controls that we have implemented while we work to remediate the material weaknesses will be sufficient or that other material weaknesses will not arise in the future. If the additional processes, procedures, and controls that we have implemented while we work to remediate the material weaknesses are not sufficient, or if we identify additional control deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report financial information and consequently, our ability to prepare financial statements within required time periods, could be adversely affected. Failure to properly remediate the material weaknesses or the discovery of additional control deficiencies could result in violations of applicable securities laws, CSE listing requirements, subject us to litigation and investigations, negatively affect investor confidence in our financial statements, and adversely impact our stock price and ability to access capital markets. If not remediated, these material weaknesses could result in material misstatements to our annual or interim consolidated financial statements that might not be prevented or detected on a timely basis, or in delayed filing of required periodic reports, which may adversely affect investor confidence in us and, as a result, our share price.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located in Boca Raton, Florida. The following table set forth the Company's principal cultivation and processing properties as of December 31, 2022.

Production Properties

Description	Location	Leased / Owned
Columbus Facility	Columbus, OH	Leased
Lakeville Facility	Lakeville, MA	Leased
Las Vegas Facility	Las Vegas, NV	Owned
Manassas Facility	Manassas, VA	Owned
Reno Facility	Reno, NV	Leased
Scranton Facility	Scranton, PA	Leased
Sparks Facility	Sparks, NV	Leased
Toledo Facility	Toledo, OH	Owned

In addition, we have thirty-five cannabis dispensaries located in California (three), Illinois (four), Massachusetts (two), Nevada (four), Pennsylvania (eighteen), and Virginia (four). Most of our locations are leased from third parties, which have expiration dates between 2023 and 2052. We believe that our facilities and expansion plans are adequate for our current and anticipated needs.

Item 3. Legal Proceedings

From time to time, we may become involved in litigation relating to claims arising from the ordinary course of business. For a description of our legal proceedings, refer to Claims and Litigation in Note 22 - Commitments and Contingencies in the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Subordinate Voting Shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "JUSH". The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the CSE.

Period	Low Trading Price (C$)	High Trading Price (C$)	Volume
Year Ended December 31, 2022			
Fourth Quarter (through December 31, 2022)	0.93	3.21	18,291,589
Third Quarter (September 30, 2022)	1.67	2.88	6,364,625
Second Quarter (June 30, 2022)	1.80	3.92	9,927,620
First Quarter (March 31, 2022)	3.47	6.05	18,178,654
Year Ended December 31, 2021			
Fourth Quarter (through December 31, 2021)	4.10	6.93	15,719,336
Third Quarter (through September 30, 2021)	4.87	7.55	9,905,044
Second Quarter (through June 30, 2021)	6.45	9.21	10,866,972
First Quarter (through March 31, 2021)	6.44	11.59	40,916,222

The Subordinate Voting Shares are also traded on the United States Over the Counter Stock Market ("OTCQX") under the symbol "JUSHF". The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the OTCQX. Such over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Period	Low Trading Price (US$)	High Trading Price (US$)	Volume
Year Ended December 31, 2022			
Fourth Quarter (through December 31, 2022)	0.69	2.34	18,386,123
Third Quarter (through September 30, 2022)	1.17	2.25	8,603,450
Second Quarter (through June 30, 2022)	1.35	3.12	15,121,912
First Quarter (through March 31, 2022)	2.65	4.78	19,662,161
Year Ended December 31, 2021			
Fourth Quarter (through December 31, 2021)	3.09	5.53	23,044,455
Third Quarter (through September 30, 2021)	3.8	6.04	21,238,765
Second Quarter (through June 30, 2021)	5.19	7.49	22,755,649
First Quarter (through March 31, 2021)	5.05	9.06	60,884,056

Shareholders

As of April 12, 2023, there are 252 holders of record of our Subordinate Voting Shares.

Dividends

We have not declared dividends or distributions on Subordinate Voting Shares in the past. In addition, the Trust Indenture governing the Second Lien Notes and the Acquisition Facility, as defined and described in more in Note 12 - Debt of our financial statements included in this Annual Report on Form 10-K, among other things, limit our ability to declare or pay dividends or make certain other payments. We currently intend to reinvest all future earnings to finance the development and growth of our business. As a result, we do not intend to pay dividends on Subordinate Voting Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends (including the Second Lien Notes and the Acquisition Facility) and any other factors that the board of directors deems relevant.

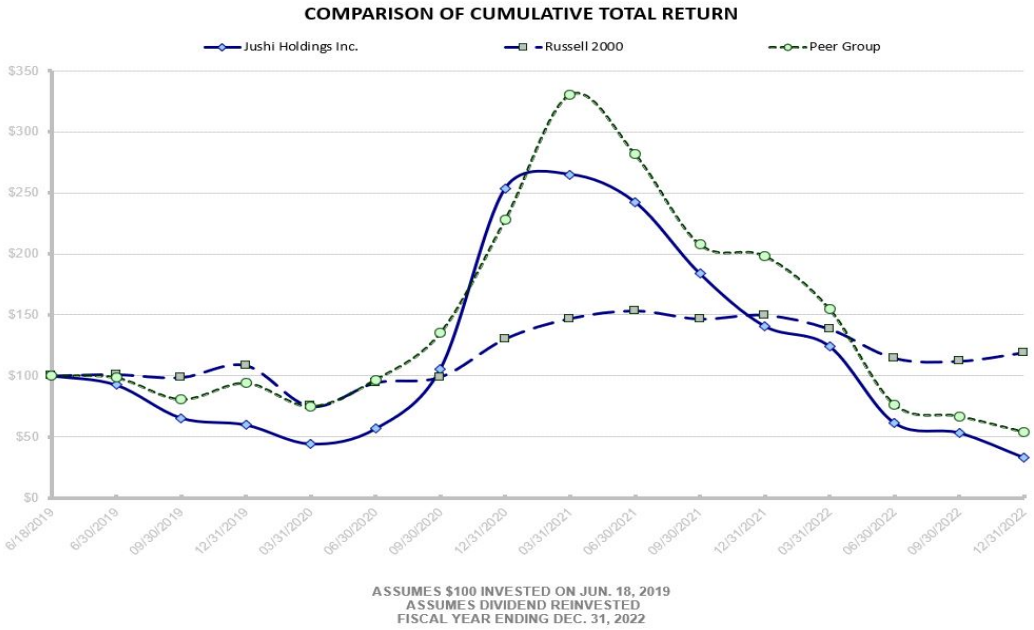
Securities Authorized for Issuance under Equity Compensation Plans

The information required in response to Item 201(d) of Regulation S-K is set forth in Part III, Item 12 of this Annual Report on Form 10-K which is incorporated herein by reference.

Performance Graph

The following graph compares the cumulative total shareholder return on Jushi Holdings Inc. Subordinate Voting Shares from June 18, 2019, when Jushi Holdings Inc began trading on the CSE, through December 31, 2022, with the comparable cumulative return of the Russell 2000 Index and a selected peer group of companies. The comparison assumes all dividends have been reinvested (if any) and an initial investment of $100 on June 18, 2019. The returns of each company in the peer group have been weighted to reflect their market capitalizations. All amounts below are disclosed in U.S. Dollars. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Exchange Act, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, or otherwise subject to the liabilities under the Securities Act or Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.



Below are the specific companies included in the peer group.

- Trulieve Cannabis Corp
- TerrAscend Corp.
- Verano Holdings Corp.
- MARIMED INC.
- Acreage Holdings, Inc.
- Ascend Wellness Holdings, Inc.
- 4Front Ventures Corp.
- Cresco Labs Inc.
- Curaleaf Holdings, Inc.
- Green Thumb Industries Inc.

Recent Sales of Unregistered Securities

The following information represents securities we sold during Q4 2022 that were not registered under the Securities Act of 1933 (the "Securities Act") and not previously reported in a Quarterly Report on Form 10-Q or in a Current Report on Form 8-K. Included are new issues, securities issued in exchange for services and securities issued upon exercise or conversion of other securities. We sold all of the securities listed below pursuant to the exemption from registration provided by Section 3(a)(9) of the Securities Act, Section 4(a)(2) of the Securities Act, or Regulation D or Regulation S promulgated thereunder.

- In October 2022, we issued 6,767 subordinate voting shares pursuant to a net exercise of options granted to a former employee.
- In November 2022, we issued 910,000 subordinate voting shares to the holder of a convertible promissory note pursuant to a mandatory conversion feature.
- In December 2022, we issued Chief Financial Officer Michelle Mosier 200,000 warrants for consultancy services prior to her appointment as our Chief Financial Officer, and 1,000,000 warrants to a consultant for consultancy services.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements and notes thereto for the years ended December 31, 2022, 2021 and 2020 (the "Annual Financial Statements"). Unless the context indicates or requires otherwise, the terms "Jushi", "the Company", "we", "us" and "our" refers to Jushi Holdings Inc. and its controlled entities. The Annual Financial Statements have been prepared by management and are in accordance with generally accepted accounting principles in the United States ("GAAP"), and all amounts are expressed in U**.S.** dollars unless otherwise noted. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including but not limited to those described in the "Risk Factors" section of this Annual Report on Form 10-K. Actual results may differ materially from those contained in any forward-looking statements. You should read "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" contained in this Annual Report on Form 10-K.

We have elected to omit in this Annual Report on Form 10-K, discussion on the earliest of the three years (the year ended December 31, 2021 as compared to the year ended December 31, 2020) covered by the Annual Financial Statements presented. Refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of Jushi Holdings Inc.'s Registration Statement on Form S-1, as amended and declared effective by the SEC on August 12, 2022 ("S-1"), and was also filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") on November 21, 2022.

Company Overview

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing in both medical and adult-use markets. We are focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license jurisdictions. We have targeted assets in highly populated, limited license medical markets on a trajectory toward adult-use legalization, including Pennsylvania and Ohio, markets that are in the process of transitioning to adult-use, namely Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

Refer to "*Item I. Business*" section and to our Annual Financial Statements and the related notes included elsewhere in this Annual Report on Form 10-K for additional information about us.

Factors Affecting our Performance and Related Trends

Competition and Pricing Pressure

The cannabis industry is subject to significant competition and pricing pressures, which is often market specific and can be caused by an oversupply of cannabis in the market, and may be transitory from period to period. We may experience significant competitive pricing pressures as well as competitive products and service providers in the markets in which we operate. Several significant competitors may offer products and/or services with prices that may match or are lower than ours. We believe that the products and services we offer are generally competitive with those offered by other cannabis companies. It is possible that one or more of our competitors could develop a significant research advantage over us that allows them to provide superior products or pricing, which could put us at a competitive disadvantage. Continued pricing pressure due to competition, increased cannabis supply or shifts in customer preferences could adversely impact our customer base or pricing structure, resulting in a material impact on our results of operations, or asset impairments in future periods. For further discussion on the impact of asset impairments during the years ended December 31, 2022 and 2021, refer to Note 8 - Goodwill and Other Intangible Assets of our Annual Financial Statements.

COVID-19

In March 2020, the World Health Organization categorized coronavirus disease 2019 (together with its variants "COVID-19") as a pandemic. COVID-19 continues to spread throughout the U.S. and other countries across the world, and the duration and severity of its effects and those of its variants are currently unknown. To date, our financial condition

and results of operations have not been materially impacted by COVID-19. The extent to which the COVID-19 pandemic impacts our future results will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including possible future outbreaks of new strains of the virus and governmental and consumer responses to such future developments.

Recent Developments

(Amounts expressed in thousands of U.S. dollars)

The following represents our recent developments since the filing of our Form 10-Q for the quarterly period ended September 30, 2022, which was filed on November 21, 2022. For information on our developments in the earlier part of 2022, also refer to (i) Form 10-Q for the quarterly period ended June 30, 2022, which was filed on September 26, 2022, and (ii) Amendment No. 1 to Form S-1 Registration Statement, which was filed on August 8, 2022. The Form 10-Qs and Form S-1 may also be accessed on SEDAR.

Manassas loan agreement

On April 6, 2023, we entered into a loan agreement with FVCbank for a commercial loan in an aggregate principal amount of $20,000 (the “Loan”). The Loan has a five (5) year term and is principally secured by the Company’s cultivation and manufacturing facility located in Manassas, Virginia. The Loan will bear interest based on the 30-day average secured overnight financing rate plus 3.55%, with a floor rate of not less than 8.25%.

Opened 37th Retail Location Nationwide and Fifth Virginia Dispensary

In January 2023, we expanded our retail footprint in Virginia with the opening of our 37 th retail location nationally, our fifth Virginia medical cannabis dispensary located in Arlington. The medical cannabis dispensary is operating under the retail brand Beyond Hello™.

Opened 36th Retail Location Nationwide and First Ohio Dispensary

In January 2023, we expanded our retail footprint in Ohio with the opening of our 36 th retail location nationally, our first Ohio medical cannabis dispensary as well as our fifth vertically integrated state-level operation located in Cincinnati. The medical cannabis dispensary is operating under the retail brand Beyond Hello™.

Strengthened Board and Senior Leadership

In January 2023, we appointed Michelle Mosier as our Chief Financial Officer effective January 16, 2023. Additionally, we announced the resignation of Leonardo “Leo” Garcia-Berg from his position as Chief Operations Officer, effective January 20, 2023. In addition, we appointed Nichole Upshaw as Chief People Officer effective December 1, 2022, and designated Shaunna Patrick as Chief Commercial Director and Trent Woloveck as Chief Strategy Director.

CEO Received Options

In December 2022, we announced that CEO, Chairman, and Founder, Jim Cacioppo, was granted 3,000,000 options to acquire Class B subordinate voting shares ("Subordinate Voting Shares") under the 2019 Equity Incentive Plan of the Issuer (the “Option Grant”). Following the Option Grant, Mr. Cacioppo holds in the aggregate and on an as-converted basis, approximately 19.24% of the issued and outstanding Subordinate Voting Shares on a non-diluted basis.

Debt Redemption and Financing

In December 2022, we redeemed all our outstanding 10% senior secured notes (“Senior Notes”) in the amount of $74,935. The redemption of the Senior Notes were funded in part by the issuance of 12% second lien notes (“Second Lien Notes”) in December 2022 in an aggregate amount of $73,061. The Senior Notes redemption resulted in a loss of $18,858. Refer to Note 12 - Debt of the Annual Financial Statements included elsewhere in this Annual Report on Form 10-K for more information on the Senior Notes redemption and the Second Lien Notes issuance. After the December 2022 closing, James Cacioppo, the Company’s CEO, Chairman and Founder, entered into an amendment to his employment agreement

pursuant to which in lieu of cash, Mr. Cacioppo's 2022 annual bonus was paid in Second Lien Notes and warrants (such warrants to be priced and issued as soon as practicable in accordance with US and Canadian securities laws).

Results of Operations

(Amounts expressed in thousands of U.S. dollars, except share and per share amounts)

	Year Ended December 31,		
	2022	2021	% Change
REVENUE, NET	$ 284,284	$ 209,292	36 %
COST OF GOODS SOLD	(188,806)	(125,898)	50 %
GROSS PROFIT	$ 95,478	$ 83,394	14 %
OPERATING EXPENSES			
Selling, general and administrative	$ 156,166	$ 112,815	38 %
Asset impairments	159,645	6,344	2416 %
Total operating expenses	$ 315,811	$ 119,159	165 %
LOSS FROM OPERATIONS	$ (220,333)	$ (35,765)	516 %
OTHER INCOME (EXPENSE) :			
Interest expense, net	$ (45,591)	$ (30,610)	49 %
Fair value gains (losses) on derivative warrants	91,887	105,170	(13)%
Other, net	(19,839)	8,309	(339)%
Total other income (expense), net	$ 26,457	$ 82,869	(68)%
(LOSS) INCOME BEFORE INCOME TAX	$ (193,876)	$ 47,104	(512)%
Income tax expense	(8,448)	(29,625)	(71)%
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME	$ (202,324)	$ 17,479	(1258)%
Less: net loss attributable to non-controlling interests	—	(2,772)	(100)%
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO JUSHI SHAREHOLDERS	$ (202,324)	$ 20,251	(1099)%
(LOSS) EARNINGS PER SHARE - BASIC	$ (1.06)	$ 0.12	(983)%
Weighted average shares outstanding - basic	190,021,550	170,292,035	12 %
(LOSS) EARNINGS PER SHARE - DILUTED	$ (1.44)	$ (0.42)	243 %
Weighted average shares outstanding - diluted	204,235,432	201,610,251	1 %

Revenue, Net

The following table presents revenue by type for the periods indicated:

	Year Ended December 31,			
	2022	2021	$ Change	% Change
Retail cannabis	$ 261,016	$ 195,085	$ 65,931	34 %
Wholesale cannabis	23,160	13,792	9,368	68 %
Other	108	415	(307)	(74) %
Total revenue, net	$ 284,284	$ 209,292	$ 74,992	36 %

Revenue, net, for the year ended December 31, 2022 totaled $284,284, as compared to $209,292 for the year ended December 31, 2021, an increase of $74,992, or 36%.

The increase in retail revenue is due primarily to new dispensary openings from build outs and acquisitions. We acquired Nature's Remedy in Massachusetts during September 2021, and Apothecarium and NuLeaf in Nevada during March 2022 and April 2022, respectively, and opened new Beyond Hello™ dispensaries in Pennsylvania and Virginia. In 2022, the Company opened a total of seven stores, and ended the year with thirty-five operating dispensaries in six states, as compared to twenty-eight in five states in 2021.

The increase in wholesale revenue is primarily attributable to increased cultivation and processing activities at our grower processor facilities: (i) in Massachusetts from the acquisition of Nature's Remedy; (ii) in Nevada from the acquisition of NuLeaf; and (iii) in Virginia from operations at our Dalitso facility, which commenced in the third quarter of 2021.

Gross Profit

Gross profit totaled $95,478 for the year ended December 31, 2022, as compared to $83,394 for year ended December 31, 2021, an increase of $12,084, or 14%. Gross profit margin declined to 34% for the year ended December 31, 2022 compared to 40% in the prior year. During the fourth quarter of 2022, we incurred a non-cash inventory charge of $9,418 that reduced our gross margin by 331 basis points. Gross profit margin decreased primarily due to: (i) infrastructure and headcount investments in our wholesale business that continue to have a transitional impact on our results, (ii) slower than expected growth in our wholesale operations as other operators dedicated more shelf space to their own brands resulting in price compression, (iii) market price compression, and (iv) the sell through of inventory acquired in the acquisitions of Nature's Remedy, Apothecarium and NuLeaf, which had a fair value step-up. Gross margins were also impacted by the increased promotional activity at retail operations in Illinois, Massachusetts and Pennsylvania.

Operating Expenses

Operating expenses for the year ended December 31, 2022 were $315,811, as compared to $119,159 for the year ended December 31, 2021, an increase of $196,652, or 165%. The following table presents information of our operating expenses for the periods indicated:

	Year Ended December 31,			
	2022	2021	$ Change	% Change
Salaries, wages and employee related expenses	$ 71,237	$ 58,228	$ 13,009	22 %
Share-based compensation expense	23,072	14,506	8,566	59 %
Rent and related expenses	13,162	9,722	3,440	35 %
Depreciation and amortization expense	12,724	5,805	6,919	119 %
Professional fees and legal expenses	10,371	6,507	3,864	59 %
Indefinite-lived intangible asset impairment	111,515	—	111,515	NM
Goodwill impairment	39,643	1,783	37,860	2123 %
Tangible long-lived asset impairment	8,487	4,561	3,926	86 %
Other expenses [1]	25,599	18,047	7,552	42 %
Total operating expenses	$ 315,811	$ 119,159	$ 196,652	165 %

[1] Other expenses are primarily comprised of marketing and selling expenses, insurance costs, administrative and application fee, software and technology costs, travel, entertainment and conferences and other.

The increase in total operating expenses is primarily due to impairment charges and an increase in employee-related costs. The impairment charges relate to our operations in California, Massachusetts, Nevada, Ohio and Pennsylvania. Refer to Note 8 - Goodwill and Other Intangible Assets of our Annual Financial Statements included elsewhere in this Annual Report on Form 10-K for more information on the impairment charges.

Salaries, wages, and employee-related expenses increased due to an increase in the number of employees to support our ongoing growth and the impact of our recent acquisitions. Share-based compensation expense increased primarily due to stock options granted to new employees and management in 2022. The total depreciation and amortization recorded in operating expenses and cost of goods sold for 2022 increased due in part to: (i) depreciation and amortization related to property, plant and equipment ("PP&E") and amortizable intangible assets that were acquired with the 2022 acquisition of NuLeaf and Apothecarium; (ii) a full year of depreciation and amortization in 2022 for PP&E and amortizable intangible assets that were acquired in connection with the 2021 acquisition of Nature's Remedy, Organic Solutions of the Desert, LLC, OhiGrow, LLC and Grover Beach; (iii) accelerated depreciation for certain PP&E for which the useful lives were shortened; and (iv) depreciation associated with PP&E that were purchased and/or placed in service during 2022. Furthermore, the fourth quarter of 2022 was impacted by depreciation relating to fair value measurement period adjustment for NuLeaf which increased PP&E, and as such resulted in catch-up depreciation expense. Rent and related expenses increased primarily due to the additions in finance lease right-of-use assets, and investment in our infrastructure to support our growth, as well as the impact of our recent acquisitions. Professional fees and legal expenses increased primarily due to our transition to US GAAP accounting and reporting and costs associated with our registration with the SEC, which was completed in August 2022.

Other Income (Expense)

Interest Expense, Net

Interest expense, net, was $45,591 for the year ended December 31, 2022, as compared to $30,610 for the year ended December 31, 2021, an increase of $14,981, or 49%. The increase in interest expense, net is due primarily to a higher overall debt balance due in part to funding of our recent acquisitions as well as higher finance lease obligations.

Fair Value Gains on Derivatives

Fair value gains on derivatives was $91,887 for the year ended December 31, 2022, as compared to $105,170 for the year ended December 31, 2021. Fair value gains on derivatives include the fair value changes relating to the derivative warrants liability. The derivative warrants are required to be remeasured at fair value at each reporting period. The fair

value changes in derivatives for the year ended December 31, 2022 and 2021 were primarily attributable to the movement in our stock price during the corresponding period.

Other, Net

Other, net, was an expense of $19,839 for the year ended December 31, 2022, as compared to an income of $8,309 for the year ended December 31, 2021, an increase in expense of approximately $28,148, or 339%. Other, net for the year ended December 31, 2022 was primarily related to a loss of $18,858 on redemptions of the Senior Notes. Other, net for the year ended December 31, 2021 includes a gain of $10,350 on a legal settlement primarily relating to a breach of contract case involving San Felasco Nurseries, Inc. (the "SFN Litigation"), a gain of $1,216 on investments and investment income from mutual funds, and $558 in other miscellaneous income, partially offset by losses of $3,815 on the redemptions of Senior Notes.

Income Tax Expense

Income tax expense was $8,448 for the year ended December 31, 2022, as compared to $29,625 for the year ended December 31, 2021, a decrease of $21,177, or 71%. The decrease in income tax expense is primarily due to a reduction in taxable gross profit, and impairment charges associated with our California, Massachusetts, Nevada, Ohio and Pennsylvania operations .

Non-GAAP Measures and Reconciliation

In addition to providing financial measurements based on GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP. We use non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. These non-GAAP financial measures are EBITDA and Adjusted EBITDA (each as defined below). We believe that these non-GAAP financial measures reflect our ongoing business by excluding the effects of expenses that are not reflective of our operating business performance and allow for meaningful comparisons and analysis of trends in our business. These non-GAAP financial measures also facilitate comparing financial results across accounting periods and to those of peer companies. As there are no standardized methods of calculating these non-GAAP measures, our methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similar measures used by others, thus limiting their usefulness. Accordingly, these non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are financial measures that are not defined under GAAP. We define EBITDA as net income (loss), or "earnings", before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA before: (i) non-cash share-based compensation expense and other one-time charges; (ii) inventory-related adjustments; (iii) fair value changes in derivatives; (iv) other (income)/expense items; (v) transaction costs; (vi) asset impairment; (vii) loss on debt extinguishment; and (viii) start-up costs. These financial measures are metrics that have been adjusted from the GAAP net income (loss) measure in an effort to provide readers with a normalized metric in making comparisons more meaningful across the cannabis industry, as well as to remove non-recurring, irregular and one-time items that may otherwise distort the GAAP net income measure. Other companies in our industry may calculate this measure differently, limiting their usefulness as comparative measures.

Reconciliation of EBITDA and Adjusted EBITDA (Non- GAAP Measures)

The table below reconciles net (loss) income to EBITDA and Adjusted EBITDA for the periods indicated.

(Amounts expressed in thousands of U.S. dollars)

	Year Ended December 31,	
	2022	2021
NET (LOSS) INCOME [1]	$ (202,324)	$ 17,479
Income tax expense	8,448	29,625
Interest expense, net	45,591	30,610
Depreciation and amortization [2]	26,492	8,411
EBITDA (Non-GAAP)	$ (121,793)	$ 86,125
Non-cash share-based compensation	23,073	14,506
Inventory charge adjustments [3]	7,792	3,432
Indefinite-lived intangible asset impairment	111,515	—
Goodwill impairment	39,643	1,783
Tangible long-lived asset impairment	8,487	4,561
Fair value changes in derivatives	(91,887)	(105,170)
Losses on debt redemptions/extinguishments/modifications	18,858	3,815
Other, net [4]	2,021	(6,956)
Start-up costs [5][7]	4,143	9,747
Transaction costs [6][7]	5,221	2,471
Adjusted EBITDA (Non-GAAP)	$ 7,073	$ 14,314

(1) Net (loss) income includes amounts attributable to non-controlling interests.

(2) Includes amounts that are included in cost of goods sold and in operating expenses.

(3) Includes: (i) inventory step-up on business combinations; (ii) inventory recall reserves; and (iii) reserves for discontinued products. The inventory step-up on business combinations relate to the fair value write-up on inventory acquired on the business acquisition date and then sold subsequent to the acquisition date. The inventory recall reserves relate to the estimated impact of the Pennsylvania Department of Health recall and ban of vape products containing certain cannabis concentrates. The ban was lifted in June 2022.

(4) Includes: (i) remeasurement of contingent consideration related to acquisitions; (ii) losses (gains) on investments and financial assets; (iii) losses (gains) on legal settlements; and (iv) severance costs.

(5) Expansion and start-up costs incurred in order to prepare a location for its intended use. Start-up costs are expensed as incurred and are not indicative of ongoing operations of each new location.

(6) Transaction costs include: (i) registration statement costs such as professional fees and other costs relating to our SEC registration; and (ii) acquisition and deal costs.

(7) During the second quarter of 2021, we revised our methodology for calculating Adjusted EBITDA to also adjust for the effects of acquisition and deal costs, and start-up costs. We revised our methodology for calculating Adjusted EBITDA because we believe that the fluctuations caused in our operating results from these items are not reflective of our core performance, and that the revised methodology provides management and investors more useful information to evaluate the operations of our business. The prior period data for these items has been added to conform to current period presentation.

Liquidity and Capital Resources

(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)

Sources and Uses of Cash

We had cash and cash equivalents of $27,146 as of December 31, 2022. Capital expenditures for the year ended December 31, 2022 were $56,881. As of December 31, 2022, we had total current assets of $70,051, and total current liabilities of $107,628. We therefore had net working capital deficit of $37,577.

The major components of our statements of cash flows for the years ended December 31, 2022 and 2021, are as follows:

	Year Ended December 31,	
	2022	2021
Net cash flows used in operating activities	$ (21,416)	$ (14,304)
Net cash flows used in investing activities	(80,859)	(113,455)
Net cash flows provided by financing activities	33,983	137,663
Effect of currency translation on cash	(49)	(274)
Net change in cash and cash equivalents	$ (68,341)	$ 9,630

Operating activities. Cash used in operations for the year ended December 31, 2022 was $21,416, as compared to $14,304 for the year ended December 31, 2021. The increase in cash used in operations is due primarily to an increase in size and scope of our general and administrative functions to support our expected continued growth, partially offset by improved management of working capital.

Investing activities. Net cash used in investing activities totaled $80,859 for the year ended December 31, 2022, as compared to $113,455 for the year ended December 31, 2021. The net cash used in investing activities for the year ended December 31, 2022 was comprised of (i) $56,881 for the purchases of property, plant and equipment for use in our operations, (ii) $20,978 in payments for the acquisitions of Apothecarium and NuLeaf, net of cash acquired, and (iii) $3,000 payment of contingent consideration liability for NuLeaf. The net cash used in investing activities for the year ended December 31, 2021 was comprised of (i) $75,296 for the purchases of property, plant and equipment for use in our operations, and (ii) $47,308 in payments for the acquisitions of Nature's Remedy, Ohio Green Grow LLC, OhiGrow, Grover Beach and Organic Solutions of the Desert, LLC, net of cash acquired. Partially offsetting these cash outflows in 2021 was $9,149 in proceeds from the sales and redemptions of investments.

Financing activities. Net cash provided by financing activities totaled $33,983 for the year ended December 31, 2022, as compared to $137,663 for the year ended December 31, 2021. The net cash provided by financing activities for the year ended December 31, 2022 was comprised of (i) $31,594 in aggregate proceeds from the Second Lien Notes to partially fund the redemption of the Senior Notes, (ii) $25,000 in aggregate proceeds from the Acquisition Facility to fund the acquisitions of NuLeaf and Apothecarium, (iii) $13,680 in aggregate proceeds from private placement equity offerings in January 2022 and February 2022, (iv) $8,830 in proceeds from other debt and financing activities, and (v) $1,203 in proceeds from the exercise of warrants and stock options. Partially offsetting these cash inflows in 2022 were (i) $33,726 in principal redemption repayments on the Senior Notes, (ii) $8,775 in payments of finance lease obligations, net, (iii) $2,437 in payments of loan financing costs and (iv) $1,386 in other financing activities, net . The net cash provided by financing activities for the year ended December 31, 2021 was comprised of (i) $85,660 in aggregate proceeds from public equity offerings, net of issuance costs, in January 2021 and February 2021, (ii) $40,000 in aggregate proceeds from the Acquisition Facility, (iii) $17,128 in proceeds from the exercise of warrants and stock options, and (iv) $7,910 in proceeds from other debt. Partially offsetting these cash inflows in 2021 were (i) $8,134 in principal redemption repayments on the Senior Notes, (ii) $1,163 in payments of finance lease obligations, net (iii) $1,620 in payments on acquisition-related promissory notes, (iv) $1,701 in payments of loan financing costs, and (v) $417 in repayment of other debt .

Liquidity

As reflected in our consolidated financial statements, we incurred a loss from operations of $220,333, including non-cash asset impairment charges of $159,645, and used net cash of $21,416 for operating activities for the year ended December 31, 2022, and as of that date, our current liabilities exceeded our current assets by $37,577. Since inception, we have focused on building a diverse portfolio of assets in attractive markets to vertically integrate our business. As such, we incurred losses as we continue to expand. We have put in place plans to increase the profitability of the business in fiscal year 2023 and beyond. In order to achieve profitable future operations, we began to commercialize production from our recently expanded grower-processing facilities in Pennsylvania and Virginia, as well as implemented a cost-savings and efficiency optimization plan which includes, among others, reduction in labor and packaging costs as well as operating efficiencies at our retail and grower-processing facilities.

However, as of December 31, 2022, substantial doubt exists about our ability to continue as a going concern within the next twelve months from the date these financial statements are available to be issued. We intend to fund our operations, capital expenditures and debt service with existing cash and cash equivalents on hand, cash generated from operations and, as needed, future financing (equity and/or debt) as well as the potential sales of non-core assets. The ability to continue as a going concern is dependent upon profitable future operations and positive cash flows from operations as well as future financing and/or sales of assets if necessary. There is no assurance that we will be successful in this or any of our endeavors or become financially viable and continue as a going concern.

Additionally, the Acquisition Facility, as more further described in Note 12 - Debt elsewhere in this Annual Report on Form 10-K, contains certain financial and other covenants with which we are required to comply. The required financial covenants related to minimum (i) unrestricted cash and cash equivalents balance requirement and (ii) minimum quarterly revenue requirement. Subsequent to year end December 31, 2022, on February 24, 2023 and February 27, 2023, the Company was non-compliant with an affirmative covenant relating to a minimum cash deposit requirement in a specified bank account. We also anticipated not being able to provide a certification to the lender in connection with its annual financial statements that the audit report did not contain a going concern qualification. We received waivers for these two instances on April 17, 2023.

The consolidated financial statements have been prepared on a going concern basis which assumes we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements and Contractual Obligations

As of December 31, 2022, we do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the financial performance or financial condition of the Company. Our principal and interest future obligations in relation to our debt balance of $206,358 as of December 31, 2022 are as follows: $31,733 for the year ended December 2023, $114,649 for the two years ended December 2025, and $121,123 for the two years ended December 2027. Refer to Note 12 - Debt for additional information.

For our other contractual obligations, refer to Note 13 - Leases and Note 22 - Commitments and Contingencies of our Annual Financial Statements on Form 10-K.

Critical Accounting Estimates

The preparation of our Annual Financial Statements in conformity with GAAP requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The critical accounting estimates and judgements are disclosed in Note 2 - Basis of Presentation and

Summary of Significant Accounting Policies of our Annual Financial Statements included in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)

We are exposed to market risks in the ordinary course of business. Some potential market risks are discussed below:

Market Risk

Strategic and operational risks arise if we fail to carry out business operations and/or raise sufficient equity and/or debt financing. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Currency Risk

Our operating results and financial position are reported in U.S. dollars. As of December 31, 2022, the Company had Second Lien Notes in the amount of C$25,090 (~$18,526). Additionally, some of the Company's other financial transactions are denominated in currencies other than the U.S. dollar. Accordingly, the Company's results of operations are subject to currency transaction risks.

We have no hedging agreements in place with respect to foreign exchange rates. We have not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Credit Risk

Management does not believe that the Company currently has credit risk related to its operations, as the Company's revenue is generated primarily through cash transactions. Concentrations of credit risk with respect to our cash and cash equivalents are limited primarily to amounts held with financial institutions. Credit risk related to operations could increase as the Company continues to expand its wholesale operations.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Cash equivalents bear interest at market rates. Substantially all of our debt has fixed rates of interest and therefore our exposure is limited.

Inflation Risk

If our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition, and operating results.

Asset Forfeiture Risk

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

Banking Risk

There has been no change in U.S. federal banking laws related to the deposit and holding of funds derived from activities related to the marijuana industry. Given that U.S. federal law provides that the production and possession of cannabis is

illegal, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the U.S. banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the businesses of Jushi, its subsidiaries and investee companies, and leaves their cash holdings vulnerable. We have banking relationships in all jurisdictions in which we operate.

Item 8. Audited Financial Statements

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Jushi Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Jushi Holdings Inc. (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for each of the years in the three year period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficit, incurred significant operating losses and net loss, sustained significant negative cash flows from operations and needs to generate significant positive cash flows from operations, raise additional funds and/or sell assets to meet its obligations and sustain its operations and was non-compliant with certain debt covenants. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP (PCAOB ID 688)

We have served as the Company's auditor since 2021.

Chicago, Illinois
April 17, 2023

JUSHI HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars, except share amounts)

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 26,196	$ 94,962
Accounts receivable, net	4,809	3,200
Inventories, net	35,089	43,319
Prepaid expenses and other current assets	3,957	12,875
Total current assets	$ 70,051	$ 154,356
NON-CURRENT ASSETS:		
Property, plant and equipment, net	$ 177,755	$ 137,280
Right-of use assets - finance leases	114,021	94,008
Other intangible assets, net	100,082	192,466
Goodwill	38,239	45,828
Other non-current assets	28,243	27,586
Restricted cash	950	525
Total non-current assets	$ 459,290	$ 497,693
Total assets	$ 529,341	$ 652,049
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 21,313	$ 10,539
Accrued expenses and other current liabilities	46,329	47,972
Income tax payable	19,921	6,614
Debt, net - current portion (including related party principal amounts of $3,189 and $3,384 as of December 31, 2022 and 2021, respectively)	8,704	6,181
Finance lease obligations - current	11,361	12,620
Total current liabilities	$ 107,628	$ 83,926
NON-CURRENT LIABILITIES:		
Debt, net - non-current (including related party principal amounts of $17,491 and $1,194 as of December 31, 2022 and 2021, respectively)	$ 180,558	$ 119,798
Finance lease obligations - non-current	102,375	88,297
Derivative liabilities	14,134	92,435
Income tax liabilities - non-current	57,200	60,051
Other liabilities - non-current	21,555	26,559
Total non-current liabilities	$ 375,822	$ 387,140
Total liabilities	$ 483,450	$ 471,066
COMMITMENTS AND CONTINGENCIES (Note 22)		
EQUITY:		
Common stock, no par value; authorized shares - unlimited; issued and outstanding shares - 196,686,372 and 182,707,359 Subordinate Voting Shares as of December 31, 2022 and 2021, respectively	$ —	$ —
Paid-in capital	492,020	424,788
Accumulated deficit	(444,742)	(242,418)
Total Jushi shareholders' equity	$ 47,278	$ 182,370
Non-controlling interests	(1,387)	(1,387)
Total equity	$ 45,891	$ 180,983
Total liabilities and equity	$ 529,341	$ 652,049

The accompanying notes are an integral part of these consolidated financial statements.

JUSHI HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands of U.S. dollars, except share and per share amounts)

	Year Ended December 31,		
	2022	2021	2020
REVENUE, NET	$ 284,284	$ 209,292	$ 80,772
COST OF GOODS SOLD	(188,806)	(125,898)	(42,431)
GROSS PROFIT	$ 95,478	$ 83,394	$ 38,341
OPERATING EXPENSES			
Selling, general and administrative	$ 156,166	$ 112,815	$ 54,895
Asset impairments	159,645	6,344	—
Total operating expenses	$ 315,811	$ 119,159	$ 54,895
LOSS FROM OPERATIONS	$ (220,333)	$ (35,765)	$ (16,554)
OTHER INCOME (EXPENSE):			
Interest expense, net	$ (45,591)	$ (30,610)	$ (15,333)
Fair value gain (loss) on derivatives	91,887	105,170	(173,707)
Other, net	(19,839)	8,309	3,702
Total other income (expense), net	$ 26,457	$ 82,869	$ (185,338)
(LOSS) INCOME BEFORE INCOME TAX	$ (193,876)	$ 47,104	$ (201,892)
Income tax expense	(8,448)	(29,625)	(10,623)
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME	$ (202,324)	$ 17,479	$ (212,515)
Less: net loss attributable to non-controlling interests	—	(2,772)	(1,908)
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO JUSHI SHAREHOLDERS	$ (202,324)	$ 20,251	$ (210,607)
(LOSS) EARNINGS PER SHARE - BASIC	$ (1.06)	$ 0.12	$ (1.94)
Weighted average shares outstanding - basic	190,021,550	170,292,035	108,485,158
(LOSS) EARNINGS PER SHARE - DILUTED	$ (1.44)	$ (0.42)	$ (1.94)
Weighted average shares outstanding - diluted	204,235,432	201,610,251	108,485,158

The accompanying notes are an integral part of these consolidated financial statements.

JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of U.S. dollars, except share amounts)

	Number of Shares							
	Super Voting Shares	Multiple Voting Shares	Subordinate Voting Shares	Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances - January 1, 2020	149,000	4,000,000	91,592,638	$ 165,436	$ (52,062)	$ 113,374	$ 9,660	$ 123,034
Issuance of shares and warrants for cash, net	—	—	11,500,000	29,243	—	29,243	—	29,243
TGS Transaction	—	—	(4,800,000)	(7,125)	—	(7,125)	4,661	(2,464)
Purchases of non-controlling interest	—	—	3,927,911	7,395	—	7,395	(13,020)	(5,625)
Non-controlling interests - Jushi Europe and other transactions	—	—	—	—	—	—	1,994	1,994
Acquisition of Agape	—	—	769,231	1,000	—	1,000	1,560	2,560
Shares issued for restricted stock grants, net of forfeitures (including related parties)	—	—	4,548,099	—	—	—	—	—
Shares issued upon exercise of warrants	—	—	24,456,519	55,283	—	55,283	—	55,283
Shares issued upon exercise of stock options	—	—	26,666	41	—	41	—	41
Share-based compensation (including related parties)	—	—	—	9,592	—	9,592	—	9,592
Warrant expense	—	—	—	175	—	175	—	175
Shares issued for settlements	—	—	375,000	1,105	—	1,105	—	1,105
Net loss	—	—	—	—	(210,607)	(210,607)	(1,908)	(212,515)
Balances - December 31, 2020	149,000	4,000,000	132,396,064	$ 262,145	$ (262,669)	$ (524)	$ 2,947	$ 2,423
Public offering	—	—	13,685,000	85,660	—	85,660	—	85,660
Purchase of non-controlling interests - Agape	—	—	500,000	1,562	—	1,562	(1,562)	—
Acquisition of Grover Beach	—	—	49,348	368	—	368	—	368
Acquisition of Nature’s Remedy	—	—	8,700,000	35,670	—	35,670	—	35,670
Conversion of Super Voting Shares and Multiple Voting Shares	(149,000)	(4,000,000)	18,900,000	—	—	—	—	—
Shares issued for restricted stock grants	—	—	65,398	—	—	—	—	—
Shares issued upon exercise of warrants	—	—	8,667,173	24,676	—	24,676	—	24,676
Shares issued upon exercise of stock options	—	—	216,133	171	—	171	—	171
Share-based compensation (including related parties)	—	—	—	14,506	—	14,506	—	14,506
Settlement of promissory notes due from related parties	—	—	(471,757)	30	—	30	—	30
Net income (loss)	—	—	—	—	20,251	20,251	(2,772)	17,479
Balances - December 31, 2021	—	—	182,707,359	$ 424,788	$ (242,418)	$ 182,370	$ (1,387)	$ 180,983

The accompanying notes are an integral part of these consolidated financial statements.

JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of U.S. dollars, except share amounts)

	Number of Shares							
	Super Voting Shares	Multiple Voting Shares	Subordinate Voting Shares	Paid-In Capital	Accumulated Deficit	Total Jushi Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances - Balances - January 1, 2022	—	—	182,707,359	$ 424,788	$ (242,418)	$ 182,370	$ (1,387)	$ 180,983
Private placement offerings	—	—	3,717,392	13,680	—	13,680	—	13,680
Shares issued for Apothecarium acquisition	—	—	527,704	1,594	—	1,594	—	1,594
Shares issued for NuLeaf acquisition	—	—	5,551,264	15,102	—	15,102	—	15,102
Shares issued for service received	—	—	114,416	317	—	317	—	317
Shares issued upon conversion of debt at maturity	—	—	910,000	2,412	—	2,412	—	2,412
Shares issued upon exercise of warrants	—	—	3,176,601	10,578	—	10,578	—	10,578
Shares issued upon exercise of stock options	—	—	121,976	26	—	26	—	26
Share-based compensation (including related parties)	—	—	—	23,073	—	23,073	—	23,073
Shares canceled upon forfeiture of restricted stock, net of restricted stock grants	—	—	(140,340)	—	—	—	—	—
Collection of note receivable from employee shareholder	—	—	—	450	—	450	—	450
Net loss	—	—	—	—	(202,324)	(202,324)	—	(202,324)
Balances - December 31, 2022	—	—	196,686,372	$ 492,020	$ (444,742)	$ 47,278	$ (1,387)	$ 45,891

The accompanying notes are an integral part of these consolidated financial statements.

JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Year Ended December 31,		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (202,324)	$ 17,479	$ (212,515)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization, including amounts in cost of goods sold	26,492	8,411	4,425
Share-based compensation	23,073	14,506	9,592
Fair value changes in derivatives	(91,887)	(105,170)	173,707
Net gains on business combinations	—	—	(10,149)
Non-cash interest expense, including amortization of deferred financing costs	19,437	17,055	8,205
Deferred income taxes and uncertain tax positions	(17,455)	21,713	8,300
Loss on debt modification/extinguishment/redemption	18,858	3,815	1,853
Asset impairments	159,645	6,344	170
Inventory charge	9,418	—	—
Other non-cash items, net	2,061	(1,297)	3,570
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(1,594)	(1,872)	(61)
Accounts payable, accrued expenses and other current liabilities	24,106	21,558	7,842
Inventory	5,396	(12,945)	(4,254)
Prepaid expenses and other current assets	1,627	(7,502)	(1,724)
Other assets	1,731	3,601	(1,325)
Net cash flows used in operating activities	$ (21,416)	$ (14,304)	$ (12,364)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	$ (20,978)	$ (47,308)	$ (28,564)
Payments for property, plant and equipment	(56,881)	(75,296)	(22,780)
Proceeds from investments and financial asset	—	9,149	18,597
Other investing activities	(3,000)	—	(13,053)
Net cash flows used in investing activities	$ (80,859)	$ (113,455)	$ (45,800)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of shares, net	$ 13,680	$ 85,660	$ 29,243
Proceeds from exercise of warrants and options	1,203	17,128	46,587
Proceeds from acquisition facility	25,000	40,000	—
Proceeds from issuance of second lien notes and related warrants in 2022 and senior notes and related warrants in 2020	31,594	—	51,861
Redemptions of senior notes (including related party redemptions of $8 and $3,072 for the year ended December 31, 2022 and 2021, respectively	(33,726)	(8,134)	—
Payments of acquisition promissory notes	—	(1,620)	(24,003)
Payments of finance leases, net of tenant allowance of $10,633, $19,046 and $200 for the year ended December 31, 2022, 2021 and 2020, respectively	(8,775)	(1,163)	(1,848)
Proceeds from other debt	2,800	7,910	3,529
Repayments of other debt	(148)	(417)	—
Payments of loan financing costs	(2,437)	(1,701)	—
Proceeds from other financing activities	6,030	—	—
Payments of other financing activities, net	(1,238)	—	(237)
Net cash flows provided by financing activities	$ 33,983	$ 137,663	$ 105,132

The accompanying notes are an integral part of these consolidated financial statements.

JUSHI HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Year Ended December 31,		
	2022	2021	2020
Effect of currency translation on cash and cash equivalents	(49)	(274)	(47)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ (68,341)	$ 9,630	$ 46,921
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	95,487	85,857	38,936
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 27,146	$ 95,487	$ 85,857
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest (excluding capitalized interest)	$ 27,706	$ 13,798	$ 7,359
Cash paid for income taxes	$ 11,668	$ 7,066	$ 1,336
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Capital expenditures	$ 7,921	$ 17,599	$ 2,177
Right of use assets from finance lease liabilities (excluding from acquisitions), net of tenant allowance receivable of $0, $7,357 and $805 for the year ended December 31, 2022, 2021 and 2020, respectively	$ 4,811	$ 51,200	$ 15,287
Debt and equity issued for services received	$ 702	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Jushi Holdings Inc. (the "Company" or "Jushi") is incorporated under the British Columbia's Business Corporations Act. The Company is a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. As of December 31, 2022, Jushi, through its subsidiaries, owns or manages cannabis operations and/or holds licenses in the adult-use and/or medicinal cannabis marketplace in Illinois, Pennsylvania, Virginia, Massachusetts, Nevada, California and Ohio. The Company's head office is located at 301 Yamato Road, Suite 3250, Boca Raton, Florida 33431, United States of America, and its registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada.

The Company is listed on the Canadian Securities Exchange ("CSE") and trades its subordinate voting shares ("SVS") under the ticker symbol "JUSH", and trades on the United States Over the Counter Stock Market ("OTCQX") under the symbol "JUSHF". The Company's Registration Statement on Form S-1, initially filed with the U.S. Securities and Exchange Commission ("SEC") on July 22, 2022, as amended on August 8, 2022, was declared effective by the SEC on August 12, 2022 (the "S-1").

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying consolidated financial statements present the consolidated financial position and operations of Jushi Holdings Inc. and its subsidiaries and entities over which the Company has control, in accordance with accounting principles generally accepted in the U.S. ("GAAP"). The accounts of the subsidiaries are prepared for the same reporting period using consistent accounting policies. Intercompany balances and transactions are eliminated in consolidation.

Going Concern and Liquidity

As reflected in these consolidated financial statements, the Company has incurred a loss from operations of $ 220,333, including non-cash asset impairment charges of $159,645, and used net cash of $21,416 for operating activities for the year ended December 31, 2022, and as of that date, the Company's current liabilities exceeded its current assets by $37,577. Since inception, management has focused on building a diverse portfolio of assets in attractive markets to vertically integrate its business. As such, the Company has incurred losses as it continues to expand. Management has put in place plans to increase the profitability of the business in fiscal year 2023 and beyond. In order to achieve profitable future operations, management begun to commercialize production from its recently expanded grower-processing facilities in Pennsylvania and Virginia, as well as implemented a cost-savings and efficiency optimization plan which includes, among others, reduction in labor and packaging costs as well as operating efficiencies at the Company's retail and grower-processing facilities.

As a result of the above, substantial doubt exists about the Company's ability to continue as a going concern within the next twelve months from the date these financial statements are issued. Management intends to fund the Company's operations, capital expenditures and debt service with existing cash and cash equivalents on hand, cash generated from operations and, as needed, future financing (equity and/or debt) as well as the potential sales of non-core assets. The ability to continue as a going concern is dependent upon profitable future operations and positive cash flows from operations as well as future financing and/or sales of assets if necessary. There is no assurance that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

Additionally, the Acquisition Facility, as more further described in Note 12 - Debt, contains certain financial and other covenants with which the Company is required to comply. The required financial covenants related to minimum (i) unrestricted cash and cash equivalents balance requirement and (ii) minimum quarterly revenue requirement. Subsequent to year end December 31, 2022, on February 24, 2023 and February 27, 2023, the Company was non-compliant with an affirmative covenant relating to a minimum cash deposit requirement in a specified bank account. The Company also anticipated not being able to provide a certification to the lender in connection with its annual financial statements that the audit report did not contain a going concern qualification. The Company received waivers for these two instances on April 17, 2023.

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

Correction of Errors in Previously Issued Financial Statements

In November 2022, the Company identified an error in the appraised value of the business licenses acquired in connection with the acquisition of Nature's Remedy in September 2021, which was used in the purchase price allocation (Refer to Note 7 - Acquisitions for additional information). The appraised value of the business licenses was determined with the assistance of a third-party valuation firm, which used an incorrect input in the valuation model. The impact of the error was a $ 10,000 understatement of indefinite-lived intangible assets - license, a $ 7,092 overstatement of goodwill, and a $(2,908) understatement of income tax liabilities – non-current on the Company's audited consolidated financial statements as of and for the year ended December 31, 2021. The Company revised its consolidated balance sheet as of December 31, 2021 as summarized in the table below:

	As Previously Reported	As Revised
Other intangible assets, net	$ 182,466	$ 192,466
Goodwill	$ 52,920	$ 45,828
Total non-current assets	$ 494,785	$ 497,693
Total assets	$ 649,141	$ 652,049
Income tax liabilities - non-current	$ 57,143	$ 60,051
Total non-current liabilities	$ 384,232	$ 387,140
Total liabilities	$ 468,158	$ 471,066
Total liabilities and equity	$ 649,141	$ 652,049

Summary of Significant Accounting Policies

Functional and Reporting Currency

The functional currency of the Company and its subsidiaries, as determined by management, is the U.S. dollar. The Company's reporting currency is the U.S. Dollar. These consolidated financial statements are presented in thousands of U.S. dollars unless otherwise noted. Transactions in foreign currencies are recorded at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into the functional currency at the foreign exchange rate in effect at that date. Realized and unrealized exchange gains and losses are recognized through profit and loss.

Use of Estimates

The preparation of these consolidated financial statements and accompanying notes requires us to make estimates and assumptions that affect amounts reported. Estimates are used to account for certain items such as the valuation of

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

inventories, including stage of growth of cannabis plants, the likelihood the plants will grow to full maturity, and the estimated yields from harvest and conversion to finished goods; the assessment of business combinations and asset acquisitions and the fair values of the assets and liabilities acquired; the fair value of purchase consideration and contingent consideration; the useful lives of definite lived intangible assets and property and equipment; share-based compensation, leases, income tax provision and uncertain tax positions, the collectability of receivables and other items requiring judgment. Estimates are based on historical information and other assumptions that management believes are reasonable under the circumstances. Due to the inherent uncertainty involved with estimates, actual results may differ materially.

Cash and Cash Equivalents and Restricted Cash

The Company considers cash deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash deposits in financial institutions and cash held at retail locations. Cash and cash held in money market investments are carried at fair value. When the use of a cash balance is subject to regulatory or contractual restrictions and therefore not available for general use by the Company, the Company classifies the cash as restricted cash.

The Company maintains cash with various U.S. financial institutions with balances in excess of the Federal Deposit Insurance Corporation limits. The failure of a financial institution where the Company has significant deposits could result in a loss of a portion of such cash balances in excess of the insured limit, which could materially and adversely affect the Company's business, financial condition and results of operations.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	As of December 31,		
	2022	2021	2020
Cash and cash equivalents	$ 26,196	$ 94,962	$ 85,857
Restricted cash	950	525	—
Cash, cash equivalents and restricted cash	$ 27,146	$ 95,487	$ 85,857

Accounts Receivable and Expected Credit Losses

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit losses (or "allowance") reflects the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of accounts receivable is reviewed on an ongoing basis. Expected credit losses are determined based on a combination of factors, including the Company's risk assessment regarding the specific exposures, credit worthiness of its customers, historical collection experience and length of time the receivables are past due. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. The Company's charges to provision for credit losses and write-off of uncollectible receivables during each financial periods presented in the consolidated statements of operations and comprehensive income (loss) and its related allowance at each respective balance sheet date were not material given that a significant majority of the Company's sales were collected in cash at the point of sale.

Inventories

Inventories are comprised of raw materials, work in process, finished goods and packaging materials. Inventories primarily consist of cannabis plants, dried cannabis, cannabis trim, and cannabis derivatives such as oils and edible products, and accessories. Inventories are initially recorded at cost and subsequently at the lower of cost or net realizable value. Costs incurred during the growing and production processes are capitalized as incurred, as adjusted for estimated normal capacity and expected yields when incurred. These costs include direct materials, labor and manufacturing

overhead used in the growing and production processes. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs to complete and sell. Cost is primarily determined on an average cost basis. The Company also reviews inventory for obsolete and slow-moving goods and writes down inventory to net realizable value.

Property, Plant and Equipment

Property, plant, and equipment ("PP&E") are measured at cost less accumulated depreciation, and impairment losses, if applicable. Purchased property and equipment are initially recorded at cost, or, if acquired in a business combination, at the acquisition date fair value. Finance lease right-of-use assets are recognized at inception based on the present value of minimum future lease payments. Depreciation is recognized on a straight-line basis over the following periods:

Buildings and building components	7 - 30 years
Leasehold improvements	The lesser of the term of the lease or the estimated useful life of the asset: 1 - 28 years
Machinery and equipment	1 - 10 years
Furniture, fixtures and office equipment (including computer)	2 - 7 years
Finance lease ROU assets - buildings	14 - 28 years
Finance lease ROU assets - machinery and equipment	3 - 5 years

Land has an unlimited useful life and is, therefore, not depreciated. An asset's residual value, useful life and depreciation method are reviewed annually and adjusted prospectively if necessary.

Construction-in-process ("CIP") represents assets under construction and is measured at cost, including borrowing costs incurred during the construction of qualifying assets. When construction on a property is complete and available for use, the cost of construction which has been included in CIP will be reclassified to buildings and improvements, leasehold improvements or furniture and fixtures, as appropriate, and depreciated.

Impairment of Long-Lived Assets

Property and equipment, as well as right-of-use assets and definite lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require these long-lived assets to be tested for possible impairment and the Company's analysis indicates that a possible impairment exists based on an estimate of undiscounted future cash flows, the Company is required to estimate the fair value of the asset.

An impairment charge is recorded for the excess of the asset's or asset group's carrying value over its fair value, if any. Asset groups have identifiable cash flows and are largely independent of other asset groups. The Company assesses the fair value of long-lived assets using commonly accepted techniques, and may use more than one method, including recent third-party comparable sales and discounted cash flow models. The Company's impairment analyses require management to apply judgment in estimating future cash flows as well as asset fair values, and other assumptions.

Business Combinations

Acquisitions are assessed under ASC 805 Business Combinations, and judgement is required to determine whether a transaction qualifies as an asset acquisition or business combination. The Company includes in these financial statements the results of operations of the businesses acquired from the acquisition date. Acquisition-related expenses are recognized separately from a business combination and are expensed as incurred.

The Company allocates the purchase price of the business combination to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. To the extent the fair value of the net assets acquired, including other identifiable assets, exceeds the purchase price, a bargain purchase gain is recognized in the statement of operations and comprehensive income (loss).

Acquisitions of assets or a group of assets that do not meet the definition of a business are accounted for as asset acquisitions using the cost accumulation method, whereby the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values. No goodwill is recognized in an asset acquisition.

Variable Interest Entities

The Company determines at the inception of each arrangement whether an entity in which the Company has made an investment or in which it has other variable interests is considered a variable interest entity ("VIE"). The Company consolidates VIEs when it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has the power to direct activities that most significantly affect the economic performance of the VIE and has the obligation to absorb the majority of their losses or benefits. If the Company is not the primary beneficiary in a VIE, the VIE will be accounted for in accordance with other applicable accounting guidance. Periodically, the Company assesses whether any changes in the Company's interest or relationship with the entity affect the determination of whether the entity is a VIE and, if so, whether the Company is the primary beneficiary.

Intangible Assets

Intangible assets are recorded at cost, less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. The estimated useful lives, residual values and amortization methods are reviewed annually, and any changes in estimates are accounted for prospectively. Finite lived intangible assets are amortized using the straight-line method over their estimated useful lives.

Goodwill and Indefinite Lived Intangibles

In accordance with ASC 350 Intangibles - Goodwill and Other, the Company reviews goodwill and indefinite lived intangibles for impairment at the reporting unit level annually, or, when events or circumstances dictate, more frequently. At the time of a business combination, goodwill is either assigned to a specific reporting unit or allocated between reporting units based on the relative fair value of each reporting unit. The Company first performs a qualitative assessment to determine if it is more-likely-than-not that the reporting unit's carrying value, which includes goodwill and intangibles, is less than its fair value, indicating a potential for impairment, and therefore requiring a quantitative assessment. If the Company determines that a quantitative impairment test is required, the Company typically uses a combination of an income approach, i.e., a discounted cash flow calculation, and a market approach, i.e., using a market multiple method, to determine the fair value of each reporting unit, and then compare the fair value to its carrying amount to determine the amount of impairment, if any. If a reporting unit's fair value is less than its carrying amount, the Company would record an impairment charge based on that difference, up to the amount of goodwill and intangibles allocated to that reporting unit.

The quantitative impairment test requires the application of a number of significant assumptions, including estimated revenue growth rates, profit margins, terminal value growth rates, market multiples, and discount rates. The projections of future cash flows used to assess the fair value of the reporting units are based on the internal operation plans reviewed by management. The market multiples are based on comparable public company multiples. The discount rates are based on the risk-free rate of interest and estimated risk premiums for the reporting units at the time the impairment analysis is prepared or such evaluation date.

The Company performs its goodwill and indefinite-lived intangible assets impairment tests on an annual basis.

Leases

In accordance with ASC 842 Leases, the Company determines if an arrangement is a lease at inception. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is an operating or a finance lease. Operating lease right-of-use ("ROU") assets and operating lease (current and non-current) liabilities and finance lease ROU assets and finance lease (current and non-current) liabilities are recognized in the consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets and are expensed in the consolidated statements of operations on a straight-line basis over the lease term.

Right of use ("ROU") assets represent the Company's right to use an underlying asset in which the Company obtains substantially all of the economic benefits and the right to direct the use of the asset during the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term, using a discount rate equivalent to the Company's incremental borrowing rate for a term similar to the estimated duration of the lease, as the rates implicit in the Company's leases are not readily available. Payments that are not fixed at the commencement of the lease are considered variable and are excluded from the ROU asset and lease liability calculations. For finance leases, interest expense on lease liabilities is recognized using the effective interest method, and amortization of the related ROU asset is on a straight-line basis. Refer to Property, Plant and Equipment above for the useful lives of finance lease ROU assets. Operating lease cost, which includes the interest on the lease liability and amortization of the related ROU asset, is recognized on a straight-line basis over the lease term.

Topic 842 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available in accordance with Topic 842. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Topic 842 requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Segment

The Company operates a vertically integrated cannabis business in one reportable segment for the cultivation, manufacturing, distribution and sale of cannabis in the U.S. All of the Company's revenues were generated within the U.S., and substantially all long-lived assets are located within the U.S.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 Revenue from Contracts with Customers ("ASC 606"). ASC 606 requires revenue to be recognized when control of the promised goods or services are transferred to customers at an amount that reflects the consideration that the Company expects to receive. Application of ASC 606 requires a five-step model applicable to all product offering revenue streams as follows: (1) Identify a customer along with a corresponding contract; (2) Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer; (3) Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer; (4) Allocate the transaction price to the performance obligation(s) in the contract; and (5) Recognize revenue when or as the Company satisfies the performance obligation(s).

Contract assets, as defined in ASC 606, include amounts that represent the right to receive payment for goods and services that have been transferred to the customer with rights conditional upon something other than the passage of time. Contract liabilities are defined in the standard to include amounts that reflect obligations to provide goods and services for which payment has been received. The Company has no contract assets or unsatisfied performance obligations as of each balance sheet date presented in its consolidated balance sheets.

The Company's contracts with customers for the sale of dried cannabis, cannabis oil and other cannabis related products may consist of multiple performance obligations. Revenue from the direct sale of cannabis to customers for a fixed price is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has paid for the goods. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy. Revenue is measured based on the amount of consideration that the Company can expect to receive in exchange for those goods or services, reduced by promotional discounts and estimates for return allowances and refunds. Taxes collected from customers for remittance to governmental authorities are excluded from revenue.

For some of its locations, the Company offers a loyalty reward program to its dispensary customers. A portion of the revenue generated in a sale is allocated to the loyalty points earned. The Company records a reduction in revenue and a liability based on the estimated probability of the point obligation incurred, calculated based on a standalone selling price of each point. Loyalty reward credits issued as part of a sales transaction results in revenue being deferred until the loyalty reward is redeemed by the customer. Loyalty points expire six months from award date and the Company expects outstanding loyalty points to be redeemed within six months.

Costs of Goods Sold

Cost of goods sold includes the costs directly attributable to revenue recognition and includes compensation and fees for services, travel and other expenses for services and costs of products and equipment.

Operating Expenses

Operating expenses represent costs incurred at the Company's corporate and administrative offices, primarily related to: compensation expenses, including share-based compensation; depreciation and amortization; professional fees and legal expenses; marketing, advertising and selling costs; facility-related expenses, including rent and security; insurance; software and technology expenses; impairments; and acquisition and deal costs. Advertising and promotion costs are included as a component of operating expenses and are expensed as incurred.

Share-Based Payment Arrangements

The Company accounts for equity-settled share-based payments in accordance with ASC 718 Compensation – Stock Compensation, which requires the Company to recognize share-based compensation expenses related to grants of stock options, restricted stock awards ("RSAs") and compensatory warrants to employees and non-employees based on the fair value of the share-based payments over the vesting period with a corresponding offsetting amount to paid-in capital within equity in the accompanying consolidated balance sheets. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period. No adjustment is made to any expense recognized in prior periods if vested stock options or warrant awards expire without being exercised. For share-based payments made prior to 2023, the Company recorded the share-based compensation expenses using the graded vesting basis and are included in selling, general and administrative operating expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

The fair value of stock options and compensatory warrants is estimated using the Black-Scholes valuation model, which requires assumptions for expected volatility, expected dividends, the risk-free interest rate and the expected term. The

Company accounts for forfeitures of share-based grants as they occur. If any of the assumptions used in the Black-Scholes model or the anticipated number of shares to be vested change significantly, share-based compensation expense may differ materially in the future from that recorded in the current period. The fair value of RSAs is estimated based on the Company's stock on grant date.

Income Taxes

Income tax expense is the total of the current period income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.
As the Company operates in the legal cannabis industry, the Company is subject to the limits of Internal Revenue Code ("IRC") Section 280E for U.S. federal income tax purposes as well as state income tax purposes for all states except for California and Colorado. Starting with the 2022 tax year, Massachusetts and New York also decoupled from IRC Section 280E. Under IRC Section 280E, the Company is only allowed to deduct expenses directly related to sales of product, i.e. the cost of producing the products or cost of production. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

In accordance with ASC 740 Income Taxes, a tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded.

The Company is treated as a U.S. corporation for U.S. federal income tax purposes under IRC Section 7874 and is subject to U.S. federal income tax on its worldwide income. However, for Canadian tax purposes, the Company, regardless of any application of IRC Section 7874, is treated as a Canadian resident company (as defined in the Income Tax Act (Canada)) for Canadian income tax purposes. As a result, the Corporation is subject to taxation both in Canada and the U.S.

Earnings or Loss per Share

Basic earnings or loss per share is computed by dividing the net income or loss attributable to Jushi shareholders by the basic weighted average number of shares of common stock outstanding for the period. Diluted earnings or loss per share is computed by dividing the net income or loss attributable to Jushi shareholders by the sum of the weighted average number of shares of common stock outstanding for the period, and the number of additional shares of common stock that would have been outstanding if the Company's outstanding potentially dilutive securities had been issued. Potentially dilutive securities include stock options, warrants, unvested restricted stock, convertible promissory notes, and vested restricted stock issued to employees for which a corresponding non-recourse promissory note receivable with the employee is outstanding until the notes are repaid. The dilutive effect of potentially dilutive securities is reflected in diluted earnings or loss per share by application of the treasury stock method, except if its impact is anti-dilutive. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the

market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement: (i) Level 1 – Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date; (ii) Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by the observable market data for substantially the full term of the assets or liabilities; (iii) Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Refer to Note 23 - Financial Instruments.

COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a global pandemic. COVID-19 continues to spread throughout the U.S. and other countries across the world, and the duration and severity of its effects are currently unknown. At the onset of the COVID-19 pandemic, the Company implemented procedures at all operating locations to better protect the health and safety of its employees, medical patients, and customers across its network of dispensaries at the onset of the COVID-19 outbreak, and the Company continues to implement and evaluate actions to strengthen its financial position and support the continuity of its business and operations.

To date, the Company's financial condition and results of operations have not been materially impacted by COVID-19. The extent to which the COVID-19 pandemic impacts the Company's future results will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including possible future outbreaks of new strains of the virus and governmental and consumer responses to such future developments.

Emerging Growth Company

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act until such time the Company is no longer considered to be an EGC. The adoption dates discussed in Recent Accounting Pronouncements reflect this election.

Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. Adjustments have been made to: (i) the consolidated statements of cash flows to reclassify the presentation of uncertain tax position from change in accounts payable, accrued expenses and other current current liabilities to deferred income taxes and uncertain tax positions of $26,823 and $11,857 for the years ended December 31, 2021 and 2020, respectively, and (ii) the consolidated balance sheets to reclassify the presentation of certain other non-current liabilities from Debt, net - current portion to Other liabilities - non current of $3,173 as of December 31, 2021. These reclassifications had no effect on the reported net cash flows used in operating activities included in the consolidated statements of cash flows, or total non-current liabilities in the consolidated balance sheets.

Recent Accounting Pronouncements

Adoption of New Accounting Standards

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill*

Impairment (ASU 2017-04). The FASB issued guidance eliminates the performance of Step 2 from the goodwill impairment test. In performing its annual or interim impairment testing, an entity will instead compare the fair value of the reporting unit with its carrying amount and recognize any impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss. The amendments in this ASU are effective for the Company for fiscal years beginning after December 15, 2022 with early adoption permitted, as amended by ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)* and ASU 2021-03, *Intangibles—Goodwill and Other (Topic 350)*.

The Company early adopted ASU 2017-04 in 2022. See Note 8 - Goodwill and Other Intangible Assets for additional information.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options.* The FASB issued guidance to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2021. The adoption of this standard in 2022 did not have a material impact on the Company's consolidated financial statements.

Accounting Standards Issued But Not Yet Adopted

In June 2020, the FASB issued ASU 2020-06 *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity,* which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. This ASU also removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and simplifies the diluted earnings per share calculation in certain areas. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.* The FASB issued guidance requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree applied Topic 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements (if the acquiree prepared financial statements in accordance with generally accepted accounting principles). The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The FASB issued guidance clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

In March 2023, the FASB issued ASU 2023-01, *Leases (Topic 842): Common Control Arrangements*. The FASB issued guidance clarifies the accounting for leasehold improvements associated with common control leases, by requiring that leasehold improvements associated with common control leases be amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset through a lease. Additionally, leasehold improvements associated with common control leases should be accounted for as a transfer between entities under common control through an adjustment to equity if, and when, the lessee no longer controls the use of the underlying asset. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2023. The Company is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

3. REVENUE

The Company has three revenue streams: (i) cannabis retail, (ii) cannabis wholesale and (iii) other. The Company's retail revenues are comprised of cannabis operations for medical and adult-use dispensaries. The Company's wholesale revenues are comprised of cannabis cultivation, processing, production and distribution of cannabis for medical and adult-use. The Company's other operations primarily include the Company's hemp/cannabidiol ("CBD") retail operations. Any intercompany revenue and any costs between entities are eliminated to arrive at consolidated totals.

The following table summarizes the Company's revenue from external customers, disaggregated by revenue stream:

	Year Ended December 31,		
	2022	2021	2020
Retail cannabis	$ 261,016	$ 195,085	$ 75,499
Wholesale cannabis	23,160	13,792	4,738
Other	108	415	535
Total revenue, net	$ 284,284	$ 209,292	$ 80,772

4. INVENTORIES

The components of inventories, net, are as follows:

	As of December 31,	
	2022	2021
Cannabis plants	$ 4,347	$ 6,347
Harvested cannabis and packaging	9,052	5,180
Total raw materials	$ 13,399	$ 11,527
Work in process	7,845	8,756
Finished goods	13,845	23,036
Total inventories, net	$ 35,089	$ 43,319

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets are as follows:

	As of December 31,	
	2022	2021
Prepaid expenses and deposits	$ 3,409	$ 3,837
Landlord receivables for reimbursement of certain expenditures	—	7,357
Other current assets	548	1,681
Total prepaid expenses and other current assets	$ 3,957	$ 12,875

6. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment ("PPE") are as follows:

	As of December 31,	
	2022	2021
Buildings and building components	$ 80,697	$ 49,697
Land	14,085	12,380
Leasehold improvements	43,472	24,042
Machinery and equipment	27,615	12,656
Furniture, fixtures and office equipment (including computer)	16,126	10,221
Construction-in-process	20,086	35,625
Total property, plant and equipment - gross	$ 202,081	$ 144,621
Less: Accumulated depreciation	(24,326)	(7,341)
Total property, plant and equipment - net	$ 177,755	$ 137,280

Construction-in-process represents assets under construction for manufacturing and retail build-outs not yet ready for use.

Total depreciation, including depreciation from assets held under finance leases (which are reflected separately in the consolidated balance sheets), was $23,898, $8,808 and $2,293 for the years ended December 31, 2022, 2021 and 2020, respectively.

Interest expense capitalized to PPE totaled $2,616, $977 and $1,074 for the years ended December 31, 2022, 2021 and 2020, respectively.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

7. ACQUISITIONS

2022 Business Combinations

The Company had the following acquisitions during the year ended December 31, 2022: (i) Apothecarium; and (ii) NuLeaf (each as defined below). The following table summarizes the preliminary purchase price allocations as of their respective acquisition dates:

	NuLeaf	Apothecarium	Total
Assets Acquired:			
Cash and cash equivalents	$ 618	$ 25	$ 643
Prepaids and other assets	278	32	310
Accounts receivable, net	39	—	39
Inventory	5,334	699	6,033
Indemnification assets [1]	5,734	—	5,734
Property, plant and equipment	11,880	498	12,378
Right-of-use assets - finance lease	4,598	2,333	6,931
Right-of-use assets - operating lease	1,067	—	1,067
Intangible assets [2]	14,097	8,600	22,697
Deposits	110	301	411
Total assets acquired	$ 43,755	$ 12,488	$ 56,243
Liabilities Assumed:			
Accounts payable and accrued liabilities	$ 584	$ 497	$ 1,081
Finance lease obligations	5,054	2,323	7,377
Operating lease obligations	1,067	—	1,067
Deferred tax liabilities	5,518	2,283	7,801
Uncertain tax positions	5,734	—	5,734
Total liabilities assumed	$ 17,957	$ 5,103	$ 23,060
Net assets acquired	$ 25,798	$ 7,385	$ 33,183
Goodwill [3]	24,474	7,834	32,308
Total	$ 50,272	$ 15,219	$ 65,491
Consideration:			
Consideration paid in cash, net of working capital adjustments	$ 14,918	$ 6,703	$ 21,621
Consideration payable in cash (customary hold back liability)	932	—	932
Consideration paid in promissory notes (fair value)	12,860	6,922	19,782
Consideration paid in shares	13,573	1,594	15,167
Contingent consideration	7,989	—	7,989
Fair value of consideration	$ 50,272	$ 15,219	$ 65,491

[1] As part of the NuLeaf acquisition agreement, the sellers contractually agreed to indemnify the Company for certain amounts that may become payable, including for taxes that relate to periods prior to the date of acquisition. Accordingly, the Company recorded indemnification assets and corresponding estimated accrued tax liabilities, at fair value, for a total of $5,734 as of the date of the acquisition. Subsequent changes in the amounts recognized for the indemnification assets may occur in relation to the provision for the corresponding tax liabilities, according to changes in the range of outcomes or the assumptions used to develop the estimates of the liabilities at the time of the acquisition

(2) Included licenses acquired of $10,400 and $8,600 for NuLeaf and Apothecarium, respectively, which have indefinite useful lives. The estimated fair values of the licenses were determined using the multi-period excess earnings method under the income approach based on projections extended to 2036.

(3) The goodwill recognized from the acquisitions is attributable to synergies expected from integrating the acquired businesses into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

NuLeaf

In April 2022, the Company closed on the acquisition of 100% of NuLeaf Inc., NuLeaf CLV Inc. and their subsidiaries (collectively, "NuLeaf"). NuLeaf is a vertically integrated operator in Nevada, which operates two retail dispensaries in Las Vegas, Nevada, one retail dispensary in Las Vegas Boulevard, Nevada, a 27,000 sq. ft. cultivation facility in Sparks, Nevada, and a 13,000 sq. ft. processing facility in Reno, Nevada. The Company paid consideration comprised of $14,918 in cash, net of working capital adjustments, 4,662,384 SVS (with an acquisition date fair value of $2.91 per SVS), and an unsecured five-year note with a face value of $15,750 (fair value of $12,860). Additionally, cash consideration of $ 932 was subjected to customary holdbacks at closing. The Company was required to pay an additional $10,000 ($3,000 in cash, $3,000 as an addition to the five-year note and the balance in shares) contingent on the opening of a third retail dispensary. In June 2022, the Company opened the third retail dispensary, and in July 2022, the Company paid $3,000 in cash (included in other investing activities in the consolidated statements of cash flows for the year ended December 31, 2022), amended the five-year note for an additional face value of $3,000 (fair value of $2,657), and issued 888,880 SVS (aggregate value of $1,529) to settle the contingent consideration liability. Refer to Note 12 - Debt for details on the seller notes.

Apothecarium

In March 2022, the Company closed on the acquisition of 100% of the equity interest of an entity operating an adult-use and medical retail dispensary under the name, "The Apothecarium" in Las Vegas, Nevada ("Apothecarium"), for consideration comprised of $6,703 in cash, net of working capital adjustments, 527,704 SVS (with a grant date fair value of $3.02 per SVS), and an unsecured five-year note with a face value of $9,853 (fair value of $6,922). Refer to Note 12 - Debt for details on the seller notes. The Apothecarium acquisition, together with the prior acquisition of Franklin Bioscience NV, LLC, a holder of medical and adult-use cannabis cultivation, processing, and distribution licenses, enabled the Company to become vertically integrated in Nevada, as well as provide significant branding exposure for Jushi's high-quality product lines.

Preliminary Purchase Price Allocations for 2022 Business Combinations

The consideration has been allocated to the estimated fair values of the assets acquired and liabilities assumed at the dates of the acquisitions and remain preliminary as of December 31, 2022. These estimated fair values involve significant judgement and estimates. The primary area of judgement involves the valuation of the business licenses acquired, which requires management to estimate value based on future cash flows from these assets. The primary areas of the preliminary purchase price allocations that are not yet finalized relate to: licenses acquired, inventories, property, plant and equipment, leases, contingent consideration, promissory notes, deferred tax liabilities, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at the acquisition date during the measurement period.

2021 Business Combinations and Asset Acquisitions

The Company had the following acquisitions during the year ended December 31, 2021: (i) Nature's Remedy; (ii) OSD; (iii) OhiGrow; and (iv) Grover Beach (each as defined below). The following table summarizes the purchase price allocations as of their respective acquisition dates:

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	Business Combinations		Asset Acquisitions		
	Nature's Remedy	OSD	OhiGrow	Grover Beach	Total
Assets Acquired:					
Cash and cash equivalents	$ 3,195	$ 259	$ —	$ —	$ 3,454
Prepaids	325	53	—	—	378
Accounts receivable, net	263	—	—	—	263
Inventory	15,882	184	—	—	16,066
Indemnification assets [1]	1,322	1,411	—	—	2,733
Property, plant and equipment	19,470	—	3,165	269	22,904
Right-of-use assets - finance leases	27,305	—	—	2,050	29,355
Right-of-use assets - operating leases	1,337	1,859	—	—	3,196
Intangible assets - license [2][4]	56,000	2,160	1,817	3,654	63,631
Intangible assets - tradenames [2]	4,400	—	—	—	4,400
Intangible assets - customer database [2]	2,100	—	—	—	2,100
Deposits	20	6	—	19	45
Total assets acquired [4]	$ 131,619	$ 5,932	$ 4,982	$ 5,992	$ 148,525
Liabilities Assumed:					
Accounts payable and accrued liabilities	$ 7,004	$ 190	$ —	$ —	$ 7,194
Finance lease obligations	27,052	—	—	2,032	29,084
Operating lease obligations	1,267	1,859	—	—	3,126
Deferred tax liabilities [4]	21,462	648	—	—	22,110
Uncertain tax positions	1,322	1,411	—	—	2,733
Total liabilities assumed [4]	$ 58,107	$ 4,108	$ —	$ 2,032	$ 64,247
Net assets acquired [3][4]	$ 73,512	$ 1,824	$ 4,982	$ 3,960	$ 84,278
Goodwill [3][4]	26,086	2,432	—	—	28,518
Total	$ 99,598	$ 4,256	$ 4,982	$ 3,960	$ 112,796
Consideration:					
Consideration paid in cash, as adjusted for working capital adjustments	$ 40,360	$ 1,827	$ 4,949	$ 3,592	$ 50,728
Consideration paid in promissory notes (fair value)	15,345	2,429	—	—	17,774
Consideration paid in shares	35,670	—	—	368	36,038
Contingent consideration	8,223	—	—	—	8,223
Capitalized costs	—	—	33	—	33
Fair value of consideration	$ 99,598	$ 4,256	$ 4,982	$ 3,960	$ 112,796

(1) As part of the OSD and Nature's Remedy acquisition agreements, the sellers contractually agreed to indemnify the Company for certain amounts that may become payable, including for taxes that relate to periods prior to the date of acquisition. Accordingly, the Company recorded indemnification assets and corresponding estimated accrued tax liabilities, at fair value, for a total of $2,733 as of the dates of the acquisitions. Additional subsequent changes in the amounts recognized for the indemnification assets may occur in relation to the provision for the corresponding tax liabilities, according to changes in the range of outcomes or the assumptions used to develop the estimates of the liabilities at the time of the acquisition.

(2) The licenses acquired have indefinite useful lives. The customer relationships have a useful life of 15 years and the tradenames have a useful life of 5 years.

(3) The goodwill recognized from the acquisitions is attributable to synergies expected from integrating the acquired businesses into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

(4) The amounts for the Nature's Remedy and Total columns reflect the revised amounts in connection with the correction of errors disclosed under the heading "Previously Issued Financial Statement Reclassification" in Note 2 - Basis of Presentation and Summary of Significant Accounting Policies. Specifically, intangible assets - license increased by $10,000, goodwill decreased by $7,092, and deferred tax liabilities increased by $2,908.

2021 Business Combinations

Nature's Remedy

In September 2021, the Company acquired 100% of the equity of Nature's Remedy of Massachusetts, Inc. and certain of its affiliates (collectively, "Nature's Remedy"), for upfront consideration comprised of cash, net of working capital adjustments, 8,700,000 SVS (with a grant date fair value of $4.10 each), an $11,500 unsecured three-year note and a $5,000 unsecured five-year note.

Nature's Remedy is a vertically integrated single state operator in Massachusetts and currently operates two retail dispensaries, in Millbury, Massachusetts and Tyngsborough, Massachusetts, and a 50,000 sq. ft. cultivation and production facility in Lakeville, Massachusetts. The goodwill is not tax deductible.

The Company also agreed to issue a $5,000 increase to the principal balance of the three-year note and up to an additional $5,000 in Company SVS upon the occurrence or non-occurrence of certain events after the closing date. The payment of the contingent consideration depends on whether or not a competitor opens a competing dispensary within a certain radius of the Company's dispensary in the Town of Tyngsborough, Massachusetts during the first 12 months following the acquisition (The "First Milestone Period") or during the 18 months following the end of the First Milestone Period. As of the date of acquisition, the Company recognized a contingent consideration liability of $8,223, a Level 3 measurement amount, which was based on the weighted-average probability of the potential outcomes. The estimated range of such additional consideration is between $0 and $10,800 (which also includes the interest on the additional principal for the three-year note). Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred for the business combination. Contingent consideration that is classified as a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in Selling, general and administrative expenses in the consolidated statements of operations and comprehensive income (loss).

In September 2022, the First Milestone Period was achieved, and therefore the three-year note was amended for an additional face value of $5,000 (discounted value of $4,708) to partially settle the contingent consideration liability. As of December 31, 2022, the remaining contingent consideration liability of $4,793 relates to the 18 months following the end of the First Milestone Period. The Company utilized the cash flows associated with the weighted-average probability of the potential outcomes to determine the potential cash outflows that are short-term vs. long-term. As a result, as of December 31, 2022, the Company classified $3,398 as a short-term contingent consideration liability and $1,395 as a long-term contingent consideration liability.

OSD

In April 2021, the Company acquired 100% of the equity of Organic Solutions of the Desert, LLC ("OSD"), an operating dispensary located in Palm Springs, California, for consideration comprised of cash, as adjusted for working capital adjustments, and $3,100 principal amount of promissory notes. The goodwill is not tax deductible.

2021 Asset Acquisitions

The Company determined that the OhiGrow and Grover Beach (each as defined below) acquisitions described below did not qualify as business combinations because, for OhiGrow, the assets acquired did not constitute a business, and for Grover Beach, under the concentration test, substantially all of the fair value of the acquisition is concentrated in a single identifiable asset – the license.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

OhiGrow

In July 2021, the Company acquired OhiGrow, LLC, a licensed cultivator in Ohio, and Ohio Green Grow LLC (collectively, "OhiGrow"), inclusive of an approximately 10,000 sq. ft. facility and 1.35 acres of land for $4,949 in cash.

Grover Beach

In March 2021, the Company closed on the acquisition of approximately 78% of the equity of a retail license holder located in Grover Beach, California ("Grover Beach") for $3,592 in cash, as adjusted for working capital adjustments, and 49,348 SVS at a fair value of $7.46 per share, with the rights to acquire the remaining equity for one dollar in the future. In September 2022, the Company exercised its rights to acquire the remaining 22%.

2020 Business Combinations and Asset Acquisitions

The Company had the following acquisitions during the year ended December 31, 2020: (i) PAMS; (ii) PADS; (iii) BHILH; (iv) GSG Santa Barbara; and (v) Agape (all defined below).

The following table summarizes the purchase price allocations for the acquisitions completed during the year ended December 31, 2020, as of their respective acquisition dates:

	Business Combinations			Asset Acquisitions		
	PAMS	PADS	BHILH	Agape	GSG Santa Barbara	Total
Assets Acquired:						
Cash and cash equivalents	$ 118	$ 971	$ 13	$ —	$ —	$ 1,102
Prepaid expenses and other current assets	214	5	84	10	—	313
Accounts receivable	407	—	—	—	—	407
Inventory	4,251	192	100	—	—	4,543
Property, plant and equipment	579	1,075	465	—	—	2,119
Right of use assets - finance leases	15,017	234	466	—	—	15,717
Right of use assets - operating leases	—	310	877	—	—	1,187
Intangible assets - license(s) [1]	19,189	4,182	8,500	7,881	5,328	45,080
Intangible assets - patient/customer database [1]	425	—	—	—	—	425
Deposits	540	15	—	—	—	555
Total assets	$ 40,740	$ 6,984	$ 10,505	$ 7,891	$ 5,328	$ 71,448
Liabilities Assumed:						
Accounts payable, accrued expenses and other current liabilities	$ 335	$ 156	$ 585	$ —	$ —	$ 1,076
Note payable	—	—	—	90	—	90
Finance lease obligations	17,013	230	465	—	—	17,708
Operating lease obligations	—	310	877	—	—	1,187
Deferred tax liabilities	1,410	—	—	—	—	1,410
Total liabilities	$ 18,758	$ 696	$ 1,927	$ 90	$ —	$ 21,471
Net assets acquired	$ 21,982	$ 6,288	$ 8,578	$ 7,801	$ 5,328	$ 49,977
Non-controlling interests	—	—	(4,661)	(1,560)	—	(6,221)

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	Business Combinations			Asset Acquisitions		
	PAMS	PADS	BHILH	Agape	GSG Santa Barbara	Total
Total net assets acquired net of non-controlling interest	$ 21,982	$ 6,288	$ 3,917	$ 6,241	$ 5,328	$ 43,756
Consideration:						
Consideration paid in cash, as adjusted for working capital adjustments[2]	$ 15,054	$ 5,671	$ 2,692	$ 3,050	$ 4,900	$ 31,367
Capitalized acquisition costs	—	—	—	191	428	619
Fair value of PADS purchase option	—	1,992	—	—	—	1,992
Consideration paid in 10% senior notes [3]	—	—	—	1,476	—	1,476
Consideration paid in warrants [3]	—	—	—	524	—	524
Consideration paid in promissory notes (net of discount)	2,658	—	—	—	—	2,658
Assumption of Beacon Notes and accrued interest	—	—	9,555	—	—	9,555
Net effect of other related transactions	—	—	(15,740)	—	—	(15,740)
Consideration paid in shares	—	—	—	1,000	—	1,000
Fair value of consideration	$ 17,712	$ 7,663	$ (3,493)	$ 6,241	$ 5,328	$ 33,451
Goodwill [4]	$ —	$ 1,375	$ —	$ —	$ —	$ 1,375
Bargain purchase on business combination [5]	4,270	—	7,410	—	—	11,680
Total	$ 21,982	$ 6,288	$ 3,917	$ 6,241	$ 5,328	$ 43,756

(1) The licenses acquired have indefinite useful lives. The patient/customer related intangible assets have estimated useful lives of 0.25 - 5 years.

(2) Cash paid for acquisitions includes $2,320 that was paid during prior years and was previously included in deferred acquisition costs as of December 31, 2019.

(3) The consideration for the Agape acquisition included 10% senior notes amounting to $2,000 principal, and related warrants to purchase 633,433 Subordinate Voting Shares with a $1.25 strike price; and 769,231 Subordinate Voting Shares at a closing date market price of $1.30 per share. Refer to "Senior Notes" in Note 12 - Debt and to Note 14 - Derivative Liabilities for additional details on the 10% senior secured notes and warrants.

(4) The goodwill recognized from the acquisitions is attributable to synergies expected from integrating the acquired businesses into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

(5) The bargain purchase gain for BHILH was reduced by asset disposal and other charges of $1,531 to arrive at the total net gain on business combination. The net gains on business combinations are included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss). The asset disposal and other adjustments, were comprised of net write-offs/impairments of $1,681 reflecting the excess of the carrying amounts over the estimated fair values of intangible assets returned to TGS (included as other consideration in the TGS Transaction), offset by other adjustments of $150.

2020 Business Combinations

PAMS

On August 11, 2020, the Company closed on the acquisition of 100% of the equity of Pennsylvania Medical Solutions, LLC, a Pennsylvania grower-processor ("PAMS"). The acquisition increased the Company's presence in Pennsylvania and expanded its supply of cannabis to the BEYOND/HELLO™ retail stores. The Company purchased PAMS at a favorable price due to the seller's financial condition and limited sources of funding, which resulted in a bargain purchase gain which is reflected in other income (expense), net in the consolidated statements of operations and comprehensive income (loss). Prior to closing, in July 2020, the Company entered into an agreement to loan $3,000 to the previous owner of PAMS, which was secured by a first priority lien on, and continuing security interest in Pennsylvania Dispensary

Solutions, LLC ("PADS"). The loan bore interest at 12% and the $3,000 was included at closing in the cash purchase price.

PADS

At the time of the PAMS acquisition, as part of the agreements with Vireo Health, Inc ("Vireo"), the seller of PAMS, Jushi received an assignable purchase option ("PADS Purchase Option") to acquire 100% of the equity of PADS. The PADS Purchase Option had an expiration date of 18 months from closing, and was subject to certain customary closing conditions, including approvals from all applicable regulatory authorities. On November 13, 2020, the Company exercised the PADS Purchase Option and on December 18, 2020, the Company closed on the purchase of 100% of the equity interests of PADS from Vireo. PADS increased the Company's retail footprint in Pennsylvania, where PADS is a medical marijuana dispensary permit holder with two dispensaries operating in Bethlehem and Scranton. The cash consideration allocated to the PADS Purchase Option was $ 1,553 (included in other investing activities in the consolidated statements of cash flows for the year ended December 31, 2020) based on the relative fair values of the net assets acquired in the PAMS acquisition and the PADS Purchase Option as of August 11, 2020. The difference between the purchase price allocated to the PADS Purchase Option and its fair value at the time of its exercise was a gain of $440 and is included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2020.

TGS Transaction - Beyond Hello IL Holdings, LLC ("BHILH") (f/k/a TGS Illinois Holdings LLC ("TGSIH"))

On January 29, 2020, the Company acquired an approximately 75% interest in TGS Illinois Holdings LLC (currently known as Beyond Hello IL Holdings, LLC) (the "TGS Transaction"), and became the owner of two medical cannabis dispensaries in Illinois - one in Sauget, and one in Normal, with each dispensary eligible to seek approval from the Illinois Department of Financial & Professional Regulation to open a second retail location. On April 22, 2020, the names of TGS Illinois Holdings LLC and TGS Illinois, LLC, were changed to Beyond Hello IL Holdings, LLC, and Beyond Hello IL, LLC, respectively. Each change was approved by the State of Illinois.

Due to legalization of adult-use cannabis in the state of Illinois which became effective January 1, 2020, the purchase of BHILH resulted in a bargain purchase gain. The bargain purchase gain is reflected in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).

The fair value of the non-controlling interests was based on the fair value of the consideration paid to purchase the non-controlling interests (the "TGSIH NCI Transaction"). Refer to Note 17 - Non-Controlling Interests.

The TGSIH acquisition was a part of a series of transactions under a favorable settlement agreement between the Company and its respective affiliates, and The Green Solution and its respective affiliates and their owners ("TGS"). The transactions included: (1) the transfer to the Company of approximately 75% interest in the TGSIH units; (2) the Company's assumption and/or payoff of approximately $ 12,000 in TGS debt including interest and expenses relating to the debt (see below); (3) the Company returning its 51% majority stake in TGS National Holdings, LLC ("TGS National") to TGS and terminating the 2018 purchase agreement for TGS National which included certain restrictive covenants, employment agreements and exclusive intellectual property licenses in Jushi's favor; (4) the return to the Company and cancellation of the 5,000,000 Subordinate Voting Shares of Jushi Holdings, Inc. and warrants with an exercise price of $2.00 to purchase 2,500,000 Subordinate Voting Shares of Jushi Holdings, Inc. which were issued in connection with the 2018 purchase of TGS National; and (5) the transfer to Jushi Inc of 416,060 common shares of Organigram, Inc. ("OGI") and cash from the liquidation of certain options to purchase common shares of OGI.

The approximately $12,000 in TGS debt noted above includes approximately $ 2,442 of debt payable to a third party and interest paid off by the Company, which was included in the cash paid at closing, and $9,555 of debt which was negotiated with the holder to be exchanged for Jushi Holdings Inc. Senior Notes and warrants. The $9,555 was comprised of secured notes of an affiliate of TGS, Beacon Holding, LLC (the "Beacon Notes"), plus unpaid accrued interest. The

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carrying amount of the debt and unpaid accrued interest approximated the fair value. Refer to "Senior Notes" in Note 12 - Debt for further details on the Company's Senior Notes and the related warrants.

The net effect of other related transactions from the TGS Transaction, as reflected in the purchase price allocation table above, was comprised of the following:

Redemption Liability cancelled	$	8,440
5,000,000 Subordinate Voting Shares of Jushi Holdings, Inc. and warrants with an exercise price of $2.00 to purchase 2,500,000 Subordinate Voting Shares of Jushi Holdings, Inc. returned to Jushi		7,075
416,060 common shares of OGI		1,092
Payment to Jushi for the OGI options that were liquidated		478
TGS National fair value of intangibles, net of other items returned and derecognized[1][2]		(918)
TGS National cash given up		(427)
Net effect of other related transactions	$	15,740

(1) The difference of $1,748, net of other adjustments of $217, between the carrying amount of the disposed intangibles of $2,666 (refer to Note 8 - Goodwill and Other Intangible Assets) and the fair value above of $918 was a total of $1,531 and is included in net gains on business combinations in the consolidated statements of operations and comprehensive income (loss).

(2) No goodwill associated with TGS National was written off as a result of this transaction in 2020, since the Company had previously recognized an impairment loss of $8,990 in 2018 related to the total goodwill associated with the original acquisition of TGS National.

The fair values of the Jushi Holdings, Inc. shares and OGI shares were based on the closing market price as of the date of the transaction and the fair value of the Jushi Holdings, Inc. warrants was calculated using a Black-Scholes model with the following assumptions: stock price of $1.28 (market price); exercise price of $2.00; estimated term 1.35 years; volatility 76%; risk-free rate 1.46%. The fair value of the Jushi securities was accounted for as a reduction to equity. The TGS National net assets returned consisted primarily of cash and intangibles. The fair value of the intangibles returned was calculated using a discounted cash flow model using a discount rate of 12%, a growth rate of zero, and estimated useful lives ranging from 9 - 11 years.

Redemption Liability

At the time of the original acquisition of 51% of TGS National by the Company in 2018, the Company had the exclusive right to purchase the remaining 49% of TGS National for a period of 30 months from the Closing Date (the "Option Period"). The consideration to be paid for this purchase option (the "Redemption Liability") was $8,500. As a result of the TGS Transaction, the Redemption Liability was cancelled.

The Redemption Liability was initially recorded at fair value and was estimated using the present value of the estimated future purchase price and was therefore considered to be a Level 3 measurement. The adjusted present value of the Redemption Liability was $8,440 as of the date of the TGS Transaction in 2020. The total change in the redemption liability for the year ended December 31, 2020 was insignificant.

2020 Asset Acquisitions

The Company determined that The GSC Santa Barbara and Agape acquisitions below did not qualify as business combinations under ASC 805 Business Combinations, because the assets acquired did not constitute a business, as substantially all of the fair value of each of the acquisitions is concentrated in a single identifiable asset – the license.

GSG Santa Barbara

On July 24, 2020, the Company closed on the acquisition of 100% of the equity of GSG SBCA, Inc. ("GSG Santa Barbara"), a non-operating provisionally licensed Santa Barbara, California dispensary operator for a total purchase price

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of $4,900 in cash, of which $2,250 was paid in the prior year. The GSG Santa Barbara dispensary commenced retail operations on October 14, 2020.

Agape

On June 25, 2020, the Company closed on the acquisition of 80% of the economic and voting interests in Agape Total Health Care Inc ("Agape"), a Pennsylvania Dispensary Permittee, for consideration in cash and shares.

Business Combinations - Acquisition and Deal Costs

For the year ended December 31, 2022, 2021 and 2020 acquisition and deal costs totaled $ 1,204, $350 and $502, respectively, and are included within the selling, general and administrative expenses in the consolidated statements of operations and comprehensive income (loss). The remaining acquisition and deal costs included in selling, general and administrative expenses were incurred either for acquisitions not completed or not expected to be completed.

Business Combinations Acquisition Results and Unaudited Supplemental Pro Forma Financial Information

The following table summarizes unaudited consolidated pro forma revenue and unaudited consolidated pro forma net income (loss) as if the business combinations had occurred at the beginning of the year prior to their actual acquisition for the periods presented:

	Year Ended December 31,		
	2022	2021	2020
Revenue	$ 293,947	$ 284,026	$ 149,539
Net (loss) income	$ (197,743)	$ 20,681	$ (228,501)

These unaudited pro forma financial results do not purport to be indicative of the actual results that would have been achieved by the combined companies for the years indicated, or of the results that may be achieved by the combined companies in the future. These amounts have been calculated using actual results and adding unaudited pre-acquisition results, after adjusting for: acquisition costs, additional depreciation and amortization from acquired property, plant and equipment and intangible assets, as well as adjustments for incremental interest expense relating to consideration paid, and changes to conform to the Company's accounting policies.

The results of the 2022, 2021 and 2020 acquisitions are included in the Company's results since their respective acquisition dates. For the year ended December 31, 2022, in the aggregate, the 2022 acquisitions contributed revenues of $28,912 and net loss of $43,603 to the Company's consolidated results. For the year ended December 31, 2021, in the aggregate, the 2021 acquisitions contributed revenues of $15,107 and net loss of $1,120 to the Company's consolidated results. For the December 31, 2020, in the aggregate, the 2020 acquisitions contributed revenues of $36,364 and net income of $7,667 to the Company's consolidated results.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill, carrying amount, as of January 1, 2021	$	19,093
Additions from acquisitions		28,518
Impairment		(1,783)
Goodwill, carrying amount, as of December 31, 2021	$	45,828
Additions from acquisitions, including reclassification of $254		35,480
Impairment		(39,643)
Measurement period adjustment		(3,426)
Goodwill, carrying amount, as of December 31, 2022	$	38,239

Other Intangible Assets

The components of other intangible assets are as follows:

	As of December 31,		Estimated Useful Life
	2022	2021	
Licenses	$ 82,401	$ 174,662	Indefinite
Intellectual Property	9,580	9,580	10 years
Tradenames	12,800	10,200	1 - 15 years
Patient/Customer database	3,195	2,795	5 - 10 years
Non-compete	155	155	3 years
Website development	61	61	3 years
Formulations	50	50	Indefinite
Total gross amount	$ 108,242	$ 197,503	
Less: Accumulated Amortization	(8,160)	(5,037)	
Other Intangible Assets, net	$ 100,082	$ 192,466	

Amortization expense for the years ended December 31, 2022, 2021 and 2020 was $3,123, $1,977 and $2,202, respectively, and is included in operating expenses in the consolidated statements of operations and comprehensive income (loss). For the years ended December 31, 2022, and 2021 , all additions to intangible assets were from acquisitions.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

The estimated future annual amortization expense related to intangible assets as of December 31, 2022 are as follows:

2023	$ 3,237
2024	3,214
2025	3,182
2026	2,911
2027	1,912
Thereafter	3,175
Total estimated future amortization expense	$ 17,631

Impairment of Goodwill and Other intangible assets

2022 Impairments

During the year ended December 31, 2022, management determined that the Company's goodwill and certain intangible assets in California, Massachusetts, Nevada, Ohio, and Pennsylvania were impaired due to the Company's lower than expected operating results, driven in part by significant price compression and the overall economy in the respective state. The Company utilized a combination of the income approach (discounted cash flow method) and market approach (a combination of the guideline transactions method and guideline company method) for its impairment test for each state, resulting in goodwill and intangible impairment charges reflected below. The goodwill and intangible asset impairment is recorded within operating expenses in the consolidated statements of operations and comprehensive income (loss).

	Year Ended December 31, 2022		Key Assumptions			
State	Goodwill Impairment	Intangible Asset Impairment	Perpetual Growth Rate	Discount Rate	Weighted Average Cost of Capital	Cash Flow Forecast
California	$ 2,432	$ 10,142	2%	22.5%	21.5%	5 years
Massachusetts	12,231	37,954	2%	21.0%	20.0%	5 years
Nevada	24,980	22,150	2%	21.0%	20.0%	5 years
Ohio	—	5,317	2%	24.5%	23.5%	5 years
Pennsylvania	—	35,952	2%	22.0%	21.0%	5 years
	$ 39,643	$ 111,515				

2021 Impairments

Nevada

During the year ended December 31, 2021, management determined that the lower than expected operating results of the Company's Nevada operations was an indicator of impairment. The Company utilized the discounted cash flow method for its impairment test, and as a result, recorded a goodwill impairment charge of $1,783. The key inputs and assumptions used in the fair valuation of Nevada include: (i) a five-year cash flow forecast, which is based on the Company's actual operating results and business plans; (ii) a perpetual growth rate of 3%; and (iii) an estimated discount rate of 16.5%. The goodwill impairment is recorded within operating expenses in the consolidated statements of operations and comprehensive income (loss).

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

9. OTHER NON-CURRENT ASSETS

The components of other non-current assets are as follows:

	As of December 31,	
	2022	2021
Operating lease assets	$ 16,244	$ 17,288
Indemnification assets [1]	8,198	2,733
Deposits and escrows - properties	1,637	1,343
Equity investment [2]	977	1,500
Deposits - equipment	484	4,315
Other	703	407
Total other non-current assets	$ 28,243	$ 27,586

[1] Refer to footnotes (1) under the 2022 and 2021 acquisition tables in Note 7 - Acquisitions for additional information.

[2] The Company owns a 23.08% ownership interest in PV Culver City, LLC ("PVLLC"). The Company does not have significant influence over, and the Company does not have the right to vote or participate in the management of the PVLLC and therefore the investment is measured at its fair value. Refer to Note 23 - Financial Instruments for more information relating to the fair value of this equity investment as of December 31, 2022.

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	As of December 31,	
	2022	2021
Goods received not invoiced	$ 11,620	$ 8,007
Accrued capital expenditures	5,603	12,474
Accrued employee related expenses and liabilities	6,030	6,062
Contingent consideration liabilities - current portion[1]	3,398	—
Operating lease obligations - current portion	2,652	2,745
Accrued interest	2,388	1,181
Accrued sales and excise taxes	1,931	2,535
Deferred revenue (loyalty program)	1,870	1,427
Accrued professional and management fees	1,481	5,139
Other accrued expenses and current liabilities	9,356	8,402
Total	$ 46,329	$ 47,972

[1] Refer to Note 7 - Acquisitions.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

11. OTHER NON-CURRENT LIABILITIES

The components of accrued expenses and other current liabilities are as follows:

	As of December 31,	
	2022	2021
Operating lease liabilities	$ 15,547	$ 15,163
Contingent consideration liabilities	1,395	8,223
Other non-current liabilities	4,613	3,173
Total	$ 21,555	$ 26,559

12. DEBT

The components of the Company's debt are as follows:

			As of December 31,	
	Effective Interest Rate	Contractual Maturity Date	2022	2021
Principal amounts:				
Second Lien Notes	15%	December 2026	$ 73,182	$ —
Senior Notes	N/A	N/A	—	75,193
Acquisition Facility	15%	December 2024	65,000	40,000
Acquisition-related promissory notes payable	8% - 18%	August 2024 - April 2027	57,216	25,767
Other debt [(1)]	7% - 9%	March 2022 - July 2027	10,960	8,555
Total debt - principal amounts			$ 206,358	$ 149,515
Less: debt issuance costs and original issue discounts			(17,096)	(23,536)
Total debt - carrying amounts			$ 189,262	$ 125,979
Debt, net - current portion			$ 8,704	$ 6,181
Debt, net - non-current portion			$ 180,558	$ 119,798

(1) Includes Jushi Europe debt. Refer to Note 17 - Non-Controlling Interests.

As of December 31, 2022, aggregate future contractual maturities of the Company's debt are as follows:

	2023	2024	2025	2026	2027	Total
Second Lien Notes	$ —	$ —	$ —	$ 73,182	$ —	$ 73,182
Acquisition Facility	4,875	60,125	—	—	—	65,000
Acquisition-related promissory notes payable	3,448	22,385	1,970	6,971	22,442	57,216
Other debt	3,386	137	148	158	7,131	10,960
Total	$ 11,709	$ 82,647	$ 2,118	$ 80,311	$ 29,573	$ 206,358

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

Interest expense, net is comprised of the following:

	Year Ended December 31,		
	2022	2021	2020
Interest and accretion - Senior Notes	$ 23,268	$ 19,257	$ 12,095
Interest and accretion - Second Lien Notes	578	—	—
Interest - Finance lease liabilities	11,154	9,158	2,451
Interest and accretion - Acquisition Facility	7,264	1,106	—
Interest and accretion - Promissory notes	5,518	1,802	1,903
Interest and accretion - Other debt	567	507	189
Capitalized interest	(2,616)	(977)	(1,074)
Total interest expense	$ 45,733	$ 30,853	$ 15,564
Interest income	$ (142)	$ (243)	$ (231)
Total interest expense, net	$ 45,591	$ 30,610	$ 15,333

Second Lien Notes

In December 2022, the Company issued Second Lien Notes in an aggregate amount of $73,061, of which the Company received cash proceeds of $31,594 and the remaining $41,467 was settled without the need for any transfers of cash between the Company and certain holders of Senior Notes that elected to purchase Second Lien Notes from the Company in accordance with certain Funding and Settlement Facilitation Agreements ("Facilitation Agreements"). The Facilitation Agreements provided for the Company and purchasers of Second Lien Notes who were also holders of Senior Notes to settle the amount owed to each such purchaser pursuant to the redemption of such purchaser's Senior Notes against the amount of Second Lien Notes purchased by such purchaser without the need for any transfers of cash. The Second Lien Notes mature on December 7, 2026, and bear interest at 12.0% per annum, payable in cash quarterly.

Additionally, the Company issued 17,512,280 four-year warrants to purchase Subordinate Voting Shares of the Company (the "Warrants"). Each purchaser of the Second Lien Notes received Warrants at 50% coverage of the principal amount of such purchaser's Second Lien Notes divided by the strike price of $2.086 per share. The Warrants were issued by the Company in connection with, but were detached from, the Company's issuance of the Second Lien Notes. Refer to Note 14 - Derivative Liabilities for additional information.

Senior Notes

In December 2022, the Company redeemed all its outstanding Senior Notes in the amount of $ 74,935, of which $33,468 was redeemed via cash payment by the Company and the remaining $41,467 was redeemed via the execution of Funding and Settlement Facilitation agreements (non-cash payment) between the Company and certain holders of the Senior Notes who also elected to purchase Second Lien Notes from the Company. See the "Second Lien Notes" section above for more information on holders of Senior Notes that elected to purchase Second Lien Notes from the Company. The redemption of the Senior Notes was accounted for as a debt extinguishment, and resulted in the Company recording a non-cash loss on debt extinguishment of $18,858, which represents the difference between the reacquisition price of the Senior Notes and the net carrying amount of the Senior Notes prior to redemption.

Acquisition Facility

In October 2021 (the "Closing Date"), the Company entered into definitive documentation in respect of a $100,000 Senior Secured Credit Facility (the "Acquisition Facility") from Roxbury, LP, a portfolio company of SunStream Bancorp Inc., which is a joint venture sponsored by Sundial Growers Inc. The Company is permitted to borrow amounts under the Acquisition Facility for potential strategic expansion opportunities in both its core and developing markets. After being drawn, loans issued under the Acquisition Facility bear an interest rate of 9.5% per annum, payable quarterly, and will mature five years from the Closing Date. Subject to the approval of the Agent's investment committee and other conditions, including pro forma compliance with certain financial covenants (further defined below) at the time of borrowing, the Company will be able to make draws under the facility until the 18- month anniversary of the Closing Date (the "Draw Period"), and will have a two-year interest-only period before partial amortization begins on a quarterly basis. Interest are payable on the first business day of each calendar quarter. The Company also may increase the total commitment of the Acquisition Facility by an aggregate amount of up to $25,000, subject to certain conditions (the "Accordion"). The Acquisition Facility is secured by a first lien over certain Company assets and on a pari passu basis with the collateral securing the indebtedness of the Company evidence by the Senior Notes. The Company recorded original discount of $1,701, which included debt issuance costs of $ 721.

During the Draw Period, a standby fee of 2.25% per annum of the undrawn amount of the Acquisition Facility minus the sum of the daily average of the outstanding amount of the Acquisition Facility for the preceding calendar quarter shall be paid quarterly, in arrears, on the first business day of each calendar quarter. The standby fee drops to 1.5% on the date the existing 10% Senior Notes mature or are refinanced. An exit fee of 1.5% of the original term loan amount of $100,000 shall be paid upon the earliest of the maturity date, any repayment of the principal balance of the term loans or the occurrence of an event of default. In the event the existing Senior Notes mature or are refinanced, no exit fee is owed by the Company to the lenders. In the event the Company wishes to refinance the Senior Notes, lenders have a right of first refusal to contribute up to 50% of the amount used to refinance the Senior Notes.

In October 2021, the Company drew down $40,000 from the Acquisition Facility to fund the cash portion of the acquisition of Nature's Remedy. As of December 31, 2021, the Company had approximately $60,000 of availability under the Acquisition Facility (excluding the Accordion).

In April 2022, the Company drew down $ 25,000 from the Acquisition Facility to fund the cash portions of the NuLeaf and Apothecarium acquisitions, and the Company entered into an amendment to the Acquisition Facility pursuant to which: (i) the commencement of leverage testing was pushed back by four quarters, (ii) certain leverage ratios were revised; and (iii) the Company may proceed with a reorganization pursuant to a petition for bankruptcy in Switzerland with respect to Jushi Europe without potentially defaulting under the Acquisition Facility. Refer to Note 17 - Non-Controlling Interests for additional information on Jushi Europe.

In December 2022, the Company entered into a second amendment to the Acquisition Facility pursuant to which: (i) the interest rate was increased to 11% per annum; (ii) the maximum borrowings capped at $65,000 with the removal of the standby fee; (iii) the maturity date was amended to December 31, 2024; and (iv) the total leverage ratio covenant was removed and replaced with a minimum quarterly revenue covenant.

As of December 31, 2022, and 2021, unamortized discount was $4,363 and $1,628, respectively. Beginning July 2023, the Company is to make quarterly payment of $2,438 on the first business day of each calendar quarter with a final payment $ 50,375 at maturity date.

The Acquisition Facility contains certain financial and other covenants with which the Company is required to comply. As of December 31, 2022, the Company was in compliance with its financial covenants related to minimum (i) unrestricted cash and cash equivalents balance requirement of $6,500 and (ii) minimum quarterly revenue requirement of $50,000. Subsequent to year end December 31, 2022, on February 24, 2023 and February 27, 2023, the Company was non-compliant with an affirmative covenant relating to a minimum cash deposit requirement in a specified bank account. The Company also anticipated not being able to provide a certification to the lender in connection with its annual financial statements that the audit report did not contain a going concern qualification. The Company received waivers for these two instances on April 17, 2023.

Acquisition-related promissory notes payable issuance and conversion in 2022 and 2021

Apothecarium

In March 2022, in connection with the Apothecarium acquisition, the Company issued to the seller two unsecured promissory notes with a total principal amount of $9,853, with no stated interest and both maturing in March 2027. The promissory notes provide for a principal payment of $ 3,448 on the 21st month anniversary, followed by 39 equal monthly payments for the remaining balance.

NuLeaf

In April 2022, in connection with the NuLeaf acquisition, the Company issued to the seller unsecured promissory notes with an aggregate total principal amount of $15,750 with a stated interest rate of 8% and maturity date in April 2027. The promissory notes provide for a full principal payment on the maturity date. Additionally, in July 2022, the Company amended the five-year note for an additional principal amount of $3,000 to settle the contingent consideration associated with the acquisition. There were no changes to the interest rate and maturity date of the five-year note at such time.

Nature's Remedy

In September 2021, in connection with the Nature's Remedy acquisition, the Company issued a principal amount $ 11,500, 8% unsecured three-year note maturing September 10, 2024 and a $5,000 8% unsecured five-year note maturing September 10, 2026 to the seller. The promissory notes provide for cash interest payments to be made quarterly and all principal and accrued and unpaid interest are due at their respective maturities. In September 2022, the Company amended the three-year note for an additional principal amount of $5,000 in settlement of a contingent consideration liability for the First Milestone Period in connection with the September 2021 acquisition of Nature's Remedy. Refer to Note 7 - Acquisitions and Note 25 - Subsequent Events for more information.

Dalitso

In November 2022, the Company issued 910,000 SVS to settle the outstanding balance relating to a $ 2,412 unsecured convertible promissory note. Refer to Note 17 - Non-Controlling Interests for additional information.

OSD

In April 2021, in connection with the OSD acquisition, the Company issued a principal amount $ 3,100, 4% secured promissory note to the seller. The promissory note matures on April 30, 2027 and interest is payable quarterly. The note is secured by the equity of OSD. Pursuant to the terms of the OSD acquisition, indemnification obligations of the seller may be offset against this promissory note in the future if the Company makes a claim for such indemnification and such right of offset. Refer to Note 7 - Acquisitions.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

Other Debt issuance in 2022 and 2021

Dickson Facility

In July 2022, the Company entered into a $2,800 credit facility with a bank to fund the construction of a dispensary in Dickson City, Pennsylvania. As of December 31, 2022, the Company had drawn down the full amount. This credit facility, which matures on July 18, 2027, bears interest at a variable rate equal to prime rate plus 2%. The interest rate as of December 31, 2022 was 9.0%.

The Dickson Facility contains certain financial and other covenants with which the Company is required to comply. As of December 31, 2022, the Company was in compliance with all financial covenants contained in the Dickson Facility.

Arlington Facility

In November 2021, the Company closed on the purchase of a property in Arlington, Virginia, for $ 7,000. On December 28, 2021, the Company entered into $6,900 credit facility ("Arlington Facility") with a bank to refinance the purchase. As of December 31, 2022 and 2021, the Company had drawn down $5,000 and the Company had $1,900 of remaining availability under the Arlington Facility, which was drawn down in January 2023. The Arlington Facility bears a fixed interest rate of 5.875% per annum payable monthly and will mature on January 1, 2027.

The Arlington Facility contains certain financial and other covenants with which the Company is required to comply. As of December 31, 2022, the Company was in compliance with all financial covenants contained in the Arlington Facility.

13. LEASES

The Company leases certain business facilities for corporate, retail and cultivation operations from third parties under lease agreements that specify minimum rentals. In addition, the Company leases certain equipment for use in cultivation and extraction activities. The Company determines whether a contract is or contains a lease at the inception of the contract. The expiry dates of the leases, including reasonably certain estimated renewal periods, are between 2023 and 2052. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table provides the components of lease cost recognized in the consolidated statements of operations and comprehensive income (loss) for the periods presented.

	Year Ended December 31,		
	2022	2021	2020
Operating lease cost	$ 3,402	$ 2,585	$ 1,555
Finance lease cost:			
Amortization of lease assets	5,422	3,155	706
Interest on lease liabilities	11,154	9,158	2,447
Total finance lease cost	$ 16,576	$ 12,313	$ 3,153
Variable lease cost	$ 390	$ 355	$ 34
Total lease cost	$ 20,368	$ 15,253	$ 4,742

All extension options that are reasonably certain to be exercised have been included in the measurement of lease obligations. The Company reassesses the likelihood of extension option exercise if there is a significant event or change in circumstances within its control.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

Other information related to operating and finance leases as of the balance sheet dates presented are as follows:

	As of December 31, 2022		As of December 31, 2021	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Weighted average discount rate	11.23 %	11.51 %	11.75 %	11.50 %
Weighted average remaining lease term (in years)	22.7	14.1	22.6	14.6
Cash paid for amounts included in the measurement of lease liabilities	$ 11,629	$ 3,133	$ 7,805	$ 2,080

The maturities of the contractual undiscounted lease liabilities as of December 31, 2022 are as follows:

	Finance Leases	Operating Leases
2023	$ 12,092	$ 2,876
2024	13,274	2,938
2025	13,202	2,759
2026	13,196	2,526
2027	12,876	2,499
Thereafter	278,746	26,582
Total undiscounted lease liabilities	$ 343,386	$ 40,180
Interest on lease liabilities	(229,650)	(21,981)
Total present value of minimum lease payments	$ 113,736	$ 18,199
Lease liabilities - current portion	$ 11,361	$ 2,652
Lease liabilities - non-current	$ 102,375	$ 15,547

14. DERIVATIVE LIABILITIES

The continuities of the Company's derivative liabilities are as follows:

	Total Derivative Liabilities [1][4]
Carrying amounts as of January 1, 2021	$ 205,361
Fair value changes [2]	(105,170)
Derivative Warrants exercised and settled	(7,756)
Carrying amounts as of December 31, 2021 [4]	$ 92,435
Derivative Warrants issued [3]	23,205
Fair value changes [2]	(91,887)
Derivative Warrants exercised and settled [5]	(9,619)
Carrying amounts as of December 31, 2022	$ 14,134

(1) Refer to Note 15 - Equity for the continuity of the number of these warrants outstanding.
(2) Included in other income (expense), net in the consolidated statements of operations and comprehensive income (loss).
(3) Includes fair value of 17,512,280 derivative warrants issued in connection with the Second Lien Notes issuance in December 2022, and 2,000,000 derivative warrants issued relating to the second amendment of the Acquisition Facility in December 2022.
(4) Includes mandatory prepayment option on the Senior Notes, which had a fair value of $174 as of December 31, 2021.
(5) Includes mandatory prepayment option on the Senior Notes of $218, which was settled in December 2022 with the Company's redemption of the Senior Notes.

The Company's derivative liabilities are primarily comprised of derivative warrants ("Derivative Warrants"). These are warrants to purchase SVS of the Company which were issued in connection with: (i) the Senior Notes, and have an expiration date of December 23, 2024 and an exercise price of US$1.25; and (ii) the Second Lien Notes and Acquisition

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Facility second amendment, and have an expiration date of December 7, 2026 and an exercise price of $ 2.086 per share (refer to Note 12 - Debt for additional information). The Derivative Warrants may be net share settled. As of December 31, 2022 and 2021, there were 55,375,202 and 40,124,355 Derivative Warrants outstanding, respectively.

These Derivative Warrants were considered derivative financial liabilities measured at fair value with all gains or losses recognized in profit or loss as the settlement amount for the Derivative Warrants may be adjusted during certain periods for variables that are not inputs to standard pricing models for forward or option equity contracts, i.e., the "fixed for fixed" criteria under ASC 815-40. The estimated fair value of the Derivative Warrants is measured at the end of each reporting period and an adjustment is reflected in fair value changes in derivatives in the consolidated statements of operations and comprehensive (loss) income. These are Level 3 recurring fair value measurements. The estimated fair value of the Derivative Warrants was determined using the (i) Black-Scholes model with stock price based on the OTCQX closing price of the Derivative Warrants issue date in December 2022 and as of December 31, 2022, and (ii) Monte Carlo simulation model with stock price based on the OTCQX closing price as of December 31, 2021. The assumptions used in the fair value calculations as of the balance sheet dates presented include the following:

	December 2022 (New Issuances)	As of December 31,	
		2022	2021
Stock price per share	$1.12 - $2.06	$0.76	$3.25
Risk-free annual interest rate	3.76% - 3.91%	3.99% - 4.11%	0.97%
Exercise price	$2.086	$1.25 - $2.086	$0.04 - $1.25
Weighted average volatility	77%	79%	73%
Remaining life	4 years	1.98 - 3.96 years	3 years
Forfeiture rate	0%	0%	0%
Expected annual dividend yield	0%	0%	0%

Volatility was estimated by using a weighting of the Company's historical volatility and the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies. The risk-free interest rate for the expected life of the Derivative Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term. The expected life is based on the contractual term. If any of the assumptions used in the calculation were to increase or decrease, this could result in a material or significant increase or decrease in the estimated fair value of the derivative liability. For example, the following table illustrates an increase or decrease in certain significant assumptions as of the balance sheet dates:

	As of December 31, 2022			As of December 31, 2021		
	Input	Effect of 10% Increase	Effect of 10% Decrease	Input	Effect of 10% Increase	Effect of 10% Decrease
Stock price per share	$ 0.76	$ 2,529	$ (2,396)	$ 3.25	$ 12,781	$ (10,834)
Volatility	79 %	$ 2,070	$ (2,121)	73 %	$ 4,473	$ (3,210)

15. EQUITY

Authorized, Issued and Outstanding

The authorized share capital of the Company consists of an unlimited number of Preferred Shares, SVS, Multiple Voting Shares, and Super Voting Shares. As of December 31, 2022, the Company had 196,686,372 SVS issued and outstanding and no Preferred Shares, Multiple Voting Shares, or Super Voting Shares issued and outstanding. In August 2021, all of the 149,000 previously issued and outstanding Super Voting Shares and all of the 4,000,000 previously outstanding Multiple Voting Shares were converted into SVS in accordance with their terms as described in Jushi Holdings Inc.'s

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Articles of Incorporation. All previously outstanding warrants to acquire Super Voting Shares and Multiple Voting Shares were also converted into warrants to acquire SVS, without any other amendment to the terms of such warrants.

Private Placements

In January 2022, the Company closed non-brokered private placement offerings for an aggregate 3,717,392 SVS at a price of $3.68 per share to an existing investor group for aggregate gross proceeds to the Company of $13,680.

Warrants

Each warrant entitles the holder to purchase one share of the same class of common share. The following table summarizes the status of our warrants and related transactions for each of the presented years:

	Non-Derivative Warrants	Derivative Warrants	Total Number of Warrants	Weighted - Average Exercise Price Per Warrant	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (in Years)
Balance, January 1, 2021 [1]	36,764,244	42,017,892	78,782,136	$ 1.31	$ 358,319	5.3
Granted [2]	300,000	—	300,000	$ 4.18		
Exercised	(7,658,196)	(1,893,537)	(9,551,733)	$ 2.26	$ 31,343	
Cancelled	(250,000)	—	(250,000)	$ 1.50		
Balance, December 31, 2021	29,156,048	40,124,355	69,280,403	$ 1.19	$ 142,791	4.7
Granted [2][3]	1,600,000	19,512,280	21,112,280	$ 2.06		
Exercised	(82,413)	(4,261,433)	(4,343,846)	$ 1.26	$ 9,746	
Balance, December 31, 2022	30,673,635	55,375,202	86,048,837	$ 1.40	$ 1,081	3.9
Exercisable, December 31, 2022	28,323,635	55,375,202	83,698,837	$ 1.38	$ 1,081	3.9

[1] Total number of outstanding warrants reflects the conversion of warrants to acquire Super Voting Shares and Multi-Voting shares into warrants to acquire Subordinate Voting Shares.
[2] The non-derivative warrants were issued for consulting or other services, therefore, these compensatory warrants are accounted for as share-based payment arrangements.
[3] Derivative warrants were issued to the Second Lien Notes Holders and the Acquisition Facility Lender. Refer to Note 14 - Derivative Liabilities for more information.

The grant date fair value of the non-derivative warrants issued was determined using the Black-Scholes option-pricing model. The following assumptions were used for the calculations at date of issuance.

	Year Ended December 31,		
	2022	2021	2020
Weighted average stock price	$1.74	$4.18	$2.08
Weighted average expected stock price volatility	81%	73%	81%
Expected annual dividend yield	—%	—%	—%
Weighted average expected life of warrants	5.0 years	3.5 years	2.7 years
Weighted average risk-free annual interest rate	3.48%	1.06%	0.35%
Weighted average grant date fair value	$1.13	$2.14	$1.00

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

Share-based payment award plans

Plan summary and description

The Company's 2019 Equity Incentive Plan (the "2019 Plan") was initially adopted in April 2019, and was amended in June 2022. The 2019 Plan is administered by the Board of Directors, who have delegated to the Compensation Committee the ability to grant awards with Board of Directors' review for directors and officers.

The purpose of the 2019 Plan is to: (i) promote and retain employees, directors and consultants capable of assuring our future success; (ii) motivate management to achieve long-range goals; and (iii) to provide compensation and opportunities for ownership and alignment of interests with shareholders. The 2019 Plan permits the grant of: (i) Stock Options; (ii) Restricted Stock Awards; (iii) Restricted Stock Units; (iv) Stock Appreciation Rights; and (v) Other Awards. Any of the Company's employees, officers, directors, and consultants are eligible to participate (each a Participant) in the 2019 Plan if selected by the board of directors or the Compensation Committee. The basis of participation of an eligible recipient of an Award under the 2019 Plan, and the type and amount of any Award that an individual will be entitled to receive under the 2019 Plan, will be determined by board of directors and/or Compensation Committee. The Board may suspend or terminate the 2019 Plan at any time.

The Plan authorizes the issuance of up to 15% (plus an additional 2% inducements for hiring employees and senior management) of the number of outstanding shares of common stock (of all classes) of the Company (the "Share Reserve"). Incentive stock options are limited to the Share Reserve, and the maximum number of incentive awards available for issuance under the 2019 Plan, including additional awards available for certain new hires, was 1,549,777 as of December 31, 2022.

Stock Options

The stock options issued by the Company are options to purchase SVS of the Company. All stock options issued have been issued to directors and employees under the Company's 2019 Plan. The following table summarizes the status of the Company's options and related transactions for each of the presented years:

	Stock Options	Weighted Average Exercise Price per Stock Options	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (in Years)
Balance, January 1, 2021	9,573,834	$ 2.00	$ 36,909	8.4
Granted	11,486,952	$ 4.16		
Exercised	(291,664)	$ 1.90	$ 881	
Forfeited/expired	(340,002)	$ 3.23		
Balance, December 31, 2021	20,429,120	$ 3.20	$ 11,583	8.7
Granted	13,686,806	$ 1.95		
Exercised	(324,998)	$ 1.67	$ 620	
Forfeited/expired	(3,038,669)	$ 4.02		
Balance, December 31, 2022	30,752,259	$ 2.58	$ —	8.5
Exercisable, December 31, 2022	12,166,594	$ 2.46	$ —	7.2

The fair value of the stock options granted was determined using the Black-Scholes option-pricing model. The following assumptions were used for the calculation at date of grant:

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	Year Ended December 31,		
	2022	2021	2020
Weighted average stock price	$1.95	$4.16	$2.78
Weighted average expected stock price volatility	74.1%	73.0%	80.9%
Expected annual dividend yield	—%	—%	—%
Weighted average expected life	5.7 years	6.0 years	5.9 years
Weighted average risk-free annual interest rate	2.88%	1.23%	0.52%
Weighted average grant date fair value	$1.35	$2.61	$1.78

Restricted Stock

The Company grants restricted SVS to independent directors, management, former owners of acquired businesses or assets, and to consultants and other employees. The restricted SVS are included in the issued and outstanding SVS, and the fair value of the restricted stock granted was SVS price at grant date. The following table summarized the status of our restricted stock and related transactions for each presented years:

	Unvested Restricted Stock	Weighted-Average Grant-date Fair Value Price per Restricted Stock	Average Intrinsic Value	Weighted Average Remaining Vesting Term (in Years)
Issued and Outstanding as of January 1, 2021	6,438,186	$ 1.85	$ 37,728	1.7
Granted	65,398	$ 3.66		
Vested and Released	(3,424,954)	$ 1.63	$ 14,251	
Cancelled	(219,479)	$ 2.45		
Issued and Outstanding as of December 31, 2021	2,859,151	$ 2.13	$ 9,292	1.2
Granted	86,952	$ 2.05		
Vested and Released	(1,789,784)	$ 1.96	$ 3,601	
Issued and Outstanding as of December 31, 2022	1,156,319	$ 2.45	$ 881	0.3

Share-based compensation cost

The Company recorded share-based compensation costs related to previously issued stock options, restricted stocks and compensatory warrants totaling $23,073, $14,506 and $9,592 for the years ended December 31, 2022, 2021 and 2020, respectively, and are included in selling, general and administrative operating expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

As of December 31, 2022, the Company had $ 19,246 of unrecognized share-based compensation cost related to unvested stock options, restricted stocks and warrants and is expected to be recognized as share-based compensation cost over a weighted average period of 1.4 years as follows:

2023	$ 13,485
2024	4,333
2025	1,128
2026	275
2027	25
	$ 19,246

Other Equity

Refer to Note 12 - Debt for details of a convertible promissory note classified as equity.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

16. INCOME TAXES

Details of the Company's income tax expense are as follows:

	Year Ended December 31,		
	2022	2021	2020
Current tax expense:			
Federal	$ 26,738	$ 25,501	$ 9,728
State	7,783	9,234	4,452
	$ 34,521	$ 34,735	$ 14,180
Deferred tax benefit:			
Federal	$ (17,780)	$ (5,477)	$ (2,650)
State	(8,332)	(1,724)	(962)
Foreign	(5,969)	(3,874)	(3,307)
	$ (32,081)	$ (11,075)	$ (6,919)
Change in valuation allowance	6,008	5,965	3,362
Total income tax expense	$ 8,448	$ 29,625	$ 10,623

The differences between the income tax expense and the expected income taxes based on the statutory tax rate applied to pre-tax earnings (loss) are as follows:

	Year Ended December 31,		
	2022	2021	2020
Loss (income) before income taxes	$ (193,876)	$ 47,104	(201,892)
Statutory tax rate	21.00 %	21.00 %	21.00 %
Tax benefit based on statutory rates	$ (40,714)	$ 9,892	$ (42,397)
Difference in tax rates	2,500	16,753	(53,432)
Gain on fair value of derivative	(44,106)	(50,482)	83,498
IRC Section 280E disallowed expenses	43,272	12,520	3,961
Share-based compensation	10,509	2,361	2,099
Interest expense and debt costs	13,718	3,616	1,549
Change in valuation allowance	6,008	5,965	3,362
State taxes, net	1,698	1,249	1,477
Change in uncertain tax positions	8,618	26,823	11,857
Change in state tax rates	(2,557)	—	—
Impairment expense	8,289	—	—
Bargain purchase gain	—	—	(2,131)
Other differences	1,213	928	780
Total income tax expense	$ 8,448	$ 29,625	$ 10,623
Effective tax rate	(4.4)%	62.9 %	(5.3)%

The amount of interest and penalties related to outstanding income tax liabilities recorded by the Company during the year ended December 31, 2022 was not material. Additionally, the Company's income tax payable of $ 19,921 as of December 31, 2022 included deferral of certain 2022 estimated income tax payments. The Company files income tax returns in the U.S., various U.S. state jurisdictions, and Canada, which have varying statutes of limitations. As of December 31, 2022, with few exceptions, all tax filings remain open for assessment.

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

Year-end deferred tax assets and liabilities were due to the following:

	Year Ended December 31,	
	2022	2021
Deferred tax assets:		
Lease liability	$ 24,328	$ 26,261
Net operating losses	16,819	7,941
Financing fees	1,487	2,289
Start-up costs	661	820
Inventory	1,555	—
Property and equipment	—	957
Other deferred tax assets	619	1,295
Valuation allowance	(17,397)	(11,389)
	$ 28,072	$ 28,174
Deferred tax liabilities:		
Right-of-use assets	$ (21,865)	$ (24,406)
Intangible assets	(5,235)	(20,851)
Property and equipment	(693)	—
Other deferred tax liabilities	(80)	(978)
	$ (27,873)	(46,235)
Net deferred tax asset (liabilities) [1]	$ 199	$ (18,061)

[1] Net deferred tax assets are included in other non-current assets while net deferred tax liabilities are included in non-current income tax liabilities in the consolidated balance sheets.

Realization of deferred tax assets associated with the net operating loss carryforwards is dependent upon generating sufficient taxable income prior to their expiration. A valuation allowance to reflect management's estimate of the temporary deductible differences that may expire prior to their utilization has been recorded at December 31, 2022 and 2021.

As of December 31, 2022, the Company had $ 50,412 of non-capital Canadian losses, $ 2,918 of capital Canadian losses, $8,177 of other foreign losses, $36,615 of state net operating losses which expire in 2032-2042. The Company has not recorded $ 14,531 of these state net operating losses as an unrecognized tax benefit. To the extent that the benefit from these loss carryforwards are not expected to be realized, the Company has recorded a valuation allowance as follows: $50,412 for non-capital Canadian losses, $ 2,918 for capital Canadian losses, $ 8,177 for other foreign losses, $ 1,840 for state net operating losses.

As the Company operates in the legal cannabis industry, the Company is subject to the limits of Internal Revenue Code ("IRC") Section 280E for U.S. federal income tax purposes as well as state income tax purposes for all states except for California and Colorado. Starting with the 2022 tax year, Massachusetts and New York also decoupled from IRC Section 280E. Under IRC Section 280E, the Company is only allowed to deduct expenses directly related to cost of goods sold. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

The Company’s tax returns benefited from not applying IRC Section 280E to certain entities of the consolidated group either due to the entity not yet starting operations or because the entity had a separate trade or business that was not medical or recreational cannabis operations. The Company has also treated certain expenses as cost of sales for tax purposes which were treated as selling, general and administrative expenses for financial statement purposes. The Company determined that it is not more likely than not these tax positions would be sustained under examination. As a

(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

result, the Company has an uncertain tax liability of $57,200 and $41,990 as of December 31, 2022 and 2021, respectively, inclusive of interest and penalties, which is included in non-current income tax liabilities in the consolidated balance sheets. Additionally, there are unrecognized deferred tax benefits of $3,412 and $3,269 as of December 31, 2022 and 2021, respectively. The Company does not expect the unrecognized tax benefits will materially increase or decrease within the next 12 months.

The total amount of interest and penalties related to the uncertain tax liability recorded in income tax expense for the year ended December 31, 2022 were $2,907 and $4,783, respectively. The total amount of interest and penalties related to the uncertain tax liability recorded within income tax expense for the year ended December 31, 2021, was $643 and $2,742, respectively. The total amount of interest and penalties related to the uncertain tax liability recorded within income tax expense for the year ended December 31, 2020, was $45 and $nil.

A reconciliation of the beginning and ending amount of unrecognized tax benefits (exclusive of interest and penalties) are as follows:

Balance at January 1, 2021	$ 21,135
Additions based on tax positions related to the current year	20,368
Balance at December 31, 2021	$ 41,503
Reductions based on lapse of statute of limitations	(552)
Additions based on tax positions related to the current year	1,452
Reductions based on tax positions related of the prior year	(127)
Additions for tax positions of prior years recorded to goodwill	5,982
Balance at December 31, 2022	$ 48,258

17. NON-CONTROLLING INTERESTS

The components of the Company's non-controlling interests and related activity are as follows:

	Dalitso	BHILH	Jushi Europe	Agape	Other Non-material Interests	Total
Balance as of January 1, 2020	$ 9,642	$ —	$ —	$ —	$ 18	$ 9,660
Acquisitions	—	4,661	—	1,560	—	6,221
Purchase of non-controlling interests	(8,359)	(4,661)	—	—	—	(13,020)
Cash contribution by partner	—	—	2,000	—	—	2,000
Transactions with non-controlling interests	—	—	—	—	(6)	(6)
(Loss) income	(1,283)	—	(616)	2	(11)	(1,908)
Balance as of December 31, 2020	$ —	$ —	$ 1,384	$ 1,562	$ 1	$ 2,947
Purchases of non-controlling interests	—	—	—	(1,562)	—	(1,562)
Loss	—	—	(2,771)	—	(1)	(2,772)
Balance as of December 31, 2021	$ —	$ —	$ (1,387)	$ —	$ —	$ (1,387)
Balance as of December 31, 2022	$ —	$ —	$ (1,387)	$ —	$ —	$ (1,387)

Jushi Europe

The Company's non-controlling interests as of December 31, 2022 are comprised primarily of the non-controlling interest in Jushi Europe. In March 2020, the Company finalized its agreement to expand internationally through the establishment of Jushi Europe. Jushi Europe planned to build out its European business through a combination of strategic acquisitions, partnerships, and license applications, focused on supplying the highest-quality medical cannabis products to patients throughout Europe. During the first quarter of 2020, the Company received $2,000 in cash from the 49% investor partner. The Company owns 51% of Jushi Europe and is exposed, or has rights, to variable returns from Jushi Europe and has the power to govern the financial and operating policies of Jushi Europe through voting control so as to obtain economic benefits, and therefore the Company has consolidated Jushi Europe from the date of acquisition.

During the fourth quarter of 2020, Jushi Europe entered into a credit agreement with a relative of the Jushi Europe non-controlling partner and received €500 (approximately $614) principal amount. In January 2021, Jushi Europe received € 1,000 (approximately $1,214 as of December 31, 2021) principal amount pursuant to a credit agreement with an individual. These credit agreements accrue interest at 5% per annum, payable annually in arrears, and mature on November 11, 2024. The outstanding balance may be prepaid at any time prior to maturity without penalty and may be offset with receivables from the lender. Subsequent to December 31, 2021, it was determined that Jushi Europe was insolvent. The insolvency created an event of default under the unsecured credit agreements of Jushi Europe and the notes became immediately due and payable.

In April 2021, Jushi Europe entered into an unsecured bridge loan with the Company (51% owner) and an investment partner for a total of € 1,800 (~$2,141) principal amount, of which € 900 (~$1,070) was contributed by the Company and is eliminated in consolidation. In September 2021, the parties amended the loan agreement and an additional €1,200 (~$1,390) in funding was provided for Jushi Europe, of which 51% was contributed by the Company and is eliminated in consolidation. The bridge loans, as amended, currently accrue interest at 0.5% per annum, which is the foreign marginal lending facility rate plus 25 basis points. All payments including interest are due on maturity, which is 180 days post amendment. These loans have not yet been repaid and are delinquent.

In February 2022, Jushi Europe filed a notice of over-indebtedness with the Swiss courts. Accordingly, the Company determined that the assets of Jushi Europe were impaired and recognized an impairment loss of $4,561 for the year ended December 31, 2021. Then, the Swiss courts declared Jushi Europe's bankruptcy in May 2022. As a result, Jushi Europe updated its corporate name to Jushi Europe SA in liquidation, which is on-going.

Purchases of Non-Controlling Interests

Agape

In January 2021, the Company acquired the remaining 20% of the equity interests of Agape from the non-controlling shareholders for 500,000 SVS for total estimated fair value of $3,425, based on a market price of $ 6.85 per share on the date of close. As a result of the transaction, the Company recorded a decrease to non-controlling interests of approximately $1,562. The difference between the fair value of the consideration paid and the amount by which the non-controlling interest is adjusted was recognized in paid-in capital. The Company now owns 100% of the issued and outstanding shares of Agape.

Dalitso

In November and December 2020, the Company closed on a series of transactions pursuant to which the Company acquired all the remaining 38.24% equity interests of Dalitso for total consideration with an estimated fair value of $14,846. The consideration comprised of 3,294,478 SVS (with a total fair value of $12,053), $381 in cash, and an unsecured convertible promissory note of principal amount $ 2,412. Refer to "Acquisition-related promissory notes payable" in Note 12 - Debt for details of this convertible promissory note. The SVS were valued based on the closing

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price of the SVS as of the dates of the transactions. The Company now owns 100% of the issued and outstanding shares of Dalitso.

TGSIH/BHILH

In the first quarter of 2020, previous litigation involving a non-controlling interest holder in BHILH/TGSIH was settled resulting in an agreement for the Company to purchase the remaining approximately 25% interest in BHILH/TGSIH held by the non-controlling interest holders. In February 2020, the Company acquired the remaining approximately 25% interest in TGSIH for total consideration with an estimated fair value of $ 4,661 as of the date of the acquisition. The consideration comprised of $2,000 in cash (of which $ 150 related to the legal settlement and was expensed), 633,433 Subordinate Voting Shares (fair value $ 811), and $ 2,000 in 10% Senior Notes (fair value $ 1,325) with 950,148 warrants (fair value $ 675) to acquire Subordinate Voting Shares at an exercise price of ~$ 1.57 (the exercise price has since been updated to $ 1.25 as a result of a subsequent down-round). The Company now owns 100% of TGSIH.

Grover Beach

In March 2021, the Company closed on the acquisition of approximately 78% of the equity of Grover Beach, with the rights to acquire the remaining equity for one dollar in the future. In September 2022, the Company exercised its rights to acquire the remaining 22%, and as such the Company now owns 100% of Grover Beach..

18. (LOSS) EARNINGS PER SHARE

The reconciliations of the net income (loss) and the weighted average number of shares used in the computations of basic and diluted loss (earnings) per share attributable to Jushi shareholders are as follows:

	Year Ended December 31,		
	2022	2021	2020
Numerator:			
Net (loss) income and comprehensive (loss) income attributable to Jushi shareholders	$ (202,324)	$ 20,251	$ (210,607)
Dilutive effect of net income from derivative warrants	(91,887)	(104,594)	—
Net loss and comprehensive loss attributable to Jushi shareholders - diluted	$ (294,211)	$ (84,343)	$ (210,607)
Denominator:			
Weighted-average shares of common stock - basic	190,021,550	170,292,035	108,485,158
Dilutive effect of derivative warrants	14,213,882	31,318,216	—
Weighted-average shares of common stock - diluted	204,235,432	201,610,251	108,485,158
(Loss) earnings per share - basic	$ (1.06)	$ 0.12	$ (1.94)
(Loss) earnings per share - diluted	$ (1.44)	$ (0.42)	$ (1.94)

In August 2021, all the 149,000 previously issued and outstanding Super Voting Shares and all the 4,000,000 previously outstanding Multiple Voting Shares were converted into SVS in accordance with their terms as described in Jushi Holdings Inc.'s Articles of Incorporation. Refer to Note 15 - Equity. The number of basic and diluted weighted-average shares outstanding for 2021 assumes the conversion of the Multi Voting Share and Super Voting Shares into SVS as of the beginning of the year. Other than voting rights, the Multi Voting Shares and Super Voting Shares had the same rights as the SVS and therefore all these shares are treated as the same class of common stock for purposes of the earnings (loss) per share calculations.

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The following table summarizes equity instruments that may, in the future, have a dilutive effect on loss per share, but were excluded from consideration in the computation of diluted net loss per share for the years ended December 31, 2022, 2021 and 2020 because the impact of including them would have been anti-dilutive:

	December 31,		
	2022	2021	2020
Stock options	30,752,259	20,429,120	9,573,834
Non-derivative warrants	30,673,635	29,156,048	36,764,244
Unvested restricted stock awards	1,156,319	2,859,151	6,438,186
Convertible promissory notes	—	910,000	930,000
	62,582,213	53,354,319	53,706,264

19. OPERATING EXPENSES

The major components of operating expenses are as follows:

	Year Ended December 31,		
	2022	2021	2020
Salaries, wages and employee related expenses	$ 71,237	$ 58,228	$ 21,781
Share-based compensation expense	23,073	14,506	9,592
Rent and related expenses	13,162	9,722	5,243
Depreciation and amortization expense	12,724	5,805	4,154
Professional fees and legal expenses	10,371	6,507	3,975
Indefinite-lived intangible asset impairment	111,515	—	—
Goodwill impairment	39,643	1,783	—
Tangible long-lived asset impairment	8,487	4,561	—
Other expenses [(1)]	25,599	18,047	10,150
Total operating expenses	$ 315,811	$ 119,159	$ 54,895

(1) Other expenses are primarily comprised of marketing and selling expenses, insurance costs, administrative and application fee, software and technology costs, travel, entertainment and conferences and other.

20. OTHER INCOME (EXPENSE)

The components of other income (expense), net are as follows:

	Year Ended December 31,		
	2022	2021	2020
Net gains on business combinations	$ —	$ —	$ 10,149
(Losses) gains on investments and financial assets	(523)	1,216	(2,473)
Losses on debt redemptions/extinguishments/modifications	(18,858)	(3,815)	(1,853)
Gains (losses) on legal settlements	24	10,350	(2,217)
Other (losses) gains	(482)	558	96
Other (expense) income, net	$ (19,839)	$ 8,309	$ 3,702

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21. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions:

	Year Ended December 31,			As of December 31,	
	2022	2021	2020	2022	2021
Nature of transaction	Related Party Income (Expense)			Related Party Receivable (Payable)	
Management services agreements [1]	$ —	$ (42)	$ (248)	$ —	$ —
Senior Notes - interest expense and principal amount [2]	$ (26)	$ (4)	$ (2,305)	$ —	$ (1,194)
Second Lien Notes - interest expense and principal amount [3]	$ (138)	$ —	$ —	$ (17,491)	$ —
Other debt [4]	$ —	$ —	$ —	$ (3,189)	$ (3,384)
Loans to senior key management - interest income [5]	$ —	$ 90	$ 21	$ —	$ —

(1) Includes fees paid to entities controlled by the Company's Chief Executive Officer, James Cacioppo, for shared costs of administrative services, the provision of financial and research-related advice, and sourcing and assisting in mergers, acquisitions and capital transactions. These amounts are included in operating expenses within the consolidated statements of operations and comprehensive income (loss).

(2) For the year ended December 31, 2022, interest expense includes amounts related to certain senior key management, directors and other employees as well as a significant investor. Interest expense for year ended December 31, 2022 and 2021 cannot be reliably determined as the majority of the Senior Notes are publicly traded. Principal amounts outstanding as of December 31, 2022 and 2021 are also estimates for this reason.

(3) For the year ended December 31, 2022, the Second Lien Notes payable and the related interest expense includes amounts related to a director as well as a significant investor.

(4) Refer to Note 17 - Non-Controlling Interests for details of other loans from related parties.

(5) In January 2021, an executive received a loan from the Company of $174 for withholding tax requirements for RSAs issued to the executive, which was repaid in full via payroll deductions. In April 2019, the Company entered into promissory notes with certain executives for the purchase of restricted stock, pursuant to which those executives borrowed an aggregate of $1,813 at a rate of 2.89% per annum, compounded annually. As these loans were non-recourse loans under the accounting guidance they were not reflected in the consolidated balance sheet or table above. As of December 31, 2021, all these balances plus accrued interest have been settled. The balances including accrued interest were settled as part of the executive's regular pay and bonus, severance or via shares repurchased by the Company. During the year ended December 31, 2021, the Company received 471,757 shares from key management personnel in full settlement of principal amount $2,007 outstanding promissory notes and related interest.

22. COMMITMENTS AND CONTINGENCIES

Contingencies

Although the possession, cultivation and distribution of cannabis for medical and recreational use is permitted in certain states, cannabis is classified as a Schedule-I controlled substance under the U.S. Controlled Substances Act and its use remains a violation of federal law. The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management believes that the Company is in material compliance with applicable local and state regulations as of December 31, 2022, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company could be subject to regulatory fines, penalties or restrictions at any time. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with the Company's business plans. In addition, the Company's assets, including real property, cash and cash equivalents, equipment, inventory and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

Refer to Note 16 - Income Taxes for certain tax-related contingencies and to Note 7 - Acquisitions for acquisition-related contingent consideration liability.

Claims and Litigation

Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business plans, financial condition and results of operations. From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2022, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's financial results. There are also no material proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

Refer to Note 17 - Non-Controlling Interests for the information regarding the bankruptcy of Jushi Europe, and Note 25 - Subsequent Events for other pending matters.

Commitments

In addition to the contractual obligations outlined in Note 12 - Debt and Note 13 - Leases, the Company has the following commitments as of December 31, 2022:

Property and Construction Commitments

In connection with various license applications, the Company may enter into conditional leases or other property commitments which will be executed if the Company is successful in obtaining the applicable license and/or resolving other contingencies related to the license or application.

In addition, the Company expects to incur capital expenditures for leasehold improvements and construction of buildouts of certain locations, including for properties for which the lease is conditional on obtaining the applicable related license or for which other contingencies exist. If the Company were to be unsuccessful in obtaining a particular license or certain other conditions are not met, the previously capitalized improvements and buildouts relating to that license may need to be expensed in future periods in the statements of operations and comprehensive income (loss).

401(k) Plan

The Company maintains a 401(k) plan, which is generally available to eligible employees. The Company makes safe harbor matching contributions, subject to a maximum contribution of 4% of the participant's compensation. The employer matching contributions to the 401(k) plan were $ 1,030, $616 and $327 for the years ended December 31, 2022, 2021 and 2020, respectively.

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23. FINANCIAL INSTRUMENTS

The following table sets forth the Company's financial assets and liabilities, subject to fair value measurements on a recurring basis, by level within the fair value hierarchy:

	As of December 31,	
	2022	2021
Financial assets: [1]		
Equity investment [2]	$ 977	$ 1,500
Total financial assets	$ 977	$ 1,500
Financial liabilities: [1]		
Derivative liabilities [3]	$ 14,134	$ 92,435
Contingent consideration liabilities [4]	4,793	8,223
Total financial liabilities	$ 18,927	$ 100,658

[1] The Company has no financial assets or liabilities in Level 1 or 2 within the fair value hierarchy as of December 31, 2022 and 2021, and there were no transfers between hierarchy levels during the years ended December 31, 2022 and 2021.

[2] The Company adjusted its equity investment carrying value as of December 31, 2022 to reflect its equity balance of the investee, resulting in the recording of a loss on investment of $523 during the year ended December 31, 2022. The loss on investment is included within other income (expenses), net in the consolidated statements of operations and comprehensive income (loss).

[3] Refer to Note 14 - Derivative Liabilities

[4] Refer to Note 7 - Acquisitions

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued expenses, and certain other assets and liabilities held at amortized cost, approximate their fair values due to the short-term nature of these instruments. The equity investment approximates its fair value at December 31, 2022 and 2021, respectively. The carrying amounts of the promissory notes approximate their fair values as the effective interest rates are consistent with market rates. The carrying amount of the Second Lien Notes and the Senior Notes approximates its fair values as of December 31, 2022 and 2021, respectively.

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24. BUSINESS CONCENTRATION

There was no single customer that amounted to more than 10% of the Company's total sales for the years ended December 31, 2022, 2021 and 2020.

Accounts receivable from customers that amounted to more than 10% of the Company's accounts receivable as of December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
Customer A	*	22%
Customer B	10%	22%
Customer C	*	13%
Customer D	*	11%

* Less than 10% of accounts receivable, net

The Company purchased inventory from vendors that amounted to more than 10% of the Company's total purchases for the years ended December 31, 2022, 2021 and 2020 are as follows:

	Year Ended December 31,		
	2022	2021	2020
Vendor A	24%	25%	23%
Vendor B	13%	11%	11%
Vendor C	*	*	15%

* Less than 10% of total product purchases

There were no single vendor that amounted to more than 10% of the Company's accounts payable and accrued expenses as of December 31, 2022. As of December 31, 2021, one vendor amounted to 24% of the Company's accounts payable and accrued expenses.

25. SUBSEQUENT EVENTS

Manassas loan agreement

On April 6, 2023, subsidiaries of the Company entered into a loan agreement (the "Loan Agreement") with FVCbank (the "Lender") for a commercial loan in an aggregate principal amount of $20,000 (the "Loan"). The Loan has a five (5) year term and is principally secured by the Company's cultivation and manufacturing facility located in Manassas, Virginia. The Loan will bear interest based on the 30-day average secured overnight financing rate plus 3.55%, with a floor rate of not less than 8.25%, which was the interest rate as of April 6, 2023.

The Loan Agreement contains a debt service coverage ratio, and other covenants with which we are required to comply. Additionally, the Loan Agreement contains customary events of default, including failure to repay the Loan when due. Any event of default, if not cured or waived in a timely manner, could result in the acceleration of the Loan under the Loan Agreement.

MJ Market matter

On March 31, 2023, MJ's Market ("MJ's"), Inc. filed a complaint in federal district court in Massachusetts adverse to Jushi Holdings, Inc. and the following of its subsidiaries, including Jushi MA, Inc., Jushi Inc. and Nature's Remedy of

Massachusetts (“collectively, Jushi”), as well as the former owners and affiliates of Nature’s Remedy of Massachusetts (“Complaint”). The Complaint centrally claims that the structure of the Nature’s Remedy of Massachusetts transaction providing for increased purchase price consideration if there is no competing dispensary within 2,500 foot radius by certain time periods, and the Company’s filing with the Massachusetts Superior Court an appeal of the Town of Tyngsborough’s decision to approve MJ’s facility in contradiction of its own zoning bylaws are violations of the Sherman Antitrust Act, Massachusetts Antitrust Act, and Massachusetts Consumer Protection Act, as well as interference with contractual relations and abuse of process. The Company vehemently denies such allegations, and plans to vigorously defend the Complaint.

CEO employment agreement amendment

In March 2023, the Company and one of its wholly subsidiary, JGMT, LLC, and Company’s Chief Executive Officer and Chairman of the Board of Directors (“CEO”) entered into an amendment to the existing employment agreement (the "Amendment") pursuant to which the CEO agreed to receive the $750 annual cash bonus that would otherwise have been paid to him in March 2023 in the following alternative form: (i) a lump sum cash payment in the amount of $250, (ii) $750 aggregate principal amount of Second Lien Notes 12% second lien notes due December 7, 2026, and (iii) fully-detached warrants to purchase up to approximately $375 worth of the Company’s subordinate voting shares (“Warrants”), with such warrants to be priced and issued as soon as practicable in accordance with US and Canadian securities laws.

The warrants, when issued, will have an exercise price per subordinate voting share equal to the greater of: (a) a twenty-five percent (25%) premium to the volume-weighted average price per share of the Company’s subordinate voting shares on the Canadian Securities Exchange (converted into U.S. Dollars at an exchange rate determined by the Company in good faith) over the trailing ten (10) trading day period prior to the date the Warrants are issued, and (b) the fair market value of the Company’s subordinate voting shares on the Canadian Securities Exchange (converted into U.S. Dollars at an exchange rate determined by the Company in good faith) on the date the Warrants are issued.

Each component of the annual bonus shall be paid or issued on March 15, 2023, or as soon as practicable thereafter, as determined by the Board in its sole discretion, but in no event later than December 31, 2023, subject to the Company’s collection of all applicable withholding taxes, and provided the CEO remains employed by the Company on the applicable payment date. The Company does not expect the Warrants to be issued to the CEO until after the Company's Quarterly Report on Form 10-Q for the second quarter of 2023 is filed.

Sammartino matter

On February 28, 2023, the Company informed Sammartino Investments LLC (“Sammartino”), the former owner of Nature’s Remedy and certain of its affiliates, that Sammartino had breached several provisions of the Merger and Membership Interest Purchase Agreement (as amended, the “MIPA”) and/or fraudulently induced the Company to enter into, and not terminate, the MIPA. As a consequence of these breaches and the fraudulent inducement, the Company informed Sammartino that the Company had incurred significant damages, and pursuant to the terms of the MIPA the Company had elected to offset these damages against certain promissory notes and shares the Company was to pay and issue, respectively, to Sammartino, and that Sammartino would be required to pay the remainder in cash. On March 13, 2023, Sammartino responded to the Company by alleging various procedural deficiencies with the Company’s claim and provided the Company with a notice that the Company was in default of the MIPA for failing to issue certain shares of the Company to Sammartino. On March 21, 2023, Sammartino sent a second notice that the Company was in default of the promissory notes for failing to pay interest pursuant to their specified schedule. On March 23, 2023, the Company sent a second letter to Sammartino disputing each procedural deficiency claimed by Sammartino and disputing that the Company is in default of the MIPA or the promissory notes and that it properly followed the terms of the various agreements in electing to set off the damages. Refer to Note 7 - Acquisitions and Note 12 - Debt for additional information on the acquisition of Nature’s Remedy.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management carried out an evaluation under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective, due to the existence of the material weaknesses in our internal control over financial reporting as described below.

Internal Control Over Financial Reporting

This report does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies. Additionally, our auditors will not be required to formally opine on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until we are no longer an "emerging growth company" as defined in the Securities Act.

Previously Identified Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

We previously identified and disclosed deficiencies as follows:

- Insufficient accounting resources, inadequate level of precision in the performance of review and monitoring controls, including management review controls, or ineffective communication, as it relates to: financial reporting, accounting, due to the restatement of the statement of cash flows; accounting and valuation for complex financial instruments (debt and equity), earnings per share, cash and financial close process relating to cash reconciliation, inventory, property plant and equipment ("PPE"), accruals, leases, revenue, impairment and business combinations.
- Insufficient information technology general controls, as it relates to: lack of user access controls, change management, passwords, access controls reviews, backup and cybersecurity losses and vulnerabilities.
- Internal controls over financial reporting, and accounting for PPE and related accounts payable and accruals due to insufficient accounting resources and inadequate level of precision in the performance of review controls. Specifically, the material weakness related to accounting for PPE, leases and related accounts payable and accruals is associated with insufficient cut-off procedures to ensure all posted and/or unposted invoices are captured in the period the services were rendered.
- Additionally, management determined that the Company also have material weaknesses in its accounts payable process relating to vendor setup and maintenance resulting from the Company's finding of phishing attacks during 2022.
- Lack of projected financial covenant calculations and related impact on financial statement presentation.

We have concluded that each of these deficiencies constitutes a material weakness in our internal control over financial reporting.

Remediation Plan and Status of Material Weaknesses

In response to the identified material weaknesses described above, the Company's management, with the oversight of the Audit Committee, has developed a remediation plan, including designing and implementing improved processes and

internal controls, upgrading talent and utilizing consultants in the accounting organization. During the year ended December 31, 2022, the Company took the following steps to improve its internal control over financial reporting:

- Performed a risk assessment of key business processes across financial reporting areas to identify and implement enhanced policies and procedures related to internal controls with a focus on the precision of review controls;
- Improved the staffing of the Accounting Department through senior level hires who collectively bring a combined 50+ years of GAAP accounting experience, including in Fortune 500 companies and global accounting firms, and hiring additional accounting managers and staff;
- Enhanced review controls through use of checklists, accounting position papers, defined thresholds for further investigation or reassignment of tasks to more experienced team members in the following areas: statement of cash flows, earnings per share, accounting and valuation of complex financial instruments, property, plant and equipment, impairment assessment, business combinations and cash reconciliations;
- Implemented detective controls for proper cut-off of accruals;
- Assessing third party service providers which can consult in an effort to revise and enhance the Company's Information Technology General Controls and Cyber Security Program; and
- Developing enhanced policies, procedures and accompanying training on vendor setup, maintenance, and validation.

While the Company has made good progress, the Company is still in the process of fully implementing its remediation plan. Additional time is required to complete the remediation of the material weaknesses to ensure the sustainability of the recently implemented remediation actions.

Changes in Internal Control over Financial Reporting

Other than the Company's ongoing remediation efforts discussed above, there was no change in our internal control over financial reporting that occurred during the year covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Item 1.01 Entry into a Material Definitive Agreement.

As discussed in Note 12 to the consolidated financial statements included in Part II - Item 8. Audited Financial Statements, on February 24, 2023 and February 27, 2023, the Company was non-compliant with an affirmative covenant in its Acquisition Facility relating to a minimum cash deposit requirement in a specified bank account. The Company also anticipated not being able to provide a certification to the lender in connection with its annual financial statements that the audit report did not contain a going concern qualification.

On April 17, 2023, the Company entered into a Limited Waiver (the "Limited Waiver") by and among the Company, the other loan parties thereto, and Roxbury, LP. (the "Agent"), pursuant to which the Company received waivers for the two aforementioned instances.

The Limited Waiver also contains other customary terms and conditions.

The description of the Limited Waiver does not purport to be complete and is qualified in its entirety by reference to the Limited Waiver, wh ich is filed as Exhibit 10.35 to this Annual Report on Form 10-K.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(b) On April 12, 2023, Peter Adderton notified the Company of his decision not to stand for re-election to the Board at the 2023 Annual Meeting of Stockholders. Mr. Adderton will vacate his seat on the Board effective immediately after the conclusion of the Annual Meeting. There are no disagreements between the Company and Mr. Adderton, relating to the Company's operations, policies, or practices that resulted in Mr. Adderton's decision to not stand for re-election.

(e) On April 12, 2023, the Board approved an extension of the post-termination exercise period for stock options previously granted (the "PTEP Amendment") pursuant to the Company's 2019 Equity Incentive Plan, as amended (the "Plan"), to Louis Jonathan Barack, the Company's President, and Michelle Mosier, the Company's Chief Financial Officer. Pursuant to the PTEP Amendment, the post-termination exercise period upon a termination of employment for any reason other than for "Cause" (as defined in the applicable option award agreement) or voluntary resignation occurring prior to a "Change in Control" (as defined in the Plan) for the outstanding stock options to purchase 3,369,923 subordinate voting shares held by Mr. Barack will be 18 months and for the outstanding stock options to purchase 200,000 subordinate voting shares held by Ms. Mosier such period shall be 12 months (but in no case shall such stock options be exercisable after their expiration date). In the case of a termination other than for Cause after a Change Control the post-termination exercise period for the outstanding stock options held by Mr. Barack will be 3 years and for the outstanding stock options held by Ms. Mosier such period shall be 2 years (but in no case shall such stock options be exercisable after their expiration date).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to our Proxy Statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2022.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to our Proxy Statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2022.

Item 12. Security Ownership of Certain Beneficial Owners and Management an Related Stockholder Matters

The information required by this item is incorporated by reference to our Proxy Statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2022.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to our Proxy Statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2022.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to our Proxy Statement for our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2022.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report

(1) All financial statements

The information required is set forth in Item 8 – Audited Financial Statements in Part II of this Form 10-K and is hereby incorporated herein by reference to such information.

(2) Financial statements schedules

Consolidated Financial Statement schedules have been omitted either because the required information is set forth in the Consolidated Financial Statements or Notes thereto, or the information called for is not required.

(3) Exhibits required by Item 601 of Regulation S-K

Exhibit No.	Description
2.1*	Letter Agreement, dated November 2, 2018, by and between Jushi Inc and Tanzania Minerals Corp.
3.1*	Articles of Jushi Holdings Inc., as amended.
4.1*	Subordinate Voting Shares Specimen Stock Certificate.
4.2^*	Trust Indenture, dated November 20, 2020, by and between Jushi Holdings Inc. and Odyssey Trust Company.
4.3^*	Form of 10% Senior Secured Note of Jushi Holdings Inc.
4.4^*	Trust Indenture, dated December 7, 2022, by and between Jushi Holdings Inc. and Odyssey Trust Company
4.5^*	Credit Agreement, dated as of October 20, 2021, by and among Jushi Holdings Inc., the other loan parties that are party thereto, the lenders that are party thereto, and Roxbury, LP.
4.6*	Limited Waiver and First Amendment to Credit Agreement, dated as of April 29, 2022, by and among Jushi Holdings Inc, the other loan parties signatory thereto and Roxbury, LP.
4.7^+	Second Amendment to Credit Agreement and Consent to Senior Notes Refinancing, dated as of December 6, 2022, by and among Jushi Holdings Inc, the other loan parties signatory thereto and Roxbury, LP.
4.8*	Form of Transaction Warrant of Jushi Holdings Inc.
4.9*	Form of Debt Warrant of Jushi Holdings Inc.
4.10*	Form of Broker Warrant of Jushi Holdings Inc.
4.11*	Form of Equity Round Warrant of Jushi Inc.
4.12*	Form of Management Round Warrant of Jushi Inc.
4.13*	Form of Consulting Warrant of Jushi Holdings Inc.
10.1^*	Merger and Membership Interest Purchase Agreement, dated April 16, 2021, by and among Jushi MA, Inc., Jushi Inc, Jushi Holdings Inc., Sammartino Investments LLC, Nature's Remedy of Massachusetts, Inc., McMann LLC, Valiant Enterprises, LLC, John Brady, Robert Carr and Justin Lundberg.
10.2*	First Amendment to Merger and Membership Interest Purchase Agreement, dated May 13, 2021, by and between Sammartino Investments LLC Jushi Inc.
10.3*	Second Amendment to Merger and Membership Interest Purchase Agreement, dated September 7, 2021, by and between Sammartino Investments LLC Jushi Inc.
10.4+^*	Equity Purchase Agreement, dated as of June 4, 2019, by and among Franklin BioScience – Penn LLC, Franklin Group, LLC, Matt Varga, Alex Hazzouri, Ed Hazzouri, Ray Angeli, Hazzouri & Associates, LLC, Franklin Bioscience, LLC, Jushi Inc and the other Persons holding membership interests in Franklin BioScience – Penn, LLC.
10.5+^*	Lease, dated April 6, 2018, by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.

Exhibit No.	Description
10.6*	First Amendment to Lease Agreement, dated December 7, 2018, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.
10.7*	Second Amendment to Lease Agreement, dated January 14, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.
10.8*	Third Amendment to Lease Agreement, dated April 10, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.
10.9*	Fourth Amendment to Lease Agreement, dated August 25, 2020, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.
10.10*	Fifth Amendment to Lease Agreement, dated April 1, 2021, by and between by and between IIP-PA 1, LLC and Pennsylvania Medical Solutions, LLC.
10.11+*	Amended and Restated Lease Agreement, dated April 22, 2020, by and between CSS I LLC and Valiant Enterprises, LLC.
10.12*	Lease Amendment # 1, dated October 21, 2020, by and between CSS I LLC and Valiant Enterprises, LLC.
10.13+*	Second Amendment to Lease, dated January 12, 2022, by and between TAC Vega MA Owner, LLC and Valiant Enterprises, LLC.
10.14*	Standard Form of Commercial Lease, dated October 29, 2018, by and between Valiant Enterprises, LLC and Nature's Remedy of Massachusetts, Inc.
10.15#*	Form of Stock Option Grant and Agreement for Directors.
10.16#*	Form of Stock Option Grant and Agreement for Employees and Certain Named Executive Officers
10.17#*	Form of Stock Option Grant and Agreement for Other Named Executive Officers
10.18#*	Form of Restricted Stock Grant and Agreement for Directors
10.19#*	Form of Restricted Stock Grant and Agreement for Employees and Certain Named Executive Officers
10.20#*	Form of Restricted Stock Grant and Agreement for Other Named Executive Officers
10.21†#*	Employment Agreement, dated May 1, 2019 by and between JMGT, LLC and Louis Jon Barack
10.22†#*	Bonus Letter, dated June 9, 2020, by and between Jushi Holdings, Inc. and Louis Jon Barack
10.23†#*	Employment Agreement, dated May 24, 2021 by and between JMGT, LLC and Leonardo Garcia-Berg
10.24†#*	Employment Agreement, dated October 5, 2021 by and between JMGT, LLC and Edward Kremer
10.25†#*	Employment Agreement, effective January 1, 2022, by and between JGMT, LLC and James Cacioppo.
10.26†#*	Amendment No. 1 to Employment Agreement between the Company, JGMT, LLC and James Cacioppo.
10.27†#	Employment Agreement dated May 1, 2019 by and between the Company and Tobi Lebowitz
10.28#**	Tobi Lebowitz Promotion Letter August 29, 2022
10.29†#	Employment Agreement dated April 1, 2022 by and between the Company and Nichole Upshaw
10.30#^	Nichole Upshaw Promotion Letter December 1, 2022
10.31#***	Employment Agreement, dated as of January 7, 2023, by and between the Company and Michelle Mosier
10.32#*	Jushi Holdings Inc. 2019 Equity Incentive Plan.
10.33#*	Form of Indemnification Agreement, by and between Jushi Holdings Inc. and each of its directors and executive officers.
10.34+^****	Loan Agreement, dated April 6, 2023, by and between FVCbank, Dalitso LLC, JREHVA, LLC, Jushi VA, LLC and Jushi Holdings Inc.
10.35	Limited Waiver dated April 17, 2023 between Jushi Holdings Inc. and Roxbury, LP
16.1	Changes in Accountant letter from MNP LLP, dated July 22, 2022
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm (Marcum LLP)
24.1	Power of Attorney (included on signature page)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d — 14(a)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d — 14(a)
32.1	Certification of Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit No.	Description
32.2	Certification of Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded with Inline XBRL File)

*	Incorporated by reference to our Registration Statement on Form S-1 effective August 12, 2022.
**	Incorporated by reference to our Form 10-Q filed September 26, 2022.
***	Incorporated by reference to our Form 8-K filed January 9, 2023.
****	Incorporated by reference to our Form 8-K filed April 12, 2023.
#	Management contract or compensatory plan or arrangement.
+	Schedule and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(a)(5). Jushi Holdings Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
^	Certain confidential portions of this exhibit were omitted by means of marking such portions with asterisks because the identified confidential portions (i) are not material and (ii) are the type that the registrant treats as private or confidential.
†	Certain information in this document has been omitted pursuant to Regulation S-K, Item 601(a)(6) because it contains personally identifiable information.

Item 16. Form 10-K Summary

Not applicable.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on April 17, 2023.

JUSHI HOLDINGS INC.

/s/ James Cacioppo
James Cacioppo
Chairman and Chief Executive Officer

/s/ Michelle Mosier
Michelle Mosier
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities indicated on April 17, 2023.

Name	Title
/s/ James Cacioppo James Cacioppo	Chairman and Chief Executive Officer (principal executive officer)
/s/ Louis Jonathan Barack Louis Jonathan Barack	President
/s/ Michelle Mosier Michelle Mosier	Chief Financial Officer and Chief Accounting Officer (principal financial and accounting officer)
/s/ Peter Adderton Peter Adderton	Director
/s/ Benjamin Cross Benjamin Cross	Director
/s/ Marina Hahn Marina Hahn	Director
/s/ Stephen Monroe Stephen Monroe	Director
/s/ Bill Wafford Bill Wafford	Director

TRUST INDENTURE

DATED AS OF THE 7th DAY OF DECEMBER, 2022

BETWEEN

JUSHI HOLDINGS INC., AS ISSUER

AND

ODYSSEY TRUST COMPANY, AS TRUSTEE

PROVIDING FOR THE ISSUE OF NOTES

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THIS INDENTURE made as of the 7th day of December, 2022.

BETWEEN:

JUSHI HOLDINGS INC., a company subsisting under the laws of the Province of British Columbia (hereinafter called the "Issuer");

AND

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia and Alberta (hereinafter called the "Trustee");

WITNESSETH THAT:

WHEREAS the Issuer considers it desirable for its business purposes to create and issue Notes of one or more series from time to time in the manner and subject to the terms and conditions set forth in this Indenture from time to time;

AND WHEREAS the Issuer, subject to the terms hereof, may issue Notes in an unlimited aggregate principal amount and as of the date hereof the Issuer has duly authorized the issuance of 12% Second Lien Notes due December 7, 2026.

NOW THEREFORE it is hereby covenanted, agreed and declared as set forth herein:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Indenture (including the recitals hereto) and in the Notes, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the meanings hereinafter specified:

"Acquisition" means an acquisition of a Person, business, business unit or product line (whether by acquisition of equity securities, all or substantially all of the assets, merger, consolidation, amalgamation or otherwise), regardless of the structure of the transaction.

"Additional Notes" means Notes of any series (other than the Notes issued on the initial issue date of the relevant series of Notes and any Notes issued in exchange or in replacement (in whole or in part) for such initial Notes) issued under this Indenture in accordance with Section 2.2, including without limitation Additional Series A Second Lien Notes (as defined in Article 3) and Additional Series B Second Lien Notes (as defined in Article 4).

"Adjusted EBITDA" means, with respect to any period, EBITDA

minus

(a) without duplication, the sum of the following amounts of the Issuer and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary non-recurring or unusual gains and income, and

(ii) non-cash items increasing consolidated net earnings for such period including in connection with any earn-out or conditional consideration payable in connection with an Acquisition (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), and

(iii) interest income,

plus

(b) without duplication, the sum of the following amounts of Issuer and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) non-recurring non-cash charges, losses or expenses or other extraordinary costs and expenses, including for goodwill writeoffs and write downs;

(ii) non-cash compensation expense, or other non-cash expenses or charges in each case arising from the granting of stock options, stock appreciation rights, restricted stock, or similar arrangements;

(iii) the amount of any minority interest expense attributable to minority interests of third parties in the positive income of any non-wholly owned Subsidiary;

(iv) the amount of "run-rate" cost savings, operating expense reductions and synergies (collectively, "Cost Savings") projected by the Issuer in good faith to result from actions taken, committed to be taken or expected in good faith to be taken with respect to integrating, consolidating or discontinuing operations, headcount reductions, closure of facilities or Acquisition within twelve (12) months thereafter, net of the amount of actual benefits realized during such period from such actions;

(v) any expenses, charges or losses to the extent covered and actually reimbursed by indemnification or other reimbursement provisions in connection with any investment, Acquisition or sale, conveyance, transfer or other Disposition of assets permitted under this Agreement;

(vi) expenses, charges or losses with respect to liability or casualty events or business interruption to the extent covered and actually reimbursed by insurance;

(vii) non-cash compensation, fees and expense reimbursements paid to board directors and employees;

(viii) (A) transaction fees and transaction expenses incurred in connection with

the refinancing of any Permitted Indebtedness, and (B) reasonable and documented out-of-pocket

fees and expenses incurred in connection with any amendments, consents or waivers to or under this Indenture and any other Offering Document or the negotiation, execution and delivery of additional Offering Documents;

(ix) transaction expenses incurred in connection with any investment or Acquisition (irrespective of whether such investment or Acquisition is consummated), including any refinancing of (or amendment to) any Indebtedness acquired or assumed in connection with such investment or Acquisition);

(x) transaction expenses incurred in connection with (A) any actual or proposed issuance of Indebtedness permitted hereunder (regardless of whether consummated), (B) any payment permitted pursuant to Section 7.4 hereof, (C) any actual or proposed offering of equity securities of the Issuer; (D) the making of any permitted Disposition, (D) Issuer's registration as a reporting issuer in the United States pursuant to the Exchange Act, or (E) any actual or proposed public or private offering of the equity securities (common or preferred) of the Issuer or any Subsidiary (including, for the avoidance of doubt, the issuance of any common or preferred securities);

(xi) any other non-cash charges, including any write-offs, write-downs, expenses, losses, impairment charges and the impact of purchase accounting, including in connection with inventory or any earn-out or conditional consideration payable in connection with an Acquisition, but excluding (A) any write-off or write-down of accounts receivable, and (B) amortization of a prepaid cash item that was paid in a prior period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from EBITDA to such extent);

(xii) start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses, including, without limitation, costs or reserves associated with improvements to information technology functions, integration and facilities opening costs, costs relating to entry into a new state, project startup costs, costs relating to any strategic initiative or new operations and conversion costs and any business development, consulting or legal costs and fees relating to the foregoing;

(xiii) integration costs in connection with any Acquisition or investment, including severance costs, noncompetition and non-solicitation costs, retention and completion bonuses, business optimization expenses, transition costs, costs related to the closure, relocation and/or consolidation of offices and facilities (including the termination or discontinuance of activities constituting a business or business unit), contract termination costs, recruiting, signing and completion bonuses and expenses, systems establishment costs, conversion costs, excess

pension charges and curtailments or modifications to pension and post-retirement employee benefit plans;

(xiv) non-recurring litigation and arbitration costs, charges, fees and expenses (including payments of legal settlements, fines, judgments or orders) exceeding [***];

(xv) costs related to restructurings, including severance, recruiting, contract termination, relocation, integration, information technology investment and other costs and expenses;

(xvi) non-cash fair value adjustments, including those resulting from purchase accounting, to inventory sold and biological assets, including cannabis plants, measured at fair value less cost to sell up to the point of harvest;

(xvii) non-cash fair value adjustments to derivative instruments;

(xviii) non-cash fair value adjustments to unrealized gains or losses on financial assets or liabilities, including but not limited to modification or extinguishment of Indebtedness, or modification of warrants or exchangeable Stock of the Issuer and its Subsidiaries; and

(xix) other cash charges and expenses approved in writing by Trustee in its sole discretion.

provided that the aggregate amounts added back pursuant to clauses (b)(iv), (xii), (xiii) (solely to the extent such costs are paid in cash) and (xv) (solely to the extent such costs are paid in cash) shall not exceed an amount equal to *** of Adjusted EBITDA as determined without giving effect to such clauses.

"Applicable Law" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person's properties or assets. Notwithstanding the foregoing, neither "Applicable Law" nor "Applicable Laws" shall include the Federal Cannabis Laws.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository that apply to such transfer or exchange.

"Applicable Securities Legislation" means, at any time, applicable securities laws (including rules, regulations, policies, instruments and blanket orders) in each of the provinces and territories of Canada and applicable securities laws (including rules, regulations, policies, instruments and blanket orders) of the United States and each state of the United States.

"Authentication Order" has the meaning given to that term in Section 2.4(c).

"Bank Indebtedness" means the principal of, unpaid interest on, and fees, expenses, costs and other amounts due in connection with (i) Indebtedness of the Issuer to banks or commercial finance

or other lending institutions regularly engaged in the business of lending money, whether or not

secured, and (ii) any Indebtedness or any debentures, notes or other evidence of Indebtedness issued in exchange for Bank Indebtedness or any Indebtedness arising from the satisfaction of Bank Indebtedness by a Guarantor.

"Beneficial Holder" means any Person who holds a beneficial interest in a Global Note as shown on the books of the Depository or a Participant.

"Board of Directors" means:

(a) with respect to a corporation, the board of directors of the corporation or a duly authorized committee thereof;

(b) with respect to a partnership, the board of directors of the general partner of the partnership;

(c) with respect to any other Person, the board, committee or governing body of such Person serving a similar function.

"Board Resolution" means a resolution certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Directors of the Issuer and to be in full force and effect on the date of such certification.

"Book Entry Only Notes" means Notes of a series which, in accordance with the terms applicable to such series, are to be held only by or on behalf of the Depository.

"Business Day" means a Monday, Tuesday, Wednesday, Thursday or Friday upon which the United States Federal Reserve System is open for business, and upon which banks in Calgary, Alberta are open for business.

"C$" or "Canadian dollars" mean the lawful currency of Canada.

"CDS" means CDS Clearing and Depository Services Inc. and its successors.

"Change of Control" shall mean: (i) the acquisition by any "person" or "group" (as defined in Sections 13(d) and 14(d)(2) of the United States Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 under the United States Securities Exchange Act of 1934), directly or indirectly, of more than fifty percent (50%) (in each case on a fully-diluted basis) of the aggregate voting or aggregate economic interests in the Issuer, (ii) a sale of all or substantially all of the assets of the Issuer (on a consolidated basis), or (iii) Current Directors shall cease to constitute at least a majority of the members of the Issuer's Board of Directors.

"Collateral" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Collateral Agent" means Acquiom Agency Services LLC, and it successors or assigns, acting on behalf of the Holders pursuant to the terms of the Guaranty and Collateral Security Agreement.

"Counsel" means a barrister or solicitor or firm of barristers or solicitors retained or employed by

the Trustee or retained or employed by the Issuer and reasonably acceptable to the Trustee.

"Current Director" means any member of the Issuer's Board of Directors as of the Initial Issue Date and any successor of a Current Director whose election, or nomination for election by the Issuer's shareholders, was approved by at least a majority of the Current Directors then on the Issuer's Board of Directors.

"DBRS" means, collectively, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited or any successor ratings agency thereto.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Default Notice" has the meaning given to that term in Section 8.2(a).

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Sections 5.2(b) and 5.6 hereof, substantially in the form set out in the Supplemental Indenture providing for the relevant series of Notes (or in the case of the Series A Second Lien Notes or the Series B Second Lien Notes, Appendix A hereto), except that such Note will not bear the Global Note Legend.

"Depository" means CDS and such other Person as is designated in writing by the Issuer and acceptable to the Trustee to act as depository in respect of any series of Book Entry Only Notes.

"Disposition" has the meaning given to that term in Section 7.6.

"EBITDA" means, with respect to the Issuer and its Subsidiaries (excluding any Subsidiaries not incorporated, organized or formed in the United States or Canada) determined on a consolidated basis, for any period,

(a) net earnings (or loss), excluding the earnings of any entity that is not a Subsidiary but in which the Issuer directly or indirectly owns any equity securities, except to the extent such earnings are actually distributed in cash to the Issuer,

plus

(b) without duplication, the sum of the following amounts of the Issuer and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) Interest Expense (and to the extent not reflected in Interest Expense, (x) bank and letter of credit fees and premiums in connection with financing activities and (y) amortization of deferred financing and loan fees,

(ii) federal, state, local and foreign Taxes, in each case based upon income or earnings, and

(iii) depreciation and amortization for such period, in each case, determined on a consolidated basis in accordance with GAAP,

consolidated basis in accordance with GAAP.

"EBITDAR" means Adjusted EBITDA plus (without duplication, and to the extent deducted from net earnings) rental expenses to be paid in cash during such period.

"Event of Default" has the meaning given to that term in Section 8.1.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Equity" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Excluded Property" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Excluded Subsidiary" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Existing Indebtedness" means all Indebtedness of the Issuer and its Subsidiaries outstanding immediately following the Initial Issue Date, including, for the avoidance of doubt, all contingent and conditional secured Indebtedness of the Issuer and its Subsidiaries arising from or related to any contractual or other obligation of the Issuer or any Subsidiary entered into prior to the Initial Issue Date;

"Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

"Finance Lease" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as a finance lease under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP. Notwithstanding anything to the contrary herein, in the event of an accounting change requiring all leases to be capitalized, at the Issuer's election only those leases that would constitute Finance Leases in conformity with GAAP on the Initial Issuance Date shall be considered Finance Leases, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

"Finance Lease Obligation" means, with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Finance Lease.

"First Lien Obligations" means all Obligations of the Issuer or its Subsidiaries that are secured by liens on some or all of the Collateral that are designated as "senior", "first," "primary" (or any comparable term), including without limitation the Obligations evidenced by the Roxbury Loan

comparable term), including without limitation the Obligations evidenced by the Roxbury Loan Documents.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Global Note Legend" means the legend set forth in Section 2.13(a), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means certificates or other electronic registration representing the aggregate principal amount of Notes issued and outstanding and held by, or on behalf of, a Depository.

"Governmental Authority" means the government of the United States, any foreign country or any multinational authority, or any state, commonwealth, protectorate or political subdivision thereof, and any entity, body or authority exercising executive, legislative, judicial, tax, regulatory or administrative functions of or pertaining to government, including, without limitation, other administrative bodies or quasi-governmental entities established to perform the functions of any such agency or authority, and any agency, branch or other governmental body (federal or state) charged with the responsibility, or vested with the authority to administer or enforce, any Applicable Laws.

"Guarantee" means, as to any Guarantor, a guarantee of the obligations of the Issuer as more particularly described in the Guaranty and Collateral Security Agreement.

"Guaranty and Collateral Security Agreement" means that certain Guaranty and Collateral Security Agreement, executed on the Initial Issue Date, by and among the Issuer, certain of its Subsidiaries and the Collateral Agent.

"Guarantor" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Holder" means the Persons for the time being entered in the register of the Issuer as registered holders of Notes or any transferees of such Persons.

"Indebtedness" as to any Person means, without duplication: (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products and (c) all obligations of such Person to pay the deferred purchase price of assets.

"Indenture" means this indenture (including, for the avoidance of any doubt, the preamble and recitals hereto), as originally executed or as it may from time to time be supplemented, amended, restated, or otherwise modified in accordance with the terms hereof.

"Initial Issue Date" means December 7, 2022.

"Intellectual Property" has the meaning given to that term in the Guaranty and Collateral Security Agreement.

"Intercreditor Agreement" means an intercreditor agreement entered into, or to be entered into at the request of the Issuer, among, inter alios, the Trustee, the Collateral Agent and the lenders

party to the Roxbury Loan Documents, to which the Issuer shall be party from time to time.

"Interest Expense" means, for any period, the aggregate of the interest expense of the Issuer and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Interest Payment Date" means, for each series of Notes, a date specified in such series of Notes or the Supplemental Indenture providing for such series of Notes (or, in the case of the Series A Second Lien Notes, as specified in Article 3 or the Series B Second Lien Notes, as specified in Article 4) as the date on which an installment of interest on such Notes shall become due and payable.

"Issue Date" means the date the Notes are originally issued pursuant to this Indenture.

"Issuer" means Jushi Holdings Inc. and includes any successor to or of the Issuer, as permitted by the terms hereof.

"Issuer Order" means an order or direction in writing signed by the President, Chief Executive Officer or Chief Financial Officer of the Issuer.

"LQA EBITDAR" means EBITDAR for the Issuer's most recently ended fiscal quarter multiplied by 4.

"LVTS" means the large value electronic money transfer system operated by the Canadian Payments Association and any successor thereto.

"Make-Whole Premium" with respect to any Note on any date of prepayment, means (a) all interest payments that would be payable if such Note had been outstanding for *** after the Issue Date; minus (b) all interest payments received by the Holder of such Note prior to the relevant prepayment.

"Manassas Property" means that certain real property located at 8100 Albertstone Circle, Manassas, VA 20109.

"Maturity" means, when used with respect to a Note of any series, the date on which the principal of such Note or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by acceleration, Redemption Notice, notice of option to elect repayment or otherwise.

"Maturity Account" means an account or accounts required to be established by the Issuer (and which shall be maintained by and subject to the control of the Paying Agent) for each series of Notes issued pursuant to and in accordance with this Indenture.

"Notes" means the notes, debentures or other evidence of Indebtedness of the Issuer issued and authenticated hereunder, or deemed to be issued and authenticated hereunder, and includes Global Notes and for greater certainty, the Series A Second Lien Notes and the Series B Second Lien Notes.

"Notes Majority" means: (a) with respect to the Second Lien Notes, the affirmative vote of, or an instrument signed in one or more counterparts by, the Holder or Holders of more than fifty percent (50%) of the aggregate principal amount of the outstanding Second Lien Notes, provided that for

purposes of determining the aggregate principal amount of the outstanding Second Lien Notes, the

aggregate principal amount of all Series B Second Lien Notes shall be converted into US dollars for purposes of such calculation at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada on the date of any vote, consent or other action taken by the Holders of the Second Lien Notes and shall be added to the aggregate principal amount of the Series A Second Lien Notes as of such date; and (b) with respect to all other series of Notes issues under this Indenture, the affirmative vote of, or an instrument signed in one or more counterparts by, the Holder or Holders of more than fifty percent (50%) of the aggregate principal amount of the outstanding class of Notes requesting the Trustee to take an action or proceeding permitted by this Indenture.

"Obligations" means all obligations and other amounts owing, due, or secured under the documentation governing any Indebtedness.

"Offering Documents" means all instruments and agreements executed in connection any Notes, debentures or other evidence of Indebtedness of the Issuer issued and authenticated hereunder, and includes, without limitation, with respect to the Second Lien Notes, the subscription agreements, the warrants, the Intercreditor Agreement, the Guaranty and Collateral Security Agreement and the Collateral Agency Agreement.

"**Officers' Certificate**" means a certificate signed on behalf of the Issuer by the Chief Executive Officer, President or the Chief Financial Officer of the Issuer, delivered to the Trustee that meets the requirements of this Indenture.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee (who may be counsel to or an employee of the Issuer) that meets the requirements of this Indenture.

"Original U.S. Holder" means any (1)(a) Holder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Second Lien Notes while in the United States, or (iv) was in the United States at the time such Holder's buy order was made or such Holder executed or delivered its purchase order for the Second Lien Notes, or (b) person who acquired Second Lien Notes on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, in each case that is either (2)(a) a Qualified Institutional Buyer and the original purchaser of the Second Lien Notes and who delivered a properly executed Qualified Institutional Buyer Certificate to the Issuer in connection with its purchase of Second Lien Notes from the Issuer, or (b) a U.S. Accredited Investor and the original purchaser of the Second Lien Notes and who delivered a properly executed U.S. Accredited Investor Certificate to the Issuer in connection with its purchase of Second Lien Notes from the Issuer.

"Participants" has the meaning given to that term in Section 5.2(d).

"Paying Agent" has the meaning given to that term in Section 2.5(a).

"Permitted Indebtedness" means any of the following without duplication:

(a) Indebtedness evidenced by the Second Lien Notes and the related Offering Documents, provided that the aggregate principal amount of all such Indebtedness shall not exceed the U.S.$140,000,000;

(b) All Existing Indebtedness;

(c) Indebtedness evidencing First Lien Obligations, provided that (subject to the terms, conditions and provisions of the Intercreditor Agreement) the aggregate principal amount of all such Indebtedness shall not exceed ***;

(d) All Indebtedness permitted pursuant to the Roxbury Loan Documents;

(e) All Indebtedness in connection with the acquisition of a Person or business (whether by acquisition of equity securities, all or substantially all of the assets, merger, consolidation, amalgamation or otherwise), regardless of the structure of the transaction, and including without limitation all Indebtedness incurred to finance such acquisition and all Indebtedness assumed as part of such Acquisition;

(f) Intercompany Indebtedness subject to reasonable industry standards as determined by the Issuer;

(j) Indebtedness owed to trade creditors of the Issuer or any Subsidiary incurred in the ordinary course of business;

(k) Excluding the Manassas Property, the Scranton Properties and the Scranton Properties West Expansion, Indebtedness in connection with: (i) the purchase, sale, improvement or financing of real property (including without limitation pursuant to a mortgage or sale-and-leaseback transaction), or (ii) Purchase Money Indebtedness, collectively in an aggregate principal amount not to exceed ***:

(l) Indebtedness in connection with the purchase, sale, improvement or financing of the Manassas Property not to exceed *** of the sum of: (1) ***; and (2) the *** in connection with the *** of the Manassas Property as determined in the reasonable discretion of the Issuer;

(m) Except for the Scranton Properties West Expansion, Indebtedness in connection with the purchase, sale, improvement or financing of the Scranton Properties not to exceed all Existing Indebtedness associated with the Scranton Properties as of the Initial Issuance Date plus an additional *** which may be incurred after the Initial Issuance Date; and

(n) Indebtedness in connection with the purchase, sale, improvement or financing of the Scranton Properties West Expansion not to exceed *** of the estimated construction costs associated with the Scranton Properties West Expansion as determined in the reasonable discretion of the Issuer;

(o) Indebtedness consisting of: (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantees and similar obligations incurred in the ordinary course of business, (ii) unsecured guarantees arising with respect to indemnification obligations (including without limitation in connection with any acquisition of a business by the Issuer or any Subsidiary regardless of form), and (ii) guarantees of other Permitted Indebtedness;

(p) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Issuer or any Subsidiary, in each case incurred in the ordinary course of business;

(q) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(r) Unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business;

(s) Indebtedness that is unsecured or that is subordinated in right of payment to the prior payment of all First Lien Obligations and all Second Lien Obligations;

(t) Deferred taxes to the extent constituting Indebtedness;

(u) Indebtedness in connection with Excluded Property;

(v) Indebtedness in full or partial exchange for, or the net proceeds of which are fully or partially used to refund, refinance, extend, replace, defease or discharge other Permitted Indebtedness, including without limitation the full or partial refinancing of First Lien Obligations and the full or partial refinancing of all Indebtedness evidenced by the Second Lien Notes and the related Offering Documents (provided any refinancing of the Second Lien Notes must be Second Lien Note Refinancing Indebtedness). For the avoidance of doubt, any Permitted Indebtedness incurred pursuant to this subsection in full or partial exchange for, or the net proceeds of which are fully or partially used to refund, refinance, extend, replace, defease or discharge any First Lien Obligations (including without limitation the First Lien Obligations evidenced by the Roxbury Loan Documents) may be secured by liens on the Collateral ranking senior and having priority over the liens on the Collateral securing the Second Lien Notes, and may be senior and have priority in right of payment over all payments due under the Second Lien Notes; and

(w) Additional Indebtedness in an aggregate principal amount not to exceed [the amount by which ***. For the avoidance of doubt, the Issuer and its Subsidiaries shall be entitled to incur additional Indebtedness under any other subsections of this definition of Permitted Indebtedness by an amount equal to the amount by which the ***. By way of example only, ***.

***

"Person" means an individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated organization or any government, governmental department or agency or political subdivision thereof.

"Purchase Money Indebtedness" means, as of any date of determination, Indebtedness incurred after the Initial Issue Date and at the time of, or within one hundred eighty (180) days after, the acquisition of any fixed or capital assets for the purpose of financing all or any part of the acquisition cost thereof.

"Qualified Institutional Buyer" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

"Record Date" has the meaning given to such term in Section 2.11(d).

"Redemption Date" has the meaning given to that term in Section 6.4.

"Redemption Notice" has the meaning given to that term in Section 6.4.

"Redemption Price" has the meaning given to that term in Section 6.1.

"Registrar" has the meaning given to that term in Section 2.5(a).

"Regulation S" means Regulation S under the U.S. Securities Act.

"Roxbury Loan Documents" means that certain Credit Agreement, dated October 20, 2021, by and among the Issuer, the other loan parties that are party thereto, the lenders that are party thereto and Roxbury, L.P., as amended, and all other instruments or agreements entered into previously or in the future in connection with loans made by such lenders to the Issuer.

"Scranton Properties" means that certain real property and the existing improvements thereon located at 2000 Rosanna Avenue, Scranton PA 18509 and all adjacent properties owned by the Issuer or any Subsidiary.

"Scranton Properties West Expansion" means the future improvements to be constructed on the west side of the Scranton Properties referred to by the Issuer as "West 1" and "West 2".

"Second Lien Note Refinancing Indebtedness" means Indebtedness to refinance all or a portion of the then-outstanding principal amount of the Second Lien Notes, provided that in the event the Issuer elects to refinance less than one hundred percent (100%) of the then-outstanding principal amount of the Second Lien Notes, to be considered Second Lien Note Refinancing Indebtedness, such Indebtedness: (a) may be guaranteed by the Guarantors to the same extent of the guarantees guaranteeing the Second Lien Notes, (b) may be secured by liens on the Collateral to the same extent as the liens securing the Second Lien Notes and guarantees, (c) may not have a cash interest rate that is higher than the one applicable to the Second Lien Notes, (d) may not have covenants that are more restrictive with respect to the Issuer and its Subsidiaries than the covenants contained in the Second Lien Notes, in any material respect, unless such covenants are added to the Second Lien Notes or the other related Offering Documents for the benefit of the Holders of the Second Lien Notes, (e) may not have any scheduled maturities (including, without limitation, amortization payments) or put dates prior to forty-five (45) days after the stated Maturity of the Second Lien Notes (and any change of control, asset sale and other prepayment/redemption provisions therein will provide that the Second Lien Notes are to be repaid prior to such Second Lien Note Refinancing Indebtedness), and (f) the aggregate principal amount of the Second Lien Note Refinancing Indebtedness does not exceed in the aggregate the sum of (i) the aggregate principal amount of Second Lien Notes being refinanced, (ii) the amount of accrued but unpaid interest due on the Second Lien Notes being refinanced and any reasonably determined premium, prepayment penalty or similar payment necessary to accomplish any such refinancing, and (iii) the amount of reasonable and customary fees, expenses and costs related to obtaining and closing such Second Lien Note Refinancing Indebtedness);

"Second Lien Notes" means the Series A Second Lien Notes and the Series B Second Lien Notes.

"Second Lien Obligations" means all Obligations of the Issuer or its Subsidiaries under the terms

"Second Lien Obligations" means all Obligations of the Issuer or its Subsidiaries under the terms of the Second Lien Notes or any other Offering Documents applicable to the Second Lien Notes,

whether now existing or arising hereafter, and any other Obligations of the Issuer or its subsidiaries that is secured by liens on some or all of the Collateral that are designated as "second", "junior" or "subordinate" (or any comparable term) to the liens on the some or all of the Collateral securing the First Lien Obligations.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Security Documents" means all of the security agreements, pledges, collateral assignments, mortgages, deeds of hypothec, deeds of trust, trust deeds or other instruments from time to time evidencing or creating or purporting to create any security interests in favour of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time, including, for greater certainty, the Guaranty and Collateral Security Agreement.

"Series A Second Lien Notes" means the 12% second lien promissory notes due December 7, 2026 designated pursuant to Section 3.2 of this Indenture.

"Series B Second Lien Notes" means the 12% second lien promissory notes due December 7, 2026 designated pursuant to Section 3.2 of this Indenture.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Stock" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Exchange Act).

"Subsidiary" or "Subsidiaries" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity. Unless otherwise indicated, any use of the term Subsidiary means a Subsidiary of the Issuer.

"Supplemental Indenture" means an indenture supplemental to this Indenture which may be executed, acknowledged and delivered for any of the purposes set out in Section 13.5.

"Synthetic Lease" means (a) a so-called "synthetic", "off-balance sheet" or "tax retention" lease; or (b) an agreement for the use or possession of property creating Obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Synthetic Lease Obligations" means with respect to any Person as of any date of determination

"Synthetic Lease Obligations" means with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Synthetic Lease.

"Taxes" means any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto, and for the avoidance of doubt, including any withholding or deduction for or on account of Tax) imposed or levied by or on behalf of a Taxing Authority.

"Taxing Authority" means any government or any political subdivision, province, municipality, state or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"Total Funded Indebtedness" means, as of any date of determination and without duplication, the sum of (a) the First Lien Obligations, Second Lien Obligations and all other Indebtedness for borrowed money as of such date, plus (b) the attributable indebtedness with respect to all Finance Lease Obligations and Synthetic Lease Obligations, plus (c) without duplication of amounts counted under clause (a), the outstanding principal amount of any revolving loans outstanding at such date (excluding any undrawn amounts under any such applicable revolving credit facilities), in each case with respect to the Issuer and its Subsidiaries but excluding any investments in, or Permitted Indebtedness of, any Subsidiaries of the Issuer not incorporated, organized or formed in the United States or Canada, determined on a consolidated basis in accordance with GAAP, plus (d) without duplication, capitalized lease obligations related to operating leases as determined under GAAP (with the discount rate to be determined by the Issuer in good faith). Notwithstanding the foregoing or anything contained herein to the contrary, for the purpose of calculating Total Funded Indebtedness hereunder for any purpose, any Indebtedness exclusively between: (i) the Issuer and any Subsidiary, or (ii) two Subsidiaries, shall be excluded.

"Trustee" means Odyssey Trust Company in its capacity as trustee under this Indenture and its successors and permitted assigns in such capacity.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the security interests in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other that the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"U.S. Accredited Investor" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act.

"U.S. Holder" means any (a) Holder that (i) is in the United States, (ii) received an offer to acquire Second Lien Notes while in the United States, or (iii) was in the United States at the time such Holder's buy order was made or such Holder executed or delivered its purchase order for the Second Lien Notes, or (b) person who acquired Second Lien Notes on behalf of, or for the account or benefit of, any person in the United States.

"U.S. Legend" has the meaning set forth in Section 2.2(b).

"U.S. Legend" has the meaning set forth in Section 2.3(h).

"U.S. Person" has the meaning set forth in Rule 902(k) of Regulation S.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"U.S.$" or "US dollars" mean the lawful currency of the United States of America.

1.2 **Meaning of "Outstanding"**

Every Note issued, authenticated and delivered in accordance with this Indenture shall be deemed to be outstanding until it is cancelled or redeemed or delivered to the Trustee for cancellation or redemption for monies or a new Note is issued in substitution for it pursuant to Section 2.10 or the payment for redemption thereof shall have been set aside under Section 6.7, provided that:

(a) when a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of such Notes shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding;

(b) Notes which have been partially redeemed or purchased shall be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount thereof; and

(c) for the purposes of any provision of this Indenture entitling Holders of outstanding Notes of any series to vote, sign consents, resolutions, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Holders thereof, Notes owned directly or indirectly, legally or equitably, by the Issuer or any of its Subsidiaries shall be disregarded (unless the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding aggregate principal amount of such series of Notes at the time outstanding in which case they shall not be disregarded) except that:

(i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the Holders present or represented at any meeting of Holders, only the Notes in respect of which the Trustee has received an Officers' Certificate confirming that the Issuer and/or one or more of its Subsidiaries are the only Holders shall be so disregarded; and

(ii) Notes so owned which have been pledged in good faith other than to the Issuer or any of its Subsidiaries shall not be so disregarded if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee's right to vote such Notes, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Issuer or any of its Subsidiaries.

1.3 Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Articles and Appendices refer, unless otherwise specified, to articles of and appendices to this Indenture;

(c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;

(d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them; and

(e) "this Indenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include the Guarantees, as applicable, and any and every Supplemental Indenture.

1.4 Headings, Etc.

The division of this Indenture into Articles, Sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.5 Statute Reference

Any reference in this Indenture to a statute is deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

1.6 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.7 Applicable Law

This Indenture and the Notes shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

1.8 Monetary References

Unless otherwise expressly indicated, whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States of America.

1.9 Invalidity, Etc.

Each provision in this Indenture or in a Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof or thereof.

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Indenture and all documents and notices related thereto be drawn up in English.

1.11 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, as applicable, whether expressed or not.

1.12 Benefits of Indenture

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than (i) the parties hereto and their respective successors or assigns hereunder, (ii) any Paying Agent, (iii) the Holders, (iv) the Trustee, and (v) the Collateral Agent, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.13 Accounting Terms

Each accounting term used in the Indenture, unless otherwise defined herein, has the meaning assigned to it under GAAP applied consistently throughout the relevant period and relevant prior periods.

ARTICLE 2
THE NOTES

2.1 Issue and Designation of Notes; Ranking

The aggregate principal amount of Notes authorized to be issued and authenticated under this Indenture is unlimited, provided, however, that Notes may be issued under this Indenture only on and subject to the conditions and limitations in this Indenture. The Indebtedness evidenced by the Notes will be of such ranking and priority as shall be more fully described in this Indenture or any Supplemental Indenture with respect to such Notes, as applicable.

2.2 Issuance in Series

(a) Notes may be issued in one or more series from time to time pursuant to this Indenture and Supplemental Indentures delivered in accordance with the terms of this Indenture. The Notes of each series (i) will have such designation, (ii) may be subject to a limitation of the maximum principal amount authorized for issuance, (iii) will be issued in such denominations, (iv) may be purchased and payable as to principal, premium (if any) and interest at such place or places and in such currency or currencies, (v) will bear such date or dates and mature on such date or dates, (vi) will indicate the portion (if less than all of the principal amount) of such Notes to be payable on declaration of acceleration of Maturity, (vii) will bear interest at such rate or rates (which may be fixed or variable) payable on such date or dates, (viii) may contain mandatory or optional redemption or sinking fund provisions, including the period or periods within which, the price or prices at which and the terms and conditions upon which the Notes may be redeemed or

purchased at the option of the Issuer or otherwise, (ix) may contain conversion or exchange terms, (x) will indicate the percentage of the principal amount (including any premium) at which Notes

may be issued or redeemed, (xi) will set out each office or agency at which the principal of, premium (if any) and interest on the Notes will be payable, and the addresses of each office or agency at which the Notes may be presented for registration of transfer or exchange, (xii) may contain covenants and events of default in addition to or in substitution for the covenants contained herein and the Events of Default, (xiii) may contain additional legends and/or provisions relating to the transfer and exchange of Notes in addition to those provided for herein, and (xiv) may contain such other terms and conditions, not inconsistent with the those set forth in this Indenture, as may be set forth in a Board Resolution passed at or before the time of the issue of the Notes of such series and such other provisions (to the extent as the Board of Directors may deem appropriate) as are contained in the Notes of such series. The execution by the Issuer of the Notes of such series and the delivery thereof to the Trustee for authentication will be conclusive evidence of the inclusion of the provisions authorized by this subsection.

(b) All Notes of any one series will be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to this Indenture, an Officers' Certificate or the Supplemental Indenture establishing such series. Not all Notes of any one series need to be issued at the same time, and, unless otherwise provided, Additional Notes or other credit instruments of any series may be issued from time to time, at the option of the Issuer without the consent of any Holder.

(c) Before the creation of any series of Notes (other than the Second Lien Notes, which terms are provided for in Article 3 and Article 4), the Issuer will execute and deliver to the Trustee a Supplemental Indenture for the purpose of establishing the terms of such series of Notes and the forms and denominations in which they may be issued, together with a Board Resolution authorizing the issuance of any such Notes. The Trustee will execute and deliver such Supplemental Indentures from time to time pursuant to Section 13.5.

(d) Whenever any series of Notes has been authorized, Notes in such series may from time to time be authenticated by the Issuer and delivered to the Trustee and, subject to Section 2.4, will be certified and delivered by the Trustee to or to the order of the Issuer upon receipt by the Trustee of:

(i) a Board Resolution authorizing the issuance of a specified principal amount of Notes of such series;

(ii) an Officers' Certificate to the effect that there is no existing Event of Default or event which with the giving of notice or passage of time or both would constitute an Event of Default and the Issuer has complied with all other conditions of this Indenture in connection with the issue of such series;

(iii) an Issuer Order for the authentication and delivery of such series of Notes specifying the principal amount of the Notes to be authenticated and delivered; and

(iv) an Opinion of Counsel addressed to the Trustee to the effect that all legal requirements imposed by this Indenture, any applicable Supplemental Indenture or by law governing the Notes in connection with the issuance, authentication and delivery of such series of Notes have been complied with subject to the delivery of certain documents or instruments

specified in such opinion.

2.3 Form of Notes

(a) The Notes of any series and the Trustee's certificate of authentication shall be substantially in the form set out in the Supplemental Indenture establishing such series (or in the case of the Second Lien Notes, in the form set out in Error! Reference source not found. hereto), together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. Notes may have notations, legends or endorsements required by Applicable Law (including without limitation stock exchange rule or regulation), which may include one or more of the legends set forth in Section 2.3(h) or Section 2.13 hereof or in a Supplemental Indenture. Each Note shall be dated the date of its authentication. Unless otherwise set out in the Supplemental Indenture establishing a series of Notes, Notes shall be issued in denominations of (i) U.S.$1,000 and integral multiples of U.S.$1,000 for Notes denominated in US dollars and (ii) C$1,000 and integral multiples of C$1,000 for Notes denominated in Canadian dollars, as the case may be.

(b) The terms and provisions contained in the Notes and the Supplemental Indenture establishing each series of Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture and each applicable Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(c) The Notes of any series may be in different denominations and forms and may contain such variations of tenor and effect, not inconsistent with the provisions of this Indenture, as are incidental to such differences of denomination and form, including variations in the provisions for the exchange of such Notes of different denominations or forms and in the provisions for the registration or transfer of such Notes.

(d) Subject to Section 2.3(a) and to any limitation as to the maximum principal amount of Notes of any particular series, any Notes may be issued as a part of any series of Notes previously issued, in which case they will bear the same designation and designating letters as those applied to such similar previous issue and will be numbered consecutively upwards in respect of such denominations of Notes in like manner and following the numbers of the Notes of such previous issue.

(e) All series of Notes which may at any time be issued under this Indenture and the certificate of the Trustee endorsed on such Notes may be in English or any other language or languages or any combination thereof, and may be in the form or forms provided in any Supplemental Indenture or in such other language or languages and in such form or forms as the Board of Directors determines at the time of first issue of any series of Notes, as approved by the Trustee, the approval of which will be conclusively evidenced by its authentication of such Notes.

(f) If any provision of any series of Notes in a language other than English is susceptible of an interpretation different from the equivalent provision of the English language, the interpretation of such provision in the English language will be determinative.

(g) Notes may be typed, engraved, printed, lithographed or reproduced in a different

form, or partly in one form and partly in another, as the Issuer may determine. The execution of any such Notes by the Issuer and the authentication by the Trustee in accordance with Section 2.4

of any such Notes will be conclusive evidence that such Notes are Notes authorized by this Indenture.

(h) Each Note issued to, or for the account for benefit of, a U.S. Holder, and each Note issued in exchange or substitution therefor, will be evidenced by a Definitive Note that bears the U.S. Legend (as defined below). The Notes have not been registered under the U.S. Securities Act or under the securities laws of any of the states of the United States, and may not be offered, sold or otherwise disposed of by a U.S. Holder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Notes are the subject of an effective registration statement under the U.S. Securities Act. Each Definitive Note issued for the benefit or account of a U.S. Holder (other than an Original U.S. Holder that is a Qualified Institutional Buyer), and each Definitive Note issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Issuer may prescribe from time to time (the "U.S. Legend"):

"THE SECURITIES REPRESENTED 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. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF JUSHI HOLDINGS INC. (THE "ISSUER"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Notes are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Issuer is a "foreign private issuer" (as such term is defined in Regulation S) at the time the Notes are originally issued, the U.S. Legend may be removed (or the Notes may be transferred to an unrestricted CUSIP) by the transferor providing a declaration to the Trustee and the Issuer in the form set forth in Appendix C or as the Issuer may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer; provided further, that, if any such Notes are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws (except in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws

and regulations related thereto), the U.S. Legend may be removed (or the Notes may be transferred

to an unrestricted CUSIP) by delivery to the Trustee and the Issuer of an opinion of counsel, of recognized standing, reasonably satisfactory to the Issuer, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

2.4 Execution, Authentication and Delivery of Notes

(a) All Notes shall be signed (either manually or by electronic or facsimile signature) by any two authorized directors or officers of the Issuer, holding office at the time of signing. An electronic or facsimile signature upon a Note shall for all purposes of this Indenture be deemed to be the signature of the individual whose signature it purports to be. Notwithstanding that any individual whose signature, either manual or in facsimile or other electronic means, appears on a Note as a director or officer may no longer hold such office at the date of the Note or at the date of the authentication and delivery thereof, such Note shall be valid and binding upon the Issuer and the Holder thereof shall be entitled to the benefits of this Indenture.

(b) No Notes will be entitled to any right or benefit under this Indenture or be valid or obligatory for any purpose unless such Notes have been authenticated by manual signature by or on behalf of the Trustee substantially in the form provided for herein or in the relevant Supplemental Indenture. Such authentication upon any Notes will be conclusive evidence, and the only evidence, that such Notes have been duly authenticated, issued and delivered and that the Holder is entitled to the benefits hereof.

(c) Subject to the terms of this Indenture, the Trustee shall from time to time authenticate one or more Notes (including Global Notes) for original issue on the issue date for any series of Notes upon and in accordance with an Issuer Order (an "Authentication Order"), without the Trustee receiving any consideration therefor. Each such Authentication Order shall specify the principal amount of such Notes to be authenticated and the date on which such Notes are to be authenticated. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders except as provided in Section 2.10. Except as provided in Section 7.5, there is no limit on the amount of Notes that may be issued hereunder.

(d) The certificate by or on behalf of the Trustee authenticating Notes will not be construed as a representation or warranty of the Trustee as to the validity of this Indenture or of any Notes or their issuance (except the due authentication thereof by the Trustee) or as to the performance by the Issuer of its obligations under this Indenture or any Notes and the Trustee will be in no respect liable or answerable for the use made of the proceeds of such Notes. The certificate by or on behalf of the Trustee on Notes issued under this Indenture will constitute a representation and warranty by the Trustee that such Notes have been duly authenticated by and on behalf of the Trustee pursuant to the provisions of this Indenture.

2.5 Registrar and Paying Agent

(a) The Issuer shall maintain for each series of Notes an office or agency where such Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where such Notes may be surrendered for payment ("Paying Agent"). The Registrar shall

keep a register of such Notes and of their transfer and exchange.

(b) The Issuer may appoint one or more co-registrars and one or more additional paying agents for any series of Notes in such other locations as it shall determine. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Registrar or Paying Agent which is not a party to this Indenture. If the Issuer does not exercise its option to appoint or maintain another entity as Registrar or Paying Agent in respect of any series of Notes, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for any series of Notes. The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Notes.

2.6 Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent, other than the Trustee, to agree in writing that the Paying Agent will, and the Trustee when acting as Paying Agent agrees that it will, hold in trust, for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, and interest on the Notes of the relevant series and shall notify the Trustee of any Default by the Issuer in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any money disbursed by it. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary of the Issuer acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of Holders all money held by it as Paying Agent; provided that upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for each series of Notes.

2.7 Book Entry Only Notes

(a) Subject to Section 2.3(h) and Section 5.2(b) and the provisions of the Notes of any series or any Supplemental Indenture providing for the issuance thereof, Notes shall be issued initially as Book Entry Only Notes represented by one or more Global Notes. Each Global Note authenticated in accordance with this Indenture and any Supplemental Indenture shall be registered in the name of the Depository designated for such Global Note or a nominee thereof and deposited with such Depository or a nominee thereof or custodian therefor, and each such Global Note shall constitute a single Note for all purposes of this Indenture and the applicable Supplemental Indenture. Beneficial interests in a Global Note will not be shown on the register or the records maintained by the Depository but will be represented through book entry accounts of Participants on behalf of the Beneficial Holders of such Global Note in accordance with the rules and procedures of the Depository. None of the Issuer or the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by any Depository on account of the beneficial interest in any Global Notes or for maintaining, reviewing or supervising any records relating to such beneficial interests therein. Except as otherwise provided in this Indenture or any Supplemental Indenture in respect of a series of Notes, Beneficial Holders of Global Notes shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive Definitive Notes and shall not be considered owners or holders thereof under this Indenture

or any Supplemental Indenture. Nothing herein or in a Supplemental Indenture shall prevent the

Beneficial Holders from voting Global Notes using duly executed voting instruction forms.

(b) Every Note authenticated and delivered upon registration or transfer of a Global Note, or in exchange for or in lieu of a Global Note or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, unless such Note is registered in the name of a Person other than the Depository for such Global Notes or a nominee thereof.

2.8 Global Notes

Notes issued to a Depository in the form of Global Notes shall be subject to the following in addition to the provisions of Section 5.2, unless and until Definitive Notes have been issued to Beneficial Holders pursuant to Section 5.2(b):

(a) the Trustee may deal with such Depository as the authorized representative of the Beneficial Holders of such Notes;

(b) the rights of the Beneficial Holders of such Notes shall be exercised only through such Depository and the rights of Beneficial Holders shall be limited to those established by Applicable Law and agreements between the Depository and the Participants and between such Participants and Beneficial Holders, and must be exercised through a Participant in accordance with the rules and procedures of the Depository;

(c) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders evidencing a specified percentage of the outstanding Notes of any series, the Depository shall be deemed to be counted in that percentage to the extent that it has received instructions to such effect from Beneficial Holders or Participants;

(d) such Depository will make book-entry transfers among the direct Participants of such Depository and will receive and transmit distributions of principal, premium and interest on the Notes to such direct Participants for subsequent payment to the Beneficial Holders thereof;

(e) the direct Participants of such Depository shall have no rights under this Indenture or under or with respect to any of the Notes held on their behalf by such Depository, and such Depository may be treated by the Trustee and its agents, employees, officers and directors as the absolute owner of the Notes represented by such Global Notes for all purposes whatsoever;

(f) whenever a notice or other communication is required to be provided to Holders in connection with this Indenture or the Notes, the Trustee shall provide all such notices and communications to the Depository for subsequent delivery of such notices and communications to the Beneficial Holders in accordance with Applicable Securities Legislation and the procedures of the Depository;

(g) notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders thereof. Upon payment over to the Depository, the Trustee, if acting as the Paying Agent, shall have no further liability for the money;

(h) Subject to the provisions hereof, at the Issuer's option, Notes may, in lieu of being

issued in physical form be instead issued and registered in the name of the Depository or its nominee and: (i) the deposit of such Notes may be confirmed electronically by the Trustee to a particular Participant through the Depository; and (ii) shall be identified by a specific CUSIP/ISIN as requested by the Issuer from the Depository to identify each specific series of Note. If the Issuer issues Notes in a non-certificated format, Beneficial Holders of such Notes registered and deposited with CDS shall not receive certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any Supplemental Indenture. Beneficial interests in Notes registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Notes registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS.

(i) Notwithstanding anything herein to the contrary, none of the Issuer nor the Trustee nor any agent thereof shall have any responsibility or liability for: (i) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Notes or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Note represented by an electronic position in the non-certificated inventory system administered by the Depository (other than the Depository or its nominee); (ii) maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

2.9 Interim Notes

Pending the delivery of Definitive Notes of any series to the Trustee, the Issuer may issue and the Trustee authenticate in lieu thereof (but subject to the same provisions, conditions and limitations as set forth in this Indenture) interim printed, mimeographed or typewriter Notes in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to Definitive Notes of such series when the same are ready for delivery; or the Issuer may execute and deliver to the Trustee and the Trustee authenticate a temporary Note for the whole principal amount of Notes of such series then authorized to be issued hereunder and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Note so delivered to it, as the Issuer and the Trustee may approve entitling the holders thereof to Definitive Notes when the same are ready for delivery; and, when so issued and certified, such interim or temporary Notes or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Notes of such series duly issued hereunder and, pending the exchange thereof for Definitive Notes of such series, the holders of the interim or temporary Notes or interim certificates shall be deemed without duplication to be Holders of such series and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Issuer shall have delivered the Definitive Notes of such series to the Trustee, the Trustee shall call in for exchange all temporary or interim Notes of such series or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Issuer or the Trustee to the holders of such interim or temporary Notes or interim certificates for the exchange thereof.

2.10 Mutilation, Loss, Theft or Destruction

In case any of the Notes issued hereunder shall become mutilated or be lost, stolen or destroyed, the Issuer, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver, a new Note upon surrender and cancellation of the mutilated Note, or in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall entitle the Holder thereof to the benefits of this Indenture and shall rank equally in accordance with its terms with all other Notes of such series issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Note shall furnish to the Issuer and to the Trustee such evidence of the loss, theft or destruction of the Note as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Note.

2.11 Concerning Interest

(a) All Notes of each series issued hereunder, whether originally or upon exchange or in substitution for previously issued Notes (including for certainty Notes issued under Sections 2.9 and 2.10), shall bear interest: (i) from and including their respective issue date, or (ii) from and including the last Interest Payment Date therefor to which interest shall have been paid or made available for payment on such outstanding Notes, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date therefor.

(b) Interest on a Note of any series will cease to accrue from the Maturity of such Note (including, for certainty, if such Note was called for redemption, the Redemption Date); unless upon due presentation and surrender of such Note for payment on or after the Maturity thereof, such payment is improperly withheld or refused.

(c) If the date for payment of any amount of principal, premium or interest in respect of a Note of any series is not a Business Day at the place of payment, then payment thereof will be made on the next Business Day and the Holder of such Note will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

(d) The Holder of any Note of any series at the close of business on any Record Date applicable to a particular series with respect to any Interest Payment Date for such series shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent the Issuer Defaults in the payment of the interest due on such Interest Payment Date for such series, in which case such defaulted interest shall be paid to the Holder of such Note as at the close of business on a subsequent Record Date (which shall be not less than two Business Days prior to the date of payment of such defaulted interest) established by notice given by mail or email by or on behalf of the Issuer to the Holders of all affected Notes not less than 15 days preceding such subsequent Record Date. The term "Record Date" as used with respect to any Interest Payment Date (except a date for payment of defaulted interest) for the Notes of any series shall mean the date specified as such in the terms of the Notes of such series established as contemplated by Section 2.2, in respect of the Series A Second Lien Notes shall have the meaning specified in Section 3.1 and in respect of the Series B Second Lien Notes shall have the meaning specified in Section 4.1.

(e) Wherever in this Indenture, any Supplemental Indenture or any Note there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture, the Supplemental Indenture or the Note, and express mention of interest on amounts in default in any of the provisions of this Indenture will not be construed as excluding such interest in those provisions of this Indenture where such express mention is not made.

(f) Unless otherwise specifically provided in this Indenture or the terms of any Note, interest on Notes of any series shall be computed on the basis of a 360-day year of twelve 30-day months. With respect to any series of Notes, whenever interest is computed on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the Interest Act (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

2.12 Payments of Amounts Due on Maturity

(a) Subject to Section 2.12(b), the following provisions shall apply to all Notes, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the Series A Second Lien Notes, Article 3, and the Series B Second Lien Notes, Article 4):

(i) in the case of fully registered Notes, the Issuer shall establish and maintain with the Paying Agent a Maturity Account for each series of Notes. On or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for each series of Notes outstanding from time to time under this Indenture, the Issuer shall deposit in the applicable Maturity Account by wire transfer or certified cheque an amount sufficient to pay all amounts payable in respect of the outstanding Notes of such series (less any Taxes required by law to be deducted or withheld therefrom). The Paying Agent will pay to each Holder of such Notes entitled to receive payment, the principal amount of, and premium (if any) on, such Notes, upon surrender of such Notes to the Paying Agent or at any branch of the Trustee designated for such purpose from time to time by the Issuer and the Trustee. The deposit or making available of such amounts into the applicable Maturity Account will satisfy and discharge the liability of the Issuer for such Notes to which the deposit or making available of funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture to such extent and such Holder will have no other right than to receive out of the money so deposited or made available the amount to which it is entitled. Failure to make a deposit or make funds available as required to be made pursuant to this Section 2.12(a)(i) will constitute Default in payment on the Notes in respect of which the deposit or making available of funds was required to have been made; and

(ii) in the case of any series of Notes issued and outstanding in the form of or represented by Global Notes, on or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for such Notes, the Issuer shall deliver to the Trustee, for onward payment to the Depository, in each case by electronic funds transfer, an amount sufficient to pay the amount

payable in respect of such Global Notes (less any Taxes required by law to be deducted or withheld

therefrom). The Issuer shall pay to the Trustee, for onward payment to the Depository, the principal amount of, and premium (if any) on, such Global Notes, against receipt of the relevant Global Notes. The delivery of such electronic funds to the Trustee for onward payment to the Depository will satisfy and discharge the liability of the Issuer for the series of Notes to which the electronic funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture unless such electronic funds transfer is not received. Failure to make delivery of funds available as required pursuant to this Section 2.12(a)(ii) will constitute Default in payment on the Notes of the series in respect of which the delivery or making available of funds was required to have been made.

(b) Notwithstanding Section 2.12(a), all payments in excess of U.S.$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor the Paying Agent shall have any obligation to disburse funds pursuant to Section 2.12(a)(i) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable date of Maturity. The Paying Agent shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.13 Legends on Notes

(a) Each Global Note shall bear a legend in substantially the following form, subject to such modification as required by the applicable Depository (the "Global Note Legend"):

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]."

(b) Prior to the issuance of Notes of any series, the Issuer shall notify the Trustee, in writing, concerning which Notes are to be certificated and are to bear the legend or legends described in this Section 2.13.

2.14 Payment of Interest

The following provisions shall apply to Notes of each series, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the Series A Second Lien Notes, Article 3 and the Series B Second Lien Notes, Article 4):

(a) As interest becomes due on each fully registered Note (except on redemption thereof, when interest may at the option of the Issuer be paid upon surrender of such Note), the Issuer, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any Taxes required by law to be deducted or withheld therefrom) to the Holders of record on the Record Date immediately preceding the applicable Interest Payment Date. If payment is made by cheque, such cheque shall be forwarded at least two

Interest Payment Date. If payment is made by cheque, such cheque shall be forwarded at least two days prior to each Interest Payment Date and if payment is made by other means (such as electronic

transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to Holders), such payment shall be made in a manner whereby the Holder receives credit for such payment on the Interest Payment Date. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any Taxes deducted or withheld as aforesaid, satisfy and discharge all liability for interest on such Note to such extent, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Issuer shall issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Issuer is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on any Note in the manner provided above, the Issuer may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above. If payment is made through the Trustee, by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date for a Note or to the date of mailing the cheques for the interest due on such Interest Payment Date for such Note, whichever is earlier, the Issuer shall deliver sufficient funds to the Trustee by electronic transfer or certified cheque or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Issuer in order to effect such interest payment hereunder.

(b) So long as the Notes of any series or any portion thereof are issued in the form of or represented by a Global Note, then all payments of interest on such Global Note shall be made by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date by electronic funds transfer made payable to the Trustee for subsequent payment to the Depository on behalf of the Beneficial Holders of the applicable interests in that Global Note, unless the Issuer and the Trustee agree.

(c) Notwithstanding Sections 2.14(a) and 2.14(b), all payments in excess of U.S.$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor Paying Agent, as applicable, shall have any obligation to disburse funds in respect of any Note pursuant to Section 2.14(a) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable with respect to such Interest Payment Date for such Note. The Trustee or Paying Agent, as applicable, shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.15 Record of Payment

The Trustee will maintain accounts and records evidencing any payment, by it or any other Paying Agent on behalf of the Issuer, of principal, premium (if any) and interest in respect of Notes of each series, which accounts and records will constitute, in the absence of manifest error, prima facie evidence of such payment.

2.16 Representation Regarding Third Party Interest

The Issuer hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of the Issuer, either (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case the Issuer hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be reasonably satisfactory to it, as to the particulars of such third party.

ARTICLE 3
TERMS OF THE SERIES A SECOND LIEN NOTES

3.1 Definitions

In this Article 3 and in the Series A Second Lien Notes, the following terms have the following meanings:

"Additional Series A Second Lien Notes" means any Series A Second Lien Notes issued under, and pursuant to the terms and conditions of, this Indenture after the Initial Issue Date.

"Interest Payment Date" means March 31, June 30, September 30, and December 31 of each year that the Series A Second Lien Notes are outstanding and (except in respect of any Additional Series A Second Lien Notes) commencing on December 31.

"Interest Period" means the period commencing on the later of (a) the Initial Issue Date of the Second Lien Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable.

"Net Cash Proceeds" means, with respect to any sale or disposition by a Person of its property or assets, the amount of cash proceeds actually received by or on behalf of such Person after deducting therefrom: (i) the amount of any Indebtedness secured by any Permitted Lien on any property or asset which is required to be repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities in connection with such sale or disposition, (iv) any cash proceeds received as a loss payee under any casualty insurance policy in respect of a covered loss thereunder, and (v) any actual and reasonable costs incurred by in connection with the adjustment or settlement of any claims under a casualty insurance policy in respect thereof, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or payable to a Person that is not an Affiliate of the Issuer or any Subsidiary.

"Note Account" means any account which is designated in writing to the Trustee as the Note Account from time to time.

"Record Date" means the close of business fifteen (15) Business Days preceding the relevant Interest Payment Date.

"Restricted Amount" has the meaning given to that term in Section 3.7(b).

"Series A Change of Control Offer" has the meaning given to that term in Section 3.7(d).

"Series A Change of Control Offer" has the meaning given to that term in Section Error! Reference source not found.(iii).

"Series A Change of Control Payment" has the meaning given to that term in Section 3.7(a)(iii)(A).

"Series A Change of Control Payment Date" has the meaning given to that term in Section 3.7(a)(iii)(A).

"Series A Second Lien Note Maturity Date" has the meaning given to that term in Section 3.5.

3.2 Designation of the Series A Second Lien Notes

In accordance with this Indenture, the Issuer is authorized to issue a series of Notes designated as the "12% Series A Second Lien Notes due December 7, 2026".

3.3 Aggregate Principal Amount

The aggregate principal amount of Notes which may be issued under this Indenture is unlimited, provided, however, that the maximum principal amount of Series A Second Lien Notes issued hereunder on the Initial Issue Date shall be U.S.$50,156,000. The Issuer may, from time to time, without the consent of any existing Holders but subject to Section 7.5, create and issue Additional Series A Second Lien Notes hereunder having the same terms and conditions as the Series A Second Lien Notes, in all respects, except for the date of issuance, issue price and the first payment of interest thereon. Additional Series A Second Lien Notes so created and issued will be consolidated with and form a single series with the Series A Second Lien Notes.

3.4 Authentication

The Trustee shall initially authenticate one or more Global Notes for original issue on the Initial Issue Date in an aggregate principal amount of U.S.$31,142,000 or otherwise to permit transfers or exchanges in accordance with Section 5.6 upon receipt by the Trustee of a duly executed Authentication Order. After the Initial Issue Date, subject to Section 3.3, the Issuer may issue, from time to time, and the Trustee shall authenticate upon receipt of an Authentication Order, Additional Second Lien Notes for original issue. Except as provided in Section 7.5, there is no limit on the amount of Additional Second Lien Notes that may be issued hereunder. Each such Authentication Order shall specify the principal amount of Series A Second Lien Notes to be authenticated and the date on which such Series A Second Lien Notes are to be authenticated. The aggregate principal amount of Series A Second Lien Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders provided in respect of original issues of Series A Second Lien Notes except as provided in Section 2.10. For certainty, the Trustee shall not be obligated or liable to ensure that the Issuer is in compliance with the limitations in Section 7.5, and shall be entitled to rely on an Officers' Certificate from the Issuer certifying such compliance for any Additional Series A Second Lien Notes so issued.

3.5 Date of Issue and Maturity

The Series A Second Lien Notes issued hereunder on the Initial Issue Date will be dated December 7, 2022 and will become due and payable, together with all accrued and unpaid interest thereon, on December 7, 2026 (the "Series A Second Lien Note Maturity Date"). Regardless of their respective Issue Date, all Additional Series A Second Lien Notes will become due and payable

respective Issue Date, all Additional Series A Second Lien Notes will become due and payable, together with all accrued and unpaid interest thereon, on the Series A Second Lien Note Maturity

Date.

3.6 Interest

(a) The Series A Second Lien Notes will bear interest on the unpaid principal amount thereof at a fixed rate of twelve percent (12%) per annum from their respective Issue Date to, but excluding, the Series A Second Lien Note Maturity Date, payable on each Interest Payment Date. The first Interest Payment Date for the Series A Second Lien Notes issued hereunder on the Initial Issue Date will be December 31, 2022.

(b) Interest will be payable in respect of each Interest Period on each Interest Payment Date in accordance with Section 2.11 and Section 2.14. Interest on the Series A Second Lien Notes will accrue from their respective Issue Date or, if interest has already been paid, from and including the last Interest Payment Date therefor to which interest has been paid or made available for payment. Interest will be computed based on a 360-day year of twelve 30-day months and shall be payable quarterly on March 31, June 30, September 30 and December 31.

(c) Automatically upon the occurrence and during the continuance of an Event of Default, the interest rate accruing on the outstanding principal amount of the Series A Second Lien Notes shall be *** more than the rate otherwise payable.

3.7 Prepayment; Redemption

(a) The Series A Second Lien Notes may not be prepaid or redeemed by the Issuer in whole or in part, except as follows:

(i) In the event the Indebtedness and all other obligations evidenced by the Roxbury Loan Documents have been paid in full, the Issuer may partially or fully redeem the Series A Second Lien Notes prior to the second (2nd) anniversary of the upon payment to the Holders of *** of the outstanding principal amount of such Series A Second Lien Notes plus ***. On or after the second (2nd) anniversary of the Initial Issue Date but prior to the third (3rd) anniversary of the Initial Issue Date, the Issuer may partially or fully redeem the Series A Second Lien Notes upon payment to the Holders of *** of the outstanding principal amount of such Series A Second Lien Notes plus all accrued and unpaid interest as of the Redemption Date. Beginning on the third (3rd) anniversary of the Initial Issue Date the Issuer may partially or fully redeem the Series A Second Lien Notes at any time upon payment to the Holders of *** of the outstanding principal amount of such Series A Second Lien Notes plus all accrued and unpaid interest. In order to partially or fully redeem the Series A Second Lien Notes, the Issuer shall provide the Holders with at least three (3) days prior written notice (but is not otherwise required to follow the provisions of section 5.4 hereof with respect to notice of such redemption). In the event the Issuer elects to partially redeem the Second Lien Notes, the principal amount of the Series A Second Lien Notes to be redeemed shall be determined by converting the principal amount of all Series B Second Lien Notes from Canadian dollars to US dollars at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada on the Business Day immediately preceding the proposed Redemption Date, and thereafter allocating to the Holders of the Series A Second Lien Notes their pro rata share of the total principal amount of all Second Lien Notes being redeemed based upon the aggregate principal amount all outstanding Series A Second Lien Notes represent

as a percentage of the aggregate principal amount of all outstanding Second Lien Notes.

(ii) No later than the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii) the Issuer shall prepay the Holders of Second Lien Notes an aggregate amount equal to *** of such Net Cash Proceeds. For purposes of determining the amount of Net Cash Proceeds due to the Holders of Series A Second Lien Notes as opposed to the Series B Second Lien Notes pursuant to this Section 3.7(a)(ii), the Issuer shall, no later than the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii), convert the principal amount of all Series B Second Lien Notes from Canadian dollars to US dollars at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada, and shall thereafter allocate to the Holders of the Series A Second Lien Notes and the Series B Second Lien Notes their respective pro rata share of the applicable Net Cash Proceeds based upon the aggregate principal amount all outstanding Series A Second Lien Notes or the aggregate principal amount all outstanding Series B Second Lien Notes represent as a percentage of the aggregate principal amount of all outstanding Second Lien Notes. Notwithstanding the foregoing, and provided that no Default or Event of Default shall have occurred and be continuing, the Issuer shall have the option, upon written notice to the Trustee prior to the expiration of the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii), to directly or through one or more Subsidiaries, to reinvest (or commit to reinvest) the *** of the Net Cash Proceeds to be paid to the Holders of Second Lien Notes within one hundred eighty (180) days of receipt thereof in property or assets of the general type used or useful in the business of the Issuer and its Subsidiaries, provided further, that to the extent any such Net Cash Proceeds have not been so applied by the end of such one hundred eighty (180) day period, then, at such time, a prepayment shall be required in an amount equal to such Net Cash Proceeds that have not been so applied. All prepayments pursuant to this Section 3.7(a)(ii) shall be made at par plus accrued and unpaid interest as of the date of such repayment.

(iii) If a Change of Control transaction occurs prior to Maturity of the Series A Second Lien Notes, the Issuer will be required to make an offer to each Holder of a Series A Second Lien Note to repurchase all or any part (equal to U.S.$1,000 or an integral multiple of U.S.$1,000) of that Holder's Second Lien Note pursuant to the offer described below (the "Series A Change of Control Offer"). In connection with a Change of Control Offer, the following shall apply:

(A) In the Series A Change of Control Offer, the Issuer will offer a payment (the "Series A Change of Control Payment") in cash equal to *** of the aggregate principal amount of Series A Second Lien Notes repurchased plus accrued and unpaid interest, if any (the "Series A Change of Control Payment Date", which date will be no earlier than the date of such Change of Control).

(B) No later than 30 days following any Change of Control, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control, offer to repurchase the Series A Second Lien Notes on the Series A Change of Control Payment Date specified in such notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is mailed and describe the procedures, as required by this Indenture, that Holders must follow in order to tender Series A Second Lien Notes (or portions

this Indenture, that Holders must follow in order to tender Series A Second Lien Notes (or portions thereof) for payment and withdraw an election to tender Series A Second Lien Notes (or portion

thereof) for payment. Notwithstanding anything to the contrary herein, a Change of Control Offer by the Issuer, or by any third party making a Series A Change of Control Offer in lieu of the Issuer as described below, may be made in advance of a Change of Control, conditional upon such Change of Control if a definitive agreement is in place for the Change of Control at the time of making the Series A Change of Control Offer.

(C) The Issuer will comply with the requirements of any Applicable Securities Legislation to the extent such requirements are applicable in connection with the repurchase of the Series A Second Lien Notes as a result of a Change of Control. To the extent that the provisions of any Applicable Securities Legislation conflict with the Change of Control provisions of this Indenture, or compliance with the Change of Control provisions of this Indenture would constitute a violation of any such laws or regulations, the Issuer will comply with the Applicable Securities Legislation and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of such compliance.

(D) On or before the Series A Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Series A Second Lien Notes or portions of Series A Second Lien Notes properly tendered pursuant to the Series A Change of Control Offer;

(2) on the Business Day prior to the Series A Change of Control Payment Date, deposit with the Paying Agent an amount equal to the Series A Change of Control Payment in respect of all Series A Second Lien Notes or portions of Series A Second Lien Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Series A Second Lien Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Series A Second Lien Notes or portions of Series A Second Lien Notes being purchased by the Issuer.

(E) On the Series A Change of Control Payment Date, the Paying Agent will promptly wire transfer to each Holder of a Series A Second Lien Note properly tendered the Series A Change of Control Payment for such Series A Second Lien Note, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Series A Second Lien Note equal in principal amount to any unpurchased portion of the Series A Second Lien Note surrendered, if any; provided that each such new Series A Second Lien Note will be in a principal amount of U.S.$1,000 or an integral multiple of U.S.$1,000 in excess thereof.

(F) The Issuer will advise the Trustee and the Holders of the Series A Second Lien Notes of the results of the Change of Control Offer on or as soon as practicable after the Series A Change of Control Payment Date.

(G) If the Series A Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Series A Second Lien Note is registered at the close of

business on such Record Date, and no other interest will be payable to Holders who tender pursuant to the Series A Change of Control Offer.

(H) If Holders representing sixty-five percent (65%) or more in aggregate principal amount of the outstanding Series A Second Lien Notes validly tender and do not withdraw such Series A Second Lien Notes in a Series A Change of Control Offer and the Issuer, or any third party making a Series A Change of Control Offer in lieu of the Issuer as described below, purchases all of the Series A Second Lien Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party, as the case may be, will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Series A Change of Control Offer described above, to redeem or purchase, as applicable, all Series A Second Lien Notes that remain outstanding following such purchase at a redemption price or purchase price, as the case may be, in cash equal to the applicable Series A Change of Control Payment plus, to the extent not included in the Series A Change of Control Payment, accrued and unpaid interest, if any, to the Redemption Date.

(I) Except as described in this Section 3.7(a)(iii), the Holders of Series A Second Lien Notes shall not be permitted to require that the Issuer repurchase or redeem any Series A Second Lien Notes in the event of a takeover, recapitalization, privatization or similar transaction.

(J) Notwithstanding anything to the contrary in this Section 3.7(a)(iii), the Issuer will not be required to make a Series A Change of Control Offer upon a Change of Control if:

(1) a third party makes the Series A Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Series A Change of Control Offer made by the Issuer and purchases all Series A Second Lien Notes properly tendered and not withdrawn under the Series A Change of Control Offer; or

(2) a Redemption Notice has been given pursuant to Section 3.7, unless and until there is a Default in payment of the applicable Redemption Price.

(b) If the Issuer determines in good faith that any offer to repurchase the Series A Second Lien Notes, including any offer made in accordance with Section 3.7(a) of the Indenture, (i) in the case of any such offer to repurchase attributable to the Issuer or any Subsidiary would violate or conflict with any Applicable Law (e.g., financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming of cash intra group and the fiduciary and statutory duties of the directors of the relevant Subsidiaries), (ii) would require the Issuer or any Subsidiary to incur a material and adverse tax liability (including any withholding tax) if such amount were repatriated to the Issuer as a dividend, or (iii) in the case of any such offer to repurchase attributable to any joint venture, would violate any organizational document of such joint venture (or any relevant shareholders' or similar agreement), in each case, if the amount subject to the relevant offer to repurchase were upstreamed or transferred to the Issuer as a distribution or dividend (any amount limited as set forth in clauses (i) through (iii) of this paragraph, a "Restricted Amount"), the amount of the relevant offer to repurchase shall be reduced by the Restricted Amount; provided, that (A) in the case of any Restricted Amount arising under the circumstances described in clause (i) or (ii) above, the Issuer shall use commercially reasonable efforts to take all actions required by Applicable Law to permit the repatriation of the

relevant amounts to the Issuer and (B) if the circumstance giving rise to any Restricted Amount

ceases to exist within 365 days following the end of the event giving rise to the relevant offer to repurchase, the relevant Subsidiary shall promptly repatriate or distribute the amount that no longer constitutes a Restricted Amount to the Issuer for application to such an offer to repurchase the Notes as required promptly following the date on which the relevant circumstance ceases to exist; it being understood and agreed that following the expiration of the 365-day period referenced above, the relevant Subsidiary may retain any Restricted Amount, and no such offer to repurchase shall be required in respect thereof.

(c) All optional redemptions, prepayments and payments and all other payments resulting from required offers to repurchase or redeem with regard to the Series A Second Lien Notes, including any offer made in accordance with Section 3.7(a) of the Indenture, shall be paid on a pro-rata basis in respect of each Holder of a Series A Second Lien Note based on the aggregate principal amount of the Series A Second Lien Notes plus accrued and unpaid interest thereon held by such Person as at the record date, divided by the aggregate principal amount of all Series A Second Lien Notes, plus accrued but unpaid interest thereon as at the record date.

(d) Each Holder of a Series A Second Lien Note shall have the right in its sole discretion to waive its rights to have the Issuer redeem or repurchase all or any portion of its Series A Second Lien Notes, except if such redemption or repurchase is part of a full or partial refinancing of the Series A Second Lien Notes.

(e) Unless otherwise specifically provided in this Section 3.7, the terms of Article 6 shall apply to the redemption of any Series A Second Lien Notes and in the event of any inconsistency, the terms of this Section 3.7 shall prevail.

(f) For the avoidance of doubt, the redemption provisions set forth in Section 3.7(a) shall be subject and subordinate to all First Lien Obligations and subject to the terms, conditions and provisions of the Intercreditor Agreement. In no event shall the Issuer be required to redeem any of the Series A Second Lien Notes if, and for so long as, such redemption would violate the terms of the Intercreditor Agreement or any First Lien Obligation, and such failure to redeem by the Issuer shall not be a Default or Event of Default by the Issuer under this Indenture.

3.8 Grant of Security Interest

The Obligations of the Issuer under the Series A Second Lien Notes and the related Offering Documents shall be secured by liens on all of the Collateral of the Issuer and certain Subsidiaries subordinate to the liens securing the First Lien Obligations and otherwise having such ranking and priority as is set forth in the Guaranty and Collateral Security Agreement.

3.9 Payment Seniority

The Indebtedness evidenced by the Series A Second Lien Notes shall be: (a) subordinated in right of payment to any existing or future First Lien Obligations; (b) pari passu in right of payment to any existing or future Second Lien Obligations; (c) senior to all other Indebtedness of the Company, including all unsecured Indebtedness of the Issuer; and (d) subject to the terms, conditions and provisions of the Intercreditor Agreement.

3.10 Form and Denomination of the Second Lien Notes

3.10 Form and Denomination of the Second Lien Notes

(a) The Series A Second Lien Notes will be issued in minimum denominations of U.S.$1,000 and in integral multiples of U.S.$1,000 in excess thereof.

(b) Subject to Section 5.2(b), the Series A Second Lien Notes will be issuable as Global Notes, substantially in the form set out in Error! Reference source not found. hereto with such changes as may be reasonably required by the Depository and any other changes as may be approved or permitted by the Issuer, in each case which changes are not prejudicial to the Holders or Beneficial Holders of Series A Second Lien Notes, and with such approval in each case to be conclusively deemed to have been given by the officers of the Issuer executing the same in accordance with Article 2.

3.11 Currency of Payment

The principal of, and interest and premium (if any) on, the Series A Second Lien Notes will be payable in US dollars.

3.12 Appointment

(a) The Trustee will be the trustee for the Series A Second Lien Notes, subject to Article 12.

(b) The Issuer initially appoints CDS to act as Depository with respect to the Series A Second Lien Notes (other than with respect to Definitive Notes issued to Original U.S. Holders that are U.S. Accredited Investors).

(c) The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Series A Second Lien Notes. The Issuer may change the Registrar, transfer agent, authentication agent or Paying Agent for the Series A Second Lien Notes at any time and from time to time without prior notice to the Holders of the Series A Second Lien Notes.

3.13 Inconsistency

In the case of any conflict or inconsistency between this Article 3 and any other provision of this Indenture, Article 3 shall, as to the Series A Second Lien Notes, govern and prevail.

3.14 Voting

The Holders of the Series B Second Lien Notes shall vote with the Holders of the Series A Second Lien Notes as a single class on all matters requiring a vote, consent or other action by the Holders of Second Lien Notes hereunder. Unless otherwise specified herein, the affirmative consent of the Notes Majority shall be required on all matters requiring a vote, consent or other action by the Holders of Second Lien Notes hereunder.

3.15 Reference to Principal, Premium, Interest, etc.

Whenever this Indenture refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Series A Second Lien Note, such

reference shall include any indemnification payments as described hereunder with respect to the

Series A Second Lien Notes, if applicable.

ARTICLE 4
TERMS OF THE SERIES B SECOND LIEN NOTES

4.1 Definitions

In this Article 3 and in the Series B Second Lien Notes, the following terms have the following meanings:

"Additional Series B Second Lien Notes" means any Series B Second Lien Notes issued under, and pursuant to the terms and conditions of, this Indenture after the Initial Issue Date.

"Interest Payment Date" means March 31, June 30, September 30, and December 31 of each year that the Series B Second Lien Notes are outstanding and (except in respect of any Additional Series B Second Lien Notes) commencing on December 31.

"Interest Period" means the period commencing on the later of (a) the Initial Issue Date of the Second Lien Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable.

"Net Cash Proceeds" means, with respect to any sale or disposition by a Person of its property or assets, the amount of cash proceeds actually received by or on behalf of such Person after deducting therefrom: (i) the amount of any Indebtedness secured by any Permitted Lien on any property or asset which is required to be repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities in connection with such sale or disposition, (iv) any cash proceeds received as a loss payee under any casualty insurance policy in respect of a covered loss thereunder, and (v) any actual and reasonable costs incurred by in connection with the adjustment or settlement of any claims under a casualty insurance policy in respect thereof, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or payable to a Person that is not an Affiliate of the Issuer or any Subsidiary.

"Note Account" means any account which is designated in writing to the Trustee as the Note Account from time to time.

"Record Date" means the close of business fifteen (15) Business Days preceding the relevant Interest Payment Date.

"Restricted Amount" has the meaning given to that term in Section 4.7(b).

"Series B Change of Control Offer" has the meaning given to that term in Section 4.7(a)(iii).

"Series B Change of Control Payment" has the meaning given to that term in Section 4.7(a)(iii)(A).

"Series B Change of Control Payment Date" has the meaning given to that term in

"Series B Change of Control Payment Date" has the meaning given to that term in Section 4.7(a)(iii)(A).

"Series B Second Lien Note Maturity Date" has the meaning given to that term in Section 4.5.

4.2 Designation of the Series B Second Lien Notes

In accordance with this Indenture, the Issuer is authorized to issue a series of Notes designated as the "12% Series B Second Lien Notes due December 7, 2026".

4.3 Aggregate Principal Amount

The aggregate principal amount of Notes which may be issued under this Indenture is unlimited, provided, however, that the maximum principal amount of Series B Second Lien Notes issued hereunder on the Initial Issue Date shall be C$25,090,000. The Issuer may, from time to time, without the consent of any existing Holders but subject to Section 7.5, create and issue Additional Series B Second Lien Notes hereunder having the same terms and conditions as the Series B Second Lien Notes, in all respects, except for the date of issuance, issue price and the first payment of interest thereon. Additional Series B Second Lien Notes so created and issued will be consolidated with and form a single series with the Series B Second Lien Notes.

4.4 Authentication

The Trustee shall initially authenticate one or more Global Notes for original issue on the Initial Issue Date in an aggregate principal amount of C$25,090,000 or otherwise to permit transfers or exchanges in accordance with Section 5.6 upon receipt by the Trustee of a duly executed Authentication Order. After the Initial Issue Date, subject to Section 3.3, the Issuer may issue, from time to time, and the Trustee shall authenticate upon receipt of an Authentication Order, Additional Second Lien Notes for original issue. Except as provided in Section 7.5, there is no limit on the amount of Additional Second Lien Notes that may be issued hereunder. Each such Authentication Order shall specify the principal amount of Series B Second Lien Notes to be authenticated and the date on which such Series B Second Lien Notes are to be authenticated. The aggregate principal amount of Series B Second Lien Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders provided in respect of original issues of Series B Second Lien Notes except as provided in Section 2.10. For certainty, the Trustee shall not be obligated or liable to ensure that the Issuer is in compliance with the limitations in Section 7.5, and shall be entitled to rely on an Officers' Certificate from the Issuer certifying such compliance for any Additional Series B Second Lien Notes so issued.

4.5 Date of Issue and Maturity

The Series B Second Lien Notes issued hereunder on the Initial Issue Date will be dated December 7, 2022 and will become due and payable, together with all accrued and unpaid interest thereon, on December 7, 2026 (the "Series B Second Lien Note Maturity Date"). Regardless of their respective Issue Date, all Additional Series B Second Lien Notes will become due and payable, together with all accrued and unpaid interest thereon, on the Series B Second Lien Note Maturity Date.

4.6 Interest

(a) The Series B Second Lien Notes will bear interest on the unpaid principal amount

(a) The Series B Second Lien Notes will bear interest on the unpaid principal amount thereof at a fixed rate of twelve percent (12%) per annum from their respective Issue Date to, but

excluding, the Series B Second Lien Note Maturity Date, payable on each Interest Payment Date. The first Interest Payment Date for the Series B Second Lien Notes issued hereunder on the Initial Issue Date will be December 31, 2022.

(b) Interest will be payable in respect of each Interest Period on each Interest Payment Date in accordance with Section 2.11 and Section 2.14. Interest on the Series B Second Lien Notes will accrue from their respective Issue Date or, if interest has already been paid, from and including the last Interest Payment Date therefor to which interest has been paid or made available for payment. Interest will be computed based on a 360-day year of twelve 30-day months and shall be payable quarterly on March 31, June 30, September 30 and December 31.

(c) Automatically upon the occurrence and during the continuance of an Event of Default, the interest rate accruing on the outstanding principal amount of the Series B Second Lien Notes shall be *** more than the rate otherwise payable.

4.7 Prepayment; Redemption

(a) The Series B Second Lien Notes may not be prepaid or redeemed by the Issuer in whole or in part, except as follows:

(i) In the event the Indebtedness and all other obligations evidenced by the Roxbury Loan Documents have been paid in full, the Issuer may partially or fully redeem the Series B Second Lien Notes prior to the second (2nd) anniversary of the upon payment to the Holders of *** of the outstanding principal amount of such Series B Second Lien Notes plus ***. On or after the second (2nd) anniversary of the Initial Issue Date but prior to the third (3rd) anniversary of the Initial Issue Date, the Issuer may partially or fully redeem the Series B Second Lien Notes upon payment to the Holders of *** of the outstanding principal amount of such Series B Second Lien Notes plus all accrued and unpaid interest as of the Redemption Date. Beginning on the third (3rd) anniversary of the Initial Issue Date the Issuer may partially or fully redeem the Series B Second Lien Notes at any time upon payment to the Holders of *** of the outstanding principal amount of such Series B Second Lien Notes plus all accrued and unpaid interest. In order to partially or fully redeem the Series B Second Lien Notes, the Issuer shall provide the Holders with at least three (3) days prior written notice (but is not otherwise required to follow the provisions of section 6.4 hereof with respect to notice of such redemption). In the event the Issuer elects to partially redeem the Second Lien Notes, the principal amount of the Series B Second Lien Notes to be redeemed shall be determined by converting the principal amount of all Series B Second Lien Notes from Canadian dollars to US dollars at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada on the Business Day immediately preceding the proposed Redemption Date, and thereafter allocating to the Holders of the Series B Second Lien Notes their pro rata share of the total principal amount of all Second Lien Notes being redeemed based upon the aggregate principal amount all outstanding Series B Second Lien Notes represent as a percentage of the aggregate principal amount of all outstanding Second Lien Notes.

(ii) No later than the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii), the Issuer shall prepay the Holders of Second Lien Notes an aggregate amount equal to *** of such Net Cash Proceeds. For purposes of determining the amount

of Net Cash Proceeds due to the Holders of Series A Second Lien Notes as opposed to the Series

B Second Lien Notes pursuant to this Section 4.7(a)(ii), the Issuer shall, no later than the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii), convert the principal amount of all Series B Second Lien Notes from Canadian dollars to US dollars at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada, and shall thereafter allocate to the Holders of the Series A Second Lien Notes and the Series B Second Lien Notes their respective pro rata share of the applicable Net Cash Proceeds based upon the aggregate principal amount all outstanding Series A Second Lien Notes or the aggregate principal amount all outstanding Series B Second Lien Notes represent as a percentage of the aggregate principal amount of all outstanding Second Lien Notes. Notwithstanding the foregoing, and provided that no Default or Event of Default shall have occurred and be continuing, the Issuer shall have the option, upon written notice to the Trustee prior to the expiration of the third (3rd) Business Day following the date of receipt by the Issuer or any other Grantor of Net Cash Proceeds in respect of any Disposition permitted by Section 7.6(x) and Section 7.6(xvii), to directly or through one or more Subsidiaries, to reinvest (or commit to reinvest) the *** of the Net Cash Proceeds to be paid to the Holders of Second Lien Notes within one hundred eighty (180) days of receipt thereof in property or assets of the general type used or useful in the business of the Issuer and its Subsidiaries, provided further, that to the extent any such Net Cash Proceeds have not been so applied by the end of such one hundred eighty (180) day period, then, at such time, a prepayment shall be required in an amount equal to such Net Cash Proceeds that have not been so applied. All prepayments pursuant to this Section 4.7(a)(ii) shall be made at par plus accrued and unpaid interest as of the date of such repayment.

(iii) If a Change of Control transaction occurs prior to Maturity of the Series B Second Lien Notes, the Issuer will be required to make an offer to each Holder of a Series B Second Lien Note to repurchase all or any part (equal to C$1,000 or an integral multiple of C$1,000) of that Holder's Second Lien Note pursuant to the offer described below (the "Series B Change of Control Offer"). In connection with a Change of Control Offer, the following shall apply:

(A) In the Series B Change of Control Offer, the Issuer will offer a payment (the "Series B Change of Control Payment") in cash equal to *** of the aggregate principal amount of Series B Second Lien Notes repurchased plus accrued and unpaid interest, if any (the "Series B Change of Control Payment Date", which date will be no earlier than the date of such Change of Control).

(B) No later than 30 days following any Change of Control, the Issuer will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control, offer to repurchase the Series B Second Lien Notes on the Series B Change of Control Payment Date specified in such notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is mailed and describe the procedures, as required by this Indenture, that Holders must follow in order to tender Series B Second Lien Notes (or portions thereof) for payment and withdraw an election to tender Series B Second Lien Notes (or portion thereof) for payment. Notwithstanding anything to the contrary herein, a Change of Control Offer by the Issuer, or by any third party making a Series B Change of Control Offer in lieu of the Issuer as described below, may be made in advance of a Change of Control, conditional upon such Change of Control if a definitive agreement is in place for the Change of Control at the time of making the Series B Change of Control Offer.

making the Series D Change of Control Offer.

(C) The Issuer will comply with the requirements of any Applicable Securities Legislation to the extent such requirements are applicable in connection with the repurchase of the Series B Second Lien Notes as a result of a Change of Control. To the extent that the provisions of any Applicable Securities Legislation conflict with the Change of Control provisions of this Indenture, or compliance with the Change of Control provisions of this Indenture would constitute a violation of any such laws or regulations, the Issuer will comply with the Applicable Securities Legislation and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of such compliance.

(D) On or before the Series B Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Series B Second Lien Notes or portions of Series B Second Lien Notes properly tendered pursuant to the Series B Change of Control Offer;

(2) on the Business Day prior to the Series B Change of Control Payment Date, deposit with the Paying Agent an amount equal to the Series B Change of Control Payment in respect of all Series B Second Lien Notes or portions of Series B Second Lien Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Series B Second Lien Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Series B Second Lien Notes or portions of Series B Second Lien Notes being purchased by the Issuer.

(E) On the Series B Change of Control Payment Date, the Paying Agent will promptly wire transfer to each Holder of a Series B Second Lien Note properly tendered the Series B Change of Control Payment for such Series B Second Lien Note, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Series B Second Lien Note equal in principal amount to any unpurchased portion of the Series B Second Lien Note surrendered, if any; provided that each such new Series B Second Lien Note will be in a principal amount of C$1,000 or an integral multiple of C$1,000 in excess thereof.

(F) The Issuer will advise the Trustee and the Holders of the Series B Second Lien Notes of the results of the Change of Control Offer on or as soon as practicable after the Series B Change of Control Payment Date.

(G) If the Series B Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Series B Second Lien Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender pursuant to the Series B Change of Control Offer.

(H) If Holders representing sixty-five percent (65%) or more in aggregate principal amount of the outstanding Series B Second Lien Notes validly tender and do not withdraw such Series B Second Lien Notes in a Series B Change of Control Offer and the

issuer, or any third party making a Series B Change of Control Offer in lieu of the issuer as described below, purchases all of the Series B Second Lien Notes validly tendered and not

withdrawn by such Holders, the Issuer or such third party, as the case may be, will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Series B Change of Control Offer described above, to redeem or purchase, as applicable, all Series B Second Lien Notes that remain outstanding following such purchase at a redemption price or purchase price, as the case may be, in cash equal to the applicable Series B Change of Control Payment plus, to the extent not included in the Series B Change of Control Payment, accrued and unpaid interest, if any, to the Redemption Date.

(I) Except as described in this Section 4.7(a)(iii), the Holders of Series B Second Lien Notes shall not be permitted to require that the Issuer repurchase or redeem any Series B Second Lien Notes in the event of a takeover, recapitalization, privatization or similar transaction.

(J) Notwithstanding anything to the contrary in this Section 4.7(a)(iii), the Issuer will not be required to make a Series B Change of Control Offer upon a Change of Control if:

(1) a third party makes the Series B Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Series B Change of Control Offer made by the Issuer and purchases all Series B Second Lien Notes properly tendered and not withdrawn under the Series B Change of Control Offer; or

(2) a Redemption Notice has been given pursuant to Section 4.7, unless and until there is a Default in payment of the applicable Redemption Price.

(b) If the Issuer determines in good faith that any offer to repurchase the Series B Second Lien Notes, including any offer made in accordance with Section 4.7(a) of the Indenture, (i) in the case of any such offer to repurchase attributable to the Issuer or any Subsidiary would violate or conflict with any Applicable Law (e.g., financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming of cash intra group and the fiduciary and statutory duties of the directors of the relevant Subsidiaries), (ii) would require the Issuer or any Subsidiary to incur a material and adverse tax liability (including any withholding tax) if such amount were repatriated to the Issuer as a dividend, or (iii) in the case of any such offer to repurchase attributable to any joint venture, would violate any organizational document of such joint venture (or any relevant shareholders' or similar agreement), in each case, if the amount subject to the relevant offer to repurchase were upstreamed or transferred to the Issuer as a distribution or dividend (any amount limited as set forth in clauses (i) through (iii) of this paragraph, a "Restricted Amount"), the amount of the relevant offer to repurchase shall be reduced by the Restricted Amount; provided, that (A) in the case of any Restricted Amount arising under the circumstances described in clause (i) or (ii) above, the Issuer shall use commercially reasonable efforts to take all actions required by Applicable Law to permit the repatriation of the relevant amounts to the Issuer and (B) if the circumstance giving rise to any Restricted Amount ceases to exist within 365 days following the end of the event giving rise to the relevant offer to repurchase, the relevant Subsidiary shall promptly repatriate or distribute the amount that no longer constitutes a Restricted Amount to the Issuer for application to such an offer to repurchase the Notes as required promptly following the date on which the relevant circumstance ceases to exist;

it being understood and agreed that following the expiration of the 365-day period referenced

above, the relevant Subsidiary may retain any Restricted Amount, and no such offer to repurchase shall be required in respect thereof.

(c) All optional redemptions, prepayments and payments and all other payments resulting from required offers to repurchase or redeem with regard to the Series B Second Lien Notes, including any offer made in accordance with Section 4.7(a) of the Indenture, shall be paid on a pro-rata basis in respect of each Holder of a Series B Second Lien Note based on the aggregate principal amount of the Series B Second Lien Notes plus accrued and unpaid interest thereon held by such Person as at the record date, divided by the aggregate principal amount of all Series B Second Lien Notes, plus accrued but unpaid interest thereon as at the record date.

(d) Each Holder of a Series B Second Lien Note shall have the right in its sole discretion to waive its rights to have the Issuer redeem or repurchase all or any portion of its Series B Second Lien Notes, except if such redemption or repurchase is part of a full or partial refinancing of the Series B Second Lien Notes.

(e) Unless otherwise specifically provided in this Section 3.7, the terms of Article 6 shall apply to the redemption of any Series B Second Lien Notes and in the event of any inconsistency, the terms of this Section 3.7 shall prevail.

(f) For the avoidance of doubt, the redemption provisions set forth in Section 4.7(a) shall be subject and subordinate to all First Lien Obligations and subject to the terms, conditions and provisions of the Intercreditor Agreement. In no event shall the Issuer be required to redeem any of the Series B Second Lien Notes if, and for so long as, such redemption would violate the terms of the Intercreditor Agreement or of any First Lien Obligation, and such failure to redeem by the Issuer shall not be a Default or Event of Default by the Issuer under this Indenture.

4.8 Grant of Security Interest

The Obligations of the Issuer under the Series B Second Lien Notes and the related Offering Documents shall be secured by liens on all of the Collateral of the Issuer and certain Subsidiaries subordinate to the liens securing the First Lien Obligations and otherwise having such ranking and priority as is set forth in the Guaranty and Collateral Security Agreement.

4.9 Payment Seniority

The Indebtedness evidenced by the Series B Second Lien Notes shall be: (a) subordinated in right of payment to any existing or future First Lien Obligations; (b) pari passu in right of payment to any existing or future Second Lien Obligations; (c) senior to all other Indebtedness of the Company, including all unsecured Indebtedness of the Issuer; and (d) subject to the terms, conditions and provisions of the Intercreditor Agreement.

4.10 Form and Denomination of the Second Lien Notes

(a) The Series B Second Lien Notes will be issued in minimum denominations of C$1,000 and in integral multiples of C$1,000 in excess thereof.

(b) Subject to Section 5.2(b), the Series B Second Lien Notes will be issuable as Global

(d) Subject to Section 3.12(b), the Series B Second Lien Notes will be issuable as Global Notes, substantially in the form set out in Error! Reference source not found. hereto with such

changes as may be reasonably required by the Depository and any other changes as may be approved or permitted by the Issuer, in each case which changes are not prejudicial to the Holders or Beneficial Holders of Series B Second Lien Notes, and with such approval in each case to be conclusively deemed to have been given by the officers of the Issuer executing the same in accordance with Article 2.

4.11 Currency of Payment

The principal of, and interest and premium (if any) on, the Series B Second Lien Notes will be payable in Canadian dollars.

4.12 Appointment

(a) The Trustee will be the trustee for the Series B Second Lien Notes, subject to Article 12.

(b) The Issuer initially appoints CDS to act as Depository with respect to the Series B Second Lien Notes (other than with respect to Definitive Notes issued to Original U.S. Holders that are U.S. Accredited Investors).

(c) The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Series B Second Lien Notes. The Issuer may change the Registrar, transfer agent, authentication agent or Paying Agent for the Series B Second Lien Notes at any time and from time to time without prior notice to the Holders of the Series B Second Lien Notes.

4.13 Inconsistency

In the case of any conflict or inconsistency between this Article 3 and any other provision of this Indenture, Article 3 shall, as to the Series B Second Lien Notes, govern and prevail.

4.14 Voting

The Holders of the Series B Second Lien Notes shall vote with the Holders of the Series A Second Lien Notes as a single class on all matters requiring a vote, consent or other action by the Holders of Second Lien Notes hereunder. Unless otherwise specified herein, the affirmative consent of the Notes Majority shall be required on all matters requiring a vote, consent or other action by the Holders of Second Lien Notes hereunder.

4.15 Reference to Principal, Premium, Interest, etc.

Whenever this Indenture refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Series B Second Lien Note, such reference shall include any indemnification payments as described hereunder with respect to the Series B Second Lien Notes, if applicable.

ARTICLE 5
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

5.1 Register of Certificated Notes

(a) Subject to the terms of any Supplemental Indenture, with respect to each series of Notes issuable in whole or in part as registered Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Notes of such series or as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the Holders and particulars of the Notes held by them respectively and of all transfers of Notes. Such registration shall be noted on the relevant Notes by the Trustee or other Registrar unless a new Note shall be issued upon such transfer.

(b) No transfer of a registered Note shall be valid unless made on such register referred to in Section 5.1 by the Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other Registrar upon surrender of the Notes together with a duly executed form of transfer acceptable to the Trustee or other Registrar and upon compliance with such other reasonable requirements as the Trustee or other Registrar may prescribe, and unless the name of the transferee shall have been noted on the Note by the Trustee or other Registrar.

5.2 Global Notes

(a) With respect to Notes issuable as or represented by, in whole or in part, one or more Global Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the name and address of the Holder of each such Global Note (being the Depository, or its nominee, for such Global Note) and particulars of the Global Note held by it, and of all transfers thereof. If any Notes are at any time not Global Notes, the provisions of Section 0 shall govern with respect to registrations and transfers of such Notes.

(b) Notwithstanding any other provision of this Indenture, a Global Note may not be transferred by the Holder thereof and, accordingly, subject to Section 5.6, no Definitive Notes of any series shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in any Supplemental Indenture, a resolution of the Trustee, a Board Resolution or an Officers' Certificate:

(i) Definitive Notes may be issued to Beneficial Holders at any time after:

(A) the Issuer has determined that CDS (1) is unwilling or unable to continue as Depository for Global Notes, or (2) ceases to be eligible to be a Depository, and, in each case the Issuer is unable to locate a qualified successor to its reasonable satisfaction;

(B) the Issuer has determined, in its sole discretion, or is required by law, to terminate the book-entry only registration system in respect of such Global Notes and has communicated such determination or requirement to the Trustee in writing, or the book-entry system ceases to exist;

system ceases to exist;

(C) the Note is to be authenticated to or for the account or benefit of a U.S. Holder, in which case, the Definitive Note shall contain the U.S. Legend set forth in Section 2.3(h), if applicable; or

(D) the Trustee has determined that an Event of Default has occurred and is continuing with respect to Notes issued as Global Notes, provided that Beneficial Holders representing, in the aggregate, more than 50% of the aggregate outstanding principal amount of the Notes of the affected series advise the Depository in writing, through the Participants, that the continuation of the book-entry only registration system for the Notes of such series is no longer in their best interests; and

(ii) Global Notes may be transferred (A) if such transfer is required by Applicable Law, as determined by the Issuer and Counsel, or (B) by a Depository to a nominee of such Depository, or by a nominee of a Depository to such Depository, or to another nominee of such Depository, or by a Depository or its nominee to a successor Depository or its nominee.

(c) Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 5.2(b)(i) or upon the transfer of a Global Note to a Person other than a Depository or a nominee thereof in accordance with Section 5.2(b)(i)(A), the Trustee shall notify all Beneficial Holders, through the Depository, of the availability of Definitive Notes for such series. Upon surrender by the Depository of the Global Notes in respect of any series and receipt of new registration instructions from the Depository, the Trustee shall deliver the Definitive Notes of such series to the Beneficial Holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Notes will be governed by Section 0 and the remaining provisions of this Article 4.

(d) It is expressly acknowledged that a transfer of beneficial ownership in a Note of any series issuable in the form of or represented by a Global Note will be effected only (a) with respect to the interests of participants in the Depository ("Participants"), through records maintained by the Depository or its nominee for the Global Note, and (b) with respect to interests of Persons other than Participants, through records maintained by Participants. Beneficial Holders who are not Participants but who desire to purchase, sell or otherwise transfer ownership of or other interest in Notes represented by a Global Note may do so only through a Participant.

5.3 Transferee Entitled to Registration

The transferee of a Note shall be entitled, after the appropriate form of transfer is deposited with the Trustee or other Registrar and upon compliance with all other conditions for such transfer required by this Indenture or by law, to be entered on the register as the owner of such Note free from all equities or rights of set-off or counterclaim between the Issuer and the transferor or any previous Holder of such Note, save in respect of equities of which the Issuer is required to take notice by law (including any statute or order of a court of competent jurisdiction).

5.4 No Notice of Trusts

None of the Issuer, the Trustee and any Registrar or Paying Agent will be bound to take notice of or see to the performance or observance of any duty owed to a third Person, whether under a trust, express, implied, resulting or constructive, in respect of any Note by the Holder or any Person

express, implied, resulting or constructive, in respect of any Note by the Holder or any Person whom the Issuer or the Trustee treats, as permitted or required by law, as the owner or the Holder

of such Note, and may transfer the same on the direction of the Person so treated as the owner or Holder of the Note, whether named as trustee or otherwise, as though that Person were the Beneficial Holder thereof.

5.5 Registers Open for Inspection

The registers referred to in Sections 0 and 5.2 shall, subject to Applicable Law, at all reasonable times be open for inspection by the Issuer, the Trustee or any Holder. Every Registrar, including the Trustee, shall from time to time when requested so to do by the Issuer or by the Trustee, in writing, furnish the Issuer or the Trustee, as the case may be, with a list of names and addresses of Holders entered on the registers kept by them and showing the principal amount and serial numbers of the Notes held by each such Holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

5.6 Transfers and Exchanges of Notes

(a) Transfer and Exchange of Global Notes. A Global Note may be transferred in whole and not in part only pursuant to Section 5.2(b)(ii). A beneficial interest in a Global Note may not be exchanged for a Definitive Note other than pursuant to Section 5.2(b)(i). A Global Note may not be exchanged for another Note other than as provided in this Section 5.6(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 5.6(b) or 5.6(c), as applicable.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture, Applicable Laws and the Applicable Procedures. In connection with a transfer and exchange of beneficial interest in Global Notes, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged, and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase, or (B) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred, and (2) instructions given by the Depository to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer referred to in (B)(1) above. Upon satisfaction of all of the requirements for transfer of beneficial interests in Global Notes contained in this Indenture and the Notes, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 5.6(e).

(c) Transfer or Exchange of Beneficial Interests in the Global Notes for Definitive Notes. A holder of a beneficial interest in a Global Note may exchange such beneficial interest for a Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note only upon the occurrence of any of the preceding events in Section 5.6(b) and satisfaction of the conditions set forth in Section 5.6(b). Upon the occurrence

of any such preceding event and receipt by the Registrar of all documentation required by the

Issuer or Registrar, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 5.6(e), and the Issuer shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 5.6(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Beneficial Holder. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. The Holder thereof will execute all documents and related items necessary or required by the Issuer to effectuate the same.

(d) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 5.6(d) and Applicable Securities Legislation, the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing.

(e) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 5.9 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(f) U.S. Restrictions on Transfer and Exchange. If a Definitive Note tendered for transfer bears the U.S. Legend set forth in Section 2.3(h), the Trustee shall not register such transfer unless the transferor has provided the Trustee with the Definitive Note and: (A) the transfer is made to the Issuer; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Trustee and the Issuer a declaration substantially in the form set forth in Appendix C to this Indenture, or in such other form as the Issuer may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Issuer) as the Issuer may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from

securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is

made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 5.6(f)(C)(ii) or 5.6(f)(D) furnished to the Trustee and the Issuer an opinion of counsel, of recognized standing, or other evidence in form and substance reasonably satisfactory to the Issuer to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Issuer and the Trustee receive an opinion of counsel, of recognized standing, or other evidence reasonably satisfactory to the Issuer in form and substance, to the effect that the U.S. Legend set forth in subsection 2.3(h) is no longer required on the Definitive Note representing the transferred Notes, the Definitive Note received by the transferee will continue to bear the U.S. Legend set forth in Section 2.3(h). Notes exchanged for Definitive Notes that bear the U.S. Legend set forth in Section 2.3(h) shall bear the same U.S. Legend.

(g) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Issuer's Authentication Order in accordance with Section 2.4 or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.9).

(iii) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(iv) Neither the Issuer nor the Trustee nor any Registrar shall be required to:

(A) issue, register the transfer of or exchange any Notes during a period beginning at the opening of business 15 days before the mailing of a Redemption Notice under Section 6.1 hereof and ending at the close of business on the day of selection, or

(B) register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or unless upon due presentation thereof for redemption such Notes are not redeemed, or

(C) register the transfer of or exchange a Note between a Record Date and the next succeeding Interest Payment Date, or

(D) to register the transfer of or to exchange a Note tendered and not withdrawn in connection with a Series A Change of Control Offer, a Series B Change of Control Offer or an Asset Sale offer.

(v) Subject to any restriction provided in this Indenture, the Issuer with the approval of the Trustee may at any time close any register for the Notes of any series (other than

approval of the Trustee may at any time close any register for the Notes of any series (other than those kept at the principal office of the Trustee in Vancouver, British Columbia) and transfer the

registration of any Notes registered thereon to another register (which may be an existing register) and thereafter such Notes shall be deemed to be registered on such other register. Notice of such transfer shall be given to the Holders of such Notes.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Registrar or Paying Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Notes and for all other purposes, and none of the Trustee, any Registrar or Paying Agent or the Issuer shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.4.

(viii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(ix) At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the replacement Global Notes and Definitive Notes which the Holder making the exchange is entitled to in accordance with the provisions of Section 2.4 hereof.

(x) All certifications, certificates and Opinions of Counsel required to be submitted pursuant to this Section 5.6 to effect a registration of transfer or exchange may be submitted by facsimile.

5.7 Charges for Registration, Transfer and Exchange

For each Note exchanged, registered, transferred or discharged from registration, the Trustee or other Registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Note issued (such amounts to be agreed upon from time to time by the Trustee and the Issuer), and payment of such charges and reimbursement of the Trustee or other Registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Holder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of a Note of any series applied for within a period of two months from the date of the first delivery thereof;

(b) for any exchange of any interim or temporary Note of any series or interim certificate that has been issued under Section 2.9 for a Definitive Note of any series;

(c) for any exchange of a Global Note of any series as contemplated in Section 5.2; or

(c) for any exchange of a Global Note of any series as contemplated in Section 3.2, or

(d) for any exchange of a Note of any series resulting from a partial redemption under Section 6.3.

5.8 Ownership of Notes

(a) The Holder for the time being of any Note shall be entitled to the principal, premium, if any, and/or interest evidenced by such Note, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate Holder thereof (except in respect of equities of which the Issuer is required to take notice by law) and all Persons may act accordingly and the receipt of any such Holder for any such principal, premium, if any, or interest shall be a valid discharge to the Trustee, any Registrar and to the Issuer for the same and none shall be bound to inquire into the title of any such Holder.

(b) Where Notes are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all or any of such Holders, failing written instructions from them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge, to the Trustee, any Registrar and to the Issuer.

(c) In the case of the death of one or more joint Holders, the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such Holders and to the estate of the deceased and the receipt by such survivor or survivors and the estate of the deceased thereof shall be a valid discharge by the Trustee, any Registrar and the Issuer.

(d) Unless otherwise required by law, the Person in whose name any Note is registered shall for all purposes of this Indenture (except for references in this Indenture to a "Beneficial Holder") be and be deemed to be the owner thereof and payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such Holder.

(e) Notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders.

5.9 Cancellation and Destruction

All matured Notes of any series shall forthwith after payment of all Obligations thereunder be delivered to the Trustee or to a Person appointed by it or by the Issuer with the approval of the Trustee and cancelled by the Trustee. All Notes of any series which are cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Issuer, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Notes so destroyed.

ARTICLE 6
REDEMPTION AND PURCHASE OF NOTES

6.1 Redemption of Notes

of Notes or, in the case of the Series A Second Lien Notes, Article 3 or the Series B Second Lien Notes, Article 4, Notes of any series may be redeemed before the Stated Maturity thereof, in whole at any time or in part from time to time, at the option of the Issuer and in accordance with and subject to the provisions set out in this Indenture and any applicable Supplemental Indenture, including those relating to the payment of any required redemption price ("Redemption Price").

6.2 Places of Payment

The Redemption Price will be payable upon presentation and surrender of the Notes called for redemption at any of the places where the principal of such Notes is expressed to be payable and at any other places specified in the Redemption Notice.

6.3 Partial Redemption

(a) If less than all of the Notes of any series are to be redeemed at any time, the Trustee will select Notes of such series for redemption as follows:

(i) if the Notes are listed on any national securities exchange, including the Canadian Securities Exchange, in compliance with the requirements of the principal national securities exchange; or

(ii) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee will deem fair and appropriate; or

(iii) if the Notes are included in global form, based on a method required by CDS or a method that most nearly approximates a pro rata selection, as the Trustee deems appropriate.

Subject to the foregoing and the Supplemental Indenture relating to any series of Notes (or, in the case of the Series A Second Lien Notes, Article 3 or the Series B Second Lien Notes, Article 4), Notes or portions of Notes the Trustee selects for redemption shall be in minimum amounts of (i) U.S.$1,000 or integral multiples of U.S.$1,000 for Notes denominated in US dollars and (ii) C$1,000 or integral multiples of C$1,000 for Notes denominated in Canadian dollars, as the case may be.

(b) If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 6 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

Unless otherwise provided in a Supplemental Indenture or, in the case of the Series Second Lien Notes, Article 3 or the Series B Second Lien Notes, Article 4, a notice of redemption (the "Redemption Notice") of any series of Notes shall be given to the Holders of the Notes so to be redeemed not less than 3 days prior to the date fixed for redemption (the "Redemption Date") in the manner provided in Section 15.2. Every such Redemption Notice shall specify the aggregate principal amount of Notes called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Notes called for redemption shall cease to be payable from and after the Redemption Date. Redemption Notices may, at the Issuer's discretion, be subject to one or more conditions precedent, as described under Section 6.5. In addition, unless all the outstanding Notes of a series are to be redeemed, the Redemption Notice shall specify:

(a) the distinguishing letters and numbers of the Notes which are to be redeemed (as are registered in the name of such Holder);

(b) if such Notes are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Notes so selected;

(c) in the case of Global Notes, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Issuer; and

(d) in all cases, the principal amounts of such Notes or, if any such Note is to be redeemed in part only, the principal amount of such part.

Notwithstanding Section 15.2, in the event that all Notes of a series to be redeemed are Global Notes, publication of the Redemption Notice shall not be required.

If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 6 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

6.5 Qualified Redemption Notice

In connection with any optional redemption of Notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such redemption notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's sole discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption

may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the redemption date so delayed, and that

such redemption provisions may be adjusted to comply with any depositary requirements.

6.6 Notes Due on Redemption Dates

Upon a Redemption Notice having been given as provided in Section 6.4, all the Notes so called for redemption or the principal amount to be redeemed of the Notes called for redemption, as the case may be, shall thereupon be and become due and payable at the Redemption Price, together with accrued interest to but excluding the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the Stated Maturity specified in such Notes, anything therein or herein to the contrary notwithstanding. If any Redemption Date is on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to Holders whose Notes shall be subject to redemption by the Issuer. From and after such Redemption Date, if the monies necessary to redeem such Notes shall have been deposited as provided in Section 6.7 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such Redemption Notices shall have been lodged with it, interest upon the Notes shall cease to accrue. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

6.7 Deposit of Redemption Monies

(a) Except as may otherwise be provided in any Supplemental Indenture or, in the case of the Series A Second Lien Notes, Article 3 or the Series B Second Lien Notes, Article 4, upon Notes being called for redemption, the Issuer shall deposit with the Trustee, for onward payment to the Depository, on or before 11:00 a.m. (Toronto time) on the Business Day prior to the Redemption Date specified in the Redemption Notice, such sums of money as may be sufficient to pay the Redemption Price of the Notes so called for redemption, plus accrued and unpaid interest thereon up to but excluding the Redemption Date, less any Taxes required by law to be deducted or withheld therefrom. The Issuer shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid, to the Depository on behalf of the Holders of such Notes so called for redemption, upon surrender of such Notes, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

(b) Payment of funds to the Trustee upon redemption of Notes shall be made by electronic transfer or certified cheque or pursuant to such other arrangements for the provision of funds as may be agreed between the Issuer and the Trustee in order to effect such payment hereunder. Notwithstanding the foregoing, (i) all payments in excess of U.S.$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association) shall be made by the use of the LVTS; and (ii) in the event that payment must be made to the Depository, the Issuer shall remit payment to the Trustee by LVTS. The Trustee shall have no obligation to disburse funds pursuant to this Section 6.7 unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable Redemption Date. The Trustee shall, if it accepts any funds received

by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until

such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

6.8 Failure to Surrender Notes Called for Redemption

In case the Holder of any Note of any series so called for redemption shall fail on or before the Redemption Date so to surrender such Holder's Note, or shall not within such time specified on the Redemption Notice accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee may require, such redemption monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum so set aside and, to that extent, such Note shall thereafter not be considered as outstanding hereunder and the Holder thereof shall have no other right except to receive payment of the Redemption Price of such Note, plus any accrued but unpaid interest thereon to but excluding the Redemption Date, less any Taxes required by law to be deducted or withheld, out of the monies so paid and deposited, upon surrender and delivery up of such Holder's relevant Note. In the event that any money required to be deposited hereunder with the Trustee or any Paying Agent on account of principal, premium, if any, or interest, if any, on Notes issued hereunder shall remain so deposited for a period of six years from the Redemption Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such Paying Agent to the Issuer on its demand, and thereupon the Trustee shall not be responsible to Holders of such Notes for any amounts owing to them and subject to Applicable Law, thereafter the Holders of such Notes in respect of which such money was so repaid to the Issuer shall have no rights in respect thereof except to obtain payment of the money due from the Issuer, subject to any limitation period provided by the laws of British Columbia.

6.9 Cancellation of Notes Redeemed

Subject to the provisions of Sections 6.4 and 6.10 as to Notes redeemed or purchased in part, all Notes redeemed and paid under this Article 6 shall forthwith be delivered to the Trustee and cancelled and no Notes shall be issued in substitution for those redeemed.

6.10 Purchase of Notes for Cancellation

(a) Subject to the provisions of any Supplemental Indenture relating to a particular series of Notes or, in the case of the Series A Second Lien Notes, Article 3 or the Series B Second Lien Notes, Article 4, the Issuer may, at any time and from time to time, purchase Notes of any series in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price; provided such acquisition does not otherwise violate the terms of this Indenture. All Notes so purchased may, at the option of the Issuer, be delivered to the Trustee and cancelled and no Notes shall be issued in substitution therefor.

(b) If, upon an invitation for tenders, more Notes of the relevant series are tendered at the same lowest price than the Issuer is prepared to accept, the Notes to be purchased by the Issuer shall be selected by the Trustee on a pro rata basis or in such other manner as the Issuer directs in writing and as consented to by the exchange, if any, on which Notes of such series are then listed

which the Trustee considers appropriate, from the Notes of such series tendered by each tendering Holder thereof who tendered at such lowest price. For this purpose the Trustee may make, and

from time to time amend, regulations with respect to the manner in which Notes of any series may be so selected, and regulations so made shall be valid and binding upon all Holders thereof, notwithstanding the fact that as a result thereof one or more of such Notes become subject to purchase in part only. The Holder of a Note of any series of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, one or more new Notes of such series for the unpurchased part so surrendered, and the Trustee shall authenticate and deliver such new Note or Notes upon receipt of the Note so surrendered or, with respect to a Global Note, the Depository shall make book-entry notations with respect to the principal amount thereof so purchased.

ARTICLE 7
COVENANTS OF THE ISSUER

As long as any Notes remain outstanding, the Issuer hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Holders as follows (unless and for so long as the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding Notes, in which case the following provisions of this Article 7 shall not apply):

7.1 Payment of Principal and Interest

The Issuer shall punctually, according to the terms hereof and subject to the terms, conditions and provisions of the Intercreditor Agreement, pay or cause to be paid all amounts due under this Indenture.

7.2 Provision of Reports and Financial Statements

The Issuer will maintain, and will cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. The Issuer will deliver to each Holder upon written request: (a) as soon as available and in any event within sixty (60) days after the end of the first (1^{st}), second (2^{nd}) and third (3^{rd}) fiscal quarters of the Issuer, the unaudited consolidated and consolidating balance sheet of the Issuer and each of its Subsidiaries as at the end of such fiscal quarter; and (b) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year, the consolidated balance sheet of the Issuer and its Subsidiaries, as at the end of such fiscal year, audited by certified public accountants selected by the Issuer. Notwithstanding the foregoing, the Issuer shall be deemed to have complied with the requirements of this Section 7.2 in all respects in the event any of the foregoing financial statements are filed publicly by the Issuer on SEDAR or EDGAR within the time periods set forth in this Section 7.2.

7.3 Compliance with Laws and Contractual Obligations

The Issuer will comply with, and cause each of its Subsidiaries to comply in all material respects with, (a)(i) the requirements of all Applicable Laws (including, without limitation, all laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, ERISA, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which such Person is now doing business or may hereafter be doing business, and (ii) the obligations, covenants and conditions contained in all of

the material contracts to which such Person is a party, and (b) maintain or obtain and cause each

of its Subsidiaries to maintain or obtain, all material licenses, qualifications and permits now held or hereafter required to be held by such Person.

7.4 Restricted Payments

The Issuer will not, and will not cause or permit any of its Subsidiaries to, make any cash dividend or distributions in respect of the equity securities of the Issuer or any of its Subsidiaries, except that (i) a Subsidiary of the Issuer may declare and pay dividends on its outstanding equity interests to the Issuer or to another Subsidiary; (ii) a Subsidiary that is a Grantor on the Initial Issuance Date may declare and pay any cash dividends or distribution it is obligated to pay pursuant to any contractual obligation of such Subsidiary existing prior to the Initial Issue Date; (iii) the Issuer or a Subsidiary may declare and pay any cash dividends on any class of preferred equity securities it issues (including without limitation any preferred equity securities the Issuer may issue in accordance with the Roxbury Loan Documents); and (iv) a Subsidiary that is acquired pursuant to an Acquisition and subsequently becomes a Grantor after the Initial Issuance Date may declare and pay any cash dividends or distribution it is obligated to pay pursuant to any contractual obligation of such Subsidiary existing prior to the consummation of the applicable Acquisition.

7.5 Incurrence of Indebtedness

The Issuer will not and will not permit any of its Subsidiaries directly or indirectly to create, incur, assume, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness except Permitted Indebtedness; provided that, the Issuer may require the entering into, and the Trustee and the Collateral Agent shall each upon such requirement enter into, an Intercreditor Agreement in respect of such Permitted Indebtedness.

7.6 Sale of Assets

The Issuer will not and will not permit any of its Subsidiaries to sell, assign, license, lease, convey, exchange, transfer or otherwise dispose of its property or assets (each, a "Disposition") to other Person, except:

(i) Dispositions of inventory and other property in the ordinary course of business;

(ii) Dispositions of obsolete or worn-out property or assets;

(iii) Disposition of the Issuer's and its Subsidiaries' common or preferred equity securities, options, warrants and other derivative securities: (a) in public or private offering, (b) in connection with the acquisition of a business, the sale or disposition of a Subsidiary or a similar transaction; (c) as compensation to any employee, contractor or other Person; (d) as required or permitted by any contract to which the Issuer or any Subsidiary is a party prior to the Initial Issue Date (including without limitation any preferred Stock the Issuer may grant pursuant to the Roxbury Loan Documents), or (e) in order to qualify a Person for the board of directors or governing body of the Issuer or a Subsidiary as required pursuant to Applicable Law;

(iv) Disposition of Excluded Property, including dispositions of real property;

(v) Dispositions or property or assets in connection with the incurrence, refinancing or repayment of Permitted Indebtedness;

(vi) Dispositions of property or assets required or permitted pursuant to the terms of any indenture, agreement, instrument or other document governing First Lien Obligations, including without limitation dispositions of property required or permitted pursuant to the Roxbury Loan Documents or any intercreditor or similar agreement between groups of holders of the Issuer's or its Subsidiaries' Indebtedness;

(vii) Dispositions of assets in connection with any acquisition of a business (whether by acquisition of equity securities, all or substantially all of the assets, or otherwise), regardless of the structure of the transaction, and including without limitation any sales or other divestitures in connection with such acquisition;

(viii) Dispositions pursuant to any contractual obligation of the Issuer or a Subsidiary existing on the Initial Issuance Date;

(ix) Dispositions in connection with any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(x) Dispositions in connection with any involuntary loss, damage or destruction of property, with the Net Cash Proceeds subject to Section 3.7(a)(ii) and Section 4.7(a)(ii);

(xi) The licensing, on a non-exclusive basis, of Intellectual Property in the ordinary course of business, or the lapse or abandonment of registered patents, trademarks, copyrights and other Intellectual Property of the Issuer or any Subsidiary;

(xii) Dispositions of accounts receivable or any delinquent receivables arising in the ordinary course of business;

(xiii) Dispositions between the Issuer and a Subsidiary, or between two Subsidiaries;

(xiv) Terminations of leases, subleases, licenses, sub-licenses and agreements (including management agreement and other similar agreements) in the ordinary course of business;

(xv) The surrender or waiver of contractual rights or the settlement release or surrender of contract or tort claims in the ordinary course of business;

(xvi) The trade-in-kind or exchange of any asset for any other asset or assets of equivalent value (as determined by the Issuer in good faith);

(xvii) Any other Dispositions of property or assets, with all such property and assets disposed of pursuant to this Section 7.6(xvii) not to exceed a value of *** in any fiscal year (as determined by the Issuer in good faith in its reasonable judgement), with the Net Cash Proceeds subject to Section 3.7(a)(ii) and Section 4.7(a)(ii); and

(xviii) Dispositions required pursuant to Applicable Law (including without limitation pursuant to the written instruction of a Governmental Authority) or which the Issuer has determined in good faith and upon the opinion of counsel are or may be required pursuant to Applicable Law or to avoid a potential material adverse effect on the Issuer or any of its Subsidiaries.

7.7 Maintenance of Properties

The Issuer will maintain and cause its Subsidiaries to maintain in good repair, working order and condition, all material properties used in its businesses and will make or cause to be made all appropriate repairs, renewals and replacements thereof.

7.8 Organizational Existence

The Issuer will, and will cause each of its Subsidiaries (other than Excluded Subsidiaries) to: (a) at all times preserve and keep in full force and effect its organizational existence and all rights and franchises material to such Person's business and leases, privileges, franchises, qualifications and rights that are necessary in the ordinary conduct of its business, and (b) maintain complete and accurate books and records in all material respects regarding such Person's business, operations, meetings of directors and equity holders and all corporate, limited liability company or partnership matters and all corporate, limited liability company or partnership matters.

ARTICLE 8
DEFAULT AND ENFORCEMENT

8.1 Events of Default

Unless otherwise provided in a Supplemental Indenture relating to a particular series of Notes, an "Event of Default" means any one of the following events:

(a) Default in the due and punctual payment of the principal of, or any other amount owing in respect of (including interest), a Note when and as the same shall become due and payable; provided that the Issuer shall be provided with a twenty (20) Business Day cure period for nonpayment of interest, fees or amounts other than principal on the Note, after there has been given to the Issuer by the Trustee a written notice specifying such Default and requiring it to be remedied;

(b) Default in the performance or observance of any covenant or agreement of the Issuer in this Indenture (other than a payment Default as specified in Section 8.1(a)), and the continuance of such Default for a period of thirty (30) days after there has been given to the Issuer by the Trustee a written notice specifying such Default and requiring it to be remedied, provided that, if the Issuer uses commercially reasonable efforts to cure such Default within such thirty (30) day period but cannot cure said Default during such thirty (30) day period, the Issuer shall have such time as is necessary to cure such default provided the Issuer maintains commercially reasonable efforts to cure such Default beyond the initial thirty (30) day cure period;

(c) any representation or warranty made by the Issuer herein is materially incorrect in

any respect on the date such representation or warranty was made;

(d) an event of default by the Issuer under any contract or agreement to which the Issuer is a party and pursuant to which the Issuer has remaining outstanding Indebtedness above *** (which, for the avoidance of doubt, shall exclude any agreement or contract creating intercompany Indebtedness); provided that any Issuer event of default under any such agreement that is related to the Issuer's reasonable opinion that the counterparty to such agreement has materially breached its obligations thereunder shall not be considered an Event of Default hereunder;

(e) the entry of a decree or order by a court having jurisdiction adjudging the Issuer as bankrupt or insolvent; or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer under the United States Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 calendar days;

(f) the institution by the Issuer of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Federal Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors;

(g) the Issuer proposes in writing or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any group or class thereof or files a petition for suspension of payments or other relief of debtors or a moratorium or statutory management is agreed or declared in respect of or affecting all or any material part of the Indebtedness of the Issuer; or

(h) it becomes unlawful for the Issuer to perform or comply with any of its material obligations under this Indenture or the Notes.

For the purposes of this Article 8, where the Event of Default refers to an Event of Default with respect to a particular series of Notes as described in this Section 8.1, then this Article 8 shall apply mutatis mutandis to the Notes of such series and references in this Article 8 to the "Notes" shall be deemed to be references to Notes of such particular series, as applicable.

8.2 Declaration of Event of Default; Exercise of Remedies

(a) In order to declare an Event of Default under the Notes, the Notes Majority must, or the Trustee at the request of such Notes Majority must, provide a properly executed written notice to the Issuer (a "Default Notice"), which shall specify: (i) that an Event of Default is being declared; (ii) the particular Event of Default hereunder being declared; and (iii) the actions of the Issuer underlying the Event of Default. If an Event of Default has been declared pursuant to a properly delivered Default Notice, then and in every such case the Notes Majority or the Trustee on behalf of the Notes Majority may by delivery of a writing: (a) declare the Notes to be due and payable immediately, and upon any such declaration, the Issuer shall pay to the holders of all Notes

the outstanding balance of principal and accrued interest under each applicable holders' Notes, and (b) direct the Trustee and the Collateral Agent to act on behalf of the holders of all Notes in

exercising and enforcing all rights and remedies available to all of such holders of Notes pursuant to the terms of this Indenture and the Guaranty and Collateral Security Agreement.

(b) No course of dealing between the Issuer and any Holder or the Trustee or any delay in exercising any rights hereunder shall operate as a waiver by any Holder or the Trustee. No failure or delay by a Holder or Trustee in exercising any right, power or privilege under this Indenture or a Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

8.3 Trustee May File Proofs of Claim

(a) In case of any pending receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer and its debts or any other obligor upon the Notes (including the Guarantors, if any), and their debts or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal (and premium, if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding; and

(ii) to collect and receive any moneys or other securities or property payable or deliverable upon the conversion or exchange of such securities or upon any such claims and to distribute the same,

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder.

(b) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

8.4 Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any

by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in

its own name as trustee of an express trust, and any recovery of judgment on behalf of the Holders shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the rateable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

8.5 Application of Monies by Trustee

(a) Except as herein otherwise expressly provided, any money collected by the Trustee of behalf of the Holders pursuant to this Article 8 shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(i) first, in payment or in reimbursement to the Trustee of its reasonable compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

(ii) second, but subject as hereinafter in this Section 8.5 provided, in payment, rateably and proportionately to the Holders, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Notes which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by a resolution of Holders constituting more than 50% of the outstanding principal amount of the Notes and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and

(iii) third, in payment of the surplus, if any, of such monies to the Issuer or its assigns and/or the Guarantors, as the case may be;

provided, however, that no payment shall be made pursuant to Section 8.5(a)(ii) above in respect of the principal, premium or interest on any Notes held, directly or indirectly, by or for the benefit of the Issuer or any Subsidiary of the Issuer (other than any Notes pledged for value and in good faith to a Person other than the Issuer or any Subsidiary of the Issuer but only to the extent of such Person's interest therein), except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Notes which are not so held.

(b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 8.5(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Notes of each applicable series, but it may retain the money so received by it and invest or deposit the same in trust as provided in Section 12.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment or distribution hereunder.

8.6 No Suits by Holders

8.6 No Suits by Holders

Except to enforce payment of the principal of, and premium (if any) or interest on any Note held or beneficially owned by the Holder (after giving effect to any applicable grace period specified therefor in Section 8.1), no Holder shall have any right to institute any action, suit or proceeding at law or in equity with respect to this Indenture or for the appointment of a liquidator, trustee or receiver or for a receiving order under any applicable bankruptcy laws or to have the Issuer or any Guarantor wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless:

(a) There is a continuing Event of Default in accordance with the terms of this Indenture;

(b) the Holders or Holders of at least a majority in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) the Holder or Holders offer the Trustee indemnity and funding satisfactory to the Trustee against any costs, liability or expense;

(d) the Trustee does not comply with the request within sixty (60) days after receipt of the request and the offer of indemnity and funding; and

(e) during such sixty (60) day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and rateable benefit of all the Holders.

8.7 Unconditional Right of Holders to Receive Principal, Premium and Interest

Notwithstanding any other provision in this Indenture, a Holder shall have the right, which is absolute and unconditional, to receive payment, as provided herein of the principal of (and premium, if any) and interest on the Notes held by such Holder on the applicable Maturity date and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

8.8 Restoration of Rights and Remedies

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Guarantors (if any), the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Subject to Section 12.3, the Notes Majority shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that:

(a) such direction shall not be in conflict with any Applicable Law or with this Indenture;

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;

(c) nothing herein shall require the Trustee to take any action under this Indenture or any direction from Holders which might in its reasonable judgment involve any expense or any financial or other liability unless the Trustee shall be furnished with indemnification acceptable to it, acting reasonably, including the advance of funds sufficient in the judgment of the Trustee to satisfy such liability, costs and expenses; and

(d) the Trustee shall have the right to not take any action which might involve it in personal liability or be unjustly prejudicial to the Holders not consenting. For certainty, no Holder shall have any right of action whatsoever against the Trustee as a result of the Trustee acting or refraining from acting under the terms of this Indenture in accordance with the instructions from the Holders.

8.10 Notice of Default and Event of Default

If the Trustee provides the Issuer with written notice of a Default or an Event of Default or receives written notice of a Default or an Event of Default, the Trustee shall, within thirty (30) days after it issues or receives written notice of the occurrence of such Default or Event of Default, give notice of such Default or Event of Default to all the Holders in the manner provided in Section 15.2. In cases where the Trustee provides the Issuer with, or receives, written notice of a Default, the Trustee shall inquire as to whether the Notes Majority desires to waive an Event of Default should such Default not be cured in accordance with the terms of this Indenture or the applicable Notes.

8.11 Waiver of Stay or Extension Laws

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

8.12 Undertaking for Costs

All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit

any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess

reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

8.13 Judgment Against the Issuer

The Issuer covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Holders, judgment may be rendered against it in favour of the Holders or in favour of the Trustee, as trustee for the Holders, for any amount which may remain due in respect of the Notes of any series and premium (if any) and the interest thereon and any other monies owing hereunder.

8.14 Immunity of Officers and Others

The Holders, the Beneficial Holders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director, employee, consultant, contractor, incorporator, member, manager, partner or holder of Stock of the Issuer or of any Guarantor or affiliate or of any successor for the payment of the principal of or premium or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Issuer or any Guarantor contained herein or in the Notes or Security Documents. Each Holder and Beneficial Holder, by accepting its interest in Notes, waives and releases all such claims against, and liability of, such Persons. The waiver and release provided for in this Section 8.14 are part of the consideration for issuance of the Notes.

8.15 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 15.2 by the Trustee to the Holders of Notes of any series of any payment to be made under this Article 8. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Holders of Notes of the affected series will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the relevant Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

8.16 Trustee May Demand Production of Notes

The Trustee shall have the right to demand production of the Notes of any series in respect of which any payment of principal, interest or premium (if any) required by this Article 8 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Issuer as the Trustee shall deem sufficient.

8.17 Statement by Officers

(a) The Issuer shall deliver to the Trustee, within 120 days after the end of each of its fiscal years, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of compliance by the Issuer and its Subsidiaries with all conditions and covenants in this Indenture. For purposes of this

Subsidiaries with all conditions and covenants in this Indenture. For purposes of this Section 8.17(a), such compliance shall be determined without regard to any period of grace or

requirement of notice under this Indenture.

(b) Upon becoming aware of any Default or Event of Default, the Issuer shall promptly deliver to the Trustee by registered or certified mail or email or by facsimile transmission an Officers' Certificate, specifying such event, notice or other action giving rise to such Default or Event of Default and the action that the Issuer or Subsidiary, as applicable, is taking or proposes to take with respect thereto.

ARTICLE 9
DISCHARGE

9.1 Satisfaction and Discharge

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder (except as to any surviving rights of registration of transfer or exchange of Notes expressly provided for herein), when:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation;

(b) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(c) such deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(d) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under this Indenture; and

(e) the Issuer has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

9.2 Release of Liens

The Guaranty and Collateral Security Agreement sets forth the terms of conditions of the release of Collateral from the liens created thereby, including the release with the consent of the Notes Majority, release upon payment in full of the Second Lien Notes and release upon the disposition of Collateral by the Issuer or its Subsidiaries in accordance with the terms of the Guaranty and Collateral Security Agreement.

ARTICLE 10
MEETINGS OF HOLDERS

(a) Wherever in this Indenture a consent, waiver, notice, authorization or resolution of the Holders (or any of them) is required, a meeting may be convened in accordance with this Article 10 to consider and resolve whether such consent, waiver, notice authorization or resolution should be approved by such Holders. A consent, waiver, notice, authorization or resolution passed by the affirmative votes of the Notes Majority on a poll at a meeting of Holders duly convened for the purpose and held in accordance with the provisions of this Indenture shall constitute conclusively such consent, waiver, notice, authorization or resolution.

(b) At any time and from time to time, the Trustee on behalf of the Issuer may and, on receipt of an Issuer Order or a written request of the Notes Majority and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Issuer or the Holders signing such written request of the Notes Majority, will, convene a meeting of all Holders.

(c) If the Trustee fails to convene a meeting after being duly requested as aforesaid (and indemnified and funded as aforesaid), the Issuer or such Notes Majority may themselves convene such meeting and the notice calling such meeting may be signed by such Person as the Issuer or the Notes Majority designate, as applicable. Every such meeting will be held in Vancouver, British Columbia or such other place as the Trustee may in any case determine or approve.

10.2 Notice of Meetings

(a) Not more than 60 days' nor less than at least 21 days' notice of any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, shall be given to the Holders of Notes of such series or of all series of Notes then outstanding, as applicable, in the manner provided in Section 15.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it, and to the Issuer, unless such meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10. The accidental omission to give notice of a meeting to any Holder shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

(b) If the business to be transacted at any meeting, or any action to be taken or power exercised by instrument in writing under Section 10.12, especially affects the rights of Holders of Notes of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of Holders of Notes of any other series are affected (determined as provided in Sections 10.2(c) and 10.2(d)), then:

(i) a reference to such fact, indicating each series of Notes in the opinion of the Trustee (or the Person calling the meeting) so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "Serial Meeting"; and

(ii) the Holders of Notes of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 10.12 unless in

addition to compliance with the other provisions of this Article 10:

(A) at such Serial Meeting: (I) there are Holders present in person or by proxy and representing more than 50% of the principal amount of the Notes then outstanding of such series; and (II) the resolution is passed by such proportion of Holders of the principal amount of the Notes of such series then outstanding voted on the resolution as is required by Sections 13.1; or

(B) in the case of action taken or power exercised by instrument in writing under Section 10.12, such instrument is signed in one or more counterparts by such proportion of Holders of the principal amount of the Notes of such series then outstanding as is required by Sections 13.1.

(c) Subject to Section 10.2(d), the determination as to whether any business to be transacted at a meeting of Holders, or any action to be taken or power to be exercised by instrument in writing under Section 10.12, especially affects the rights of the Holders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Holders of any other series (and is therefore an especially affected series) shall be determined by an Opinion of Counsel, which shall be binding on all Holders, the Trustee and the Issuer for all purposes hereof.

(d) A proposal:

(i) to extend the Maturity of Notes of any particular series or to reduce the principal amount thereof, the rate of interest or premium thereon;

(ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Notes of a particular series are outstanding; or

(iii) to reduce with respect to Holders of any particular series any percentage stated in this Section 10.2 or Sections 10.4 and 10.12;

shall be deemed to especially affect the rights of the Holders of such series in a manner differing in a material way from that in which it affects the rights of holders of Notes of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Notes of any or all other series.

10.3 Chair

Some individual, who need not be a Holder, nominated in writing by the Trustee shall be chair of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Holders present in person or by proxy shall choose some individual present to be chair.

10.4 Quorum

Subject to this Indenture, at any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, a quorum shall consist of Holders present in person or by proxy and representing more than 50% of the principal amount of the outstanding Notes of the relevant series or all series then outstanding, as the case may be, and, if the meeting is a Serial Meeting,

series of all series then outstanding, as the case may be, and, if the meeting is a Serial Meeting, more than 50% of the principal amount of the Notes then outstanding of each especially affected

series. If a quorum of the Holders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if convened by the Holders or pursuant to a written request of the Notes Majority, shall be dissolved, but in any other case the meeting may be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

10.5 Power to Adjourn

The chair of any meeting at which the requisite quorum of the Holders is present may, with the consent of the Holders of a majority in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

10.6 Voting

On a poll each Holder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each U.S.$1.00 principal amount of the Notes of the relevant series of Notes of which it is the Holder. A proxyholder need not be a Holder. In the case of joint registered Holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Notes of which they are joint Holders. In the case of Series B Second Lien Notes or any other Notes that are denominated in Canadian dollars, the aggregate principal amount of all such Notes shall be converted into US dollars at the at the Canadian dollar to US dollar exchange rate provided by the Bank of Canada on the record date of any vote to determine how many votes each Holder or duly appointed proxy shall be entitled to.

10.7 Poll

A poll will be taken on every resolution submitted for approval at a meeting of Holders, in such manner as the chair directs, and the results of such polls shall be binding on all Holders of the relevant series. Except as otherwise provided, every resolution will be decided by a majority of the votes cast on the poll for that resolution.

10.8 Proxies

A Holder may be present and vote at any meeting of Holders by an authorized representative. The Issuer (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Holders to be present and vote at any meeting without producing their Notes, and of enabling them to be present and vote at any such meeting by proxy and of depositing instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any individual

signing on behalf of a Holder;

(b) the deposit of instruments appointing proxies at such place as the Trustee, the Issuer or the Holder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, cabled, telegraphed or sent by other electronic means before the meeting to the Issuer or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting as the Holders of any Notes, or as entitled to vote or be present at the meeting in respect thereof, shall be Holders and Persons whom Holders have by instrument in writing duly appointed as their proxies.

10.9 Persons Entitled to Attend Meetings

The Issuer and the Trustee, by their respective directors, officers and employees and the respective legal advisors of the Issuer, the Trustee or any Holder may attend any meeting of the Holders, but shall have no vote as such.

10.10 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Holders by resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or powers thereafter from time to time. No powers exercisable by resolution will derogate in any way from the rights of the Issuer pursuant to this Indenture.

10.11 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Issuer, and any such minutes as aforesaid, if signed by the chair of the meeting at which such resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Holders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

10.12 Instruments in Writing

Any consent, waiver, notice, authorization or resolution of the Holders which may be given by

Any consent, waiver, notice, authorization or resolution of the Holders which may be given by resolution at a meeting of the Holders pursuant to this Article 10 may also be given by the Holders

of more than 50% of the principal amount of the outstanding Notes of such series by a signed instrument in one or more counterparts, and the expression "resolution" when used in this Indenture will include instruments so signed. Notice of any resolution passed in accordance with this Section 10.12 will be given by the Trustee to the affected Holders within 30 days of the date on which such resolution was passed.

10.13 Binding Effect of Resolutions

Every resolution passed in accordance with the provisions of this Article 10 at a meeting of Holders of a particular series of Notes or of all series then outstanding, as the case may be, shall be binding upon all the Holders of Notes or of the particular series, as the case may be, whether present at or absent from such meeting, and every instrument in writing signed by Holders in accordance with Section 10.12 shall be binding upon all the Holders, whether signatories thereto or not, and each and every Holder and the Trustee (subject to the provisions for its indemnity herein contained) shall, subject to Applicable Law, be bound to give effect accordingly to every such resolution and instrument in writing. Notwithstanding anything in this Indenture (but subject to the provisions of any indenture, deed or instrument supplemental or ancillary hereto), any covenant or other provision in this Indenture or in any Supplemental Indenture which is expressed to be or is determined by the Trustee (relying on the advice of Counsel) to be effective only with respect to Notes of a particular series, may be modified by the required resolution or consent of the Holders of Notes of such series in the same manner as if the Notes of such series were the only Notes outstanding under this Indenture.

10.14 Evidence of Rights of Holders

(a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Holders may be in any number of concurrent instruments of similar tenor signed or executed by such Holders. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney will be sufficient for any purpose of this Indenture if the fact and date of the execution by any Person of such request, direction, notice, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.

(b) Notwithstanding Section 10.14(a), the Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 11
SUCCESSORS TO THE ISSUER AND SUBSIDIARIES

11.1 Merger, Consolidation, Amalgamation or Sale of Assets

(a) The Issuer will not, directly or indirectly:

(i) consolidate, amalgamate or merge with or into another Person (regardless of whether the Issuer is the surviving Person); or

(ii) sell, assign, lease, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Issuer and its Subsidiaries taken as a whole, in one or more related transactions, to another Person,

Unless both before and immediately after giving effect to any such transaction no Event of Default shall have occurred and be continuing.

(b) Upon the consummation of any transaction specified in Section 11.1(a): (i) any continuing successor Person formed by the consolidation or amalgamation or into which the Issuer is merged or to which the sale, assignment, transfer, conveyance or other disposition is made, will succeed to and be substituted for the Issuer, and may exercise every right and power of the Issuer under this Indenture with the same effect as if the successor had been named as the Issuer therein, and (ii) the Issuer will be released and discharged from liability under this Indenture and the Trustee will execute any documents which it may be advised are necessary or advisable for effecting or evidencing such release and discharge.

(c) This Section 11.1 will not apply to:

(i) a merger of the Issuer with a Subsidiary or Affiliate solely for the purpose of reincorporating or continuing the Issuer in another jurisdiction; or

(ii) any consolidation, amalgamation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Subsidiaries.

ARTICLE 12
CONCERNING THE TRUSTEE

12.1 No Conflict of Interest

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 12.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture and the Notes of any series shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises.

12.2 Replacement of Trustee

(a) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Issuer 90 days' notice in writing or such shorter notice as the Issuer may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 90 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest with the Issuer, the

affiliates and Subsidiaries of the Issuer, or any affiliates of the Issuer or the affiliates and Subsidiaries of the Issuer, or resign in the manner and with the effect specified in this Section 12.2.

The validity and enforceability of this Indenture and of the Notes issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Issuer shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Holders in accordance with the provisions hereof. Failing such appointment by the Issuer, the retiring Trustee or any Holder may apply to a judge of the British Columbia Supreme Court, on such notice as such Judge may direct at the Issuer's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Issuer or by the Court shall be subject to removal as aforesaid by the Holders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 12.2 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

(b) Any entity into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any entity resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Issuer, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the retiring Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Issuer or any Guarantor be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Issuer or such Guarantor, as applicable.

12.3 Rights and Duties of Trustee

(a) In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Notes and the Security Documents, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent Trustee would exercise in comparable circumstances. Subject to the foregoing, the Trustee will be liable for its own wilful misconduct or gross negligence. The Trustee will not be liable for any act or default on the part of any agent employed by it or a co-Trustee, or for having permitted any agent or co-Trustee to receive and retain any money payable to the Trustee, except as aforesaid.

(b) Nothing herein contained shall impose any obligation on the Trustee to see to or require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto or thereto, including any Security Documents.

(c) The Trustee shall not be:

(i) accountable for the use or application by the Issuer of the Notes or the

proceeds thereof;

(ii) responsible to make any calculation with respect to any matter under this Indenture, including the calculation of the conversion rate of the Series B Second Lien Notes into US dollars for any purpose;

(iii) liable for any error in judgment made in good faith unless negligent in ascertaining the pertinent facts; or

(iv) responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, any provision of any law or regulation or any act of any Governmental Authority, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; cyberterrorism; accidents; labor disputes; acts of civil or military authority and governmental action.

(d) The Trustee shall have the right to disclose any information disclosed or released to it if, in the reasonable opinion of the Trustee, after consultation with Counsel, it is required to disclose under any Applicable Law, court order or administrative directions, or if, in the reasonable opinion of the Trustee, it is required to disclose to its regulatory authority. The Trustee shall not be responsible or liable to any party for any loss or damage arising out of or in any way sustained or incurred or in any way relating to such disclosure.

(e) The Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on whose signature the Trustee is entitled to act, or refrain from acting, under a specific provision of this Indenture.

(f) The Trustee shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the perfection or maintenance of any security interest created hereunder.

(g) The Trustee will not be charged with knowledge of any default in the payment of any Existing Indebtedness, or of the existence of any default or Event of Default or any other fact that would prohibit the making of any payment of monies to or by the Trustee, or the taking of any other action by the Trustee, unless and until the Trustee has received written notice thereof from the Issuer, any Noteholder or the Collateral Agent. The Trustee will notify holders of Notes of such notice as soon as reasonably practicable after receipt thereof.

(h) The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee from a Person purporting to be (and whom the Trustee, acting reasonably, believes in good faith to be) an authorized representative of the Issuer or a Holder, as sufficient instructions and authority of such party for the Trustee to act and shall have no duty to verify or confirm that Person is so authorized. The Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon, or compliance with, such instructions or directions, except to the extent any such losses, cost or expense are the direct result of gross negligence or willful misconduct on the part of the Trustee. The Issuer and the Holders agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the

Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the

protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by such party; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(i) By their acceptance of the Notes, the Holders hereby designate and appoint the Trustee as the Holders' agent under this Indenture and the Security Documents, and by acceptance of the Notes the Holders hereby irrevocably authorizes the Trustee to take such action on its behalf under the provisions of this Indenture and the Security Documents and to exercise such powers and perform such duties as are expressly delegated to the Trustee by the terms of this Indenture and the Security Documents, and consents and agrees to the terms of this Indenture and each Security Document, as the same may be in effect or may be amended, restated, supplemented or otherwise modified from time to time in accordance with their respective terms.

(j) By their acceptance of the Notes hereunder, the Holders further authorize and direct the Trustee to (i) enter into the Security Documents to which it is party, whether executed on or after the Issue Date, (ii) bind the Holders on the terms as set forth in the Security Documents and (iii) perform and observe its obligations under the Security Documents.

12.4 Reliance Upon Declarations, Opinions, etc.

(a) In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith and subject to Section 12.7, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 12.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an Opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Issuer.

(b) The Trustee shall have no obligation to ensure or verify compliance with any Applicable Law or regulatory requirements on the issue or transfer of any Notes provided such issue or transfer is effected in accordance with the terms of this Indenture. The Trustee shall be entitled to process all transfers and redemptions upon the presumption that such transfer and redemption is permissible pursuant to all Applicable Law and regulatory requirements if such transfer and redemption is effected in accordance with the terms of this Indenture. The Trustee shall have no obligation, other than to confer with the Issuer and its Counsel, to ensure that legends appearing on the Notes comply with regulatory requirements or securities laws of any applicable jurisdiction.

12.5 Evidence and Authority to Trustee, Opinions, etc.

(a) The Issuer shall furnish to the Trustee evidence of compliance with the conditions

precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Issuer or the Trustee under this Indenture or as a result of any obligation imposed

under this Indenture, including without limitation, the authentication and delivery of Notes hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Issuer, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 12.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Issuer written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice. Such evidence shall consist of:

(i) an Officers' Certificate, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(ii) in the case of a condition precedent the satisfaction of which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an Opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(iii) in the case of any such condition precedent the satisfaction of which is subject to review or examination by auditors or accountants, an opinion or report of the Issuer's Auditors whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

(b) Whenever such evidence relates to a matter other than the authentication and delivery of Notes and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other appraiser or any other individual whose qualifications give authority to a statement made by such individual, provided that if such report or opinion is furnished by a director, officer or employee of the Issuer it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with Section 12.5(a).

(c) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (i) a statement by the individual giving the evidence that he or she has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that, in the belief of the individual giving such evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein, and (iv) a statement whether in the opinion of such individual the conditions precedent in question have been complied with or satisfied.

(d) The Issuer shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, an Officers' Certificate certifying that the Issuer has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would constitute a Default or an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving

particulars of such non-compliance. The Issuer shall, whenever the Trustee so requires, furnish the

Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Issuer or as a result of any obligation imposed by this Indenture.

12.6 **Officers' Certificates Evidence**

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officers' Certificate.

12.7 Experts, Advisers and Agents

Subject to Sections 12.3 and 12.4, the Trustee may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Issuer, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Issuer.

12.8 Trustee May Deal in Notes

Subject to Sections 12.1 and 12.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in Notes and generally contract and enter into financial transactions with the Issuer or otherwise, without being liable to account for any profits made thereby. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the British Columbia Supreme Court for permission to continue as Trustee hereunder or resign.

12.9 Investment of Monies Held by Trustee

(a) Any securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee or of any Canadian chartered bank or deposited for safe-keeping in the Province of British Columbia with any such bank. In respect of any moneys so held, upon receipt of a written order from a Participant or a Beneficial Holder, the Trustee shall invest the funds in accordance with such written order in Authorized Investments (as defined below). Any such written order from a Participant or a Beneficial Holder shall be provided to the Trustee no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such written order from a Participant

time) on the day on which the investment is to be made. Any such written order from a Participant or a Beneficial Holder received by the Trustee after 9:00 a.m. (Toronto time) or received on a non-

Business Day, shall be deemed to have been given prior to 9:00 a.m. (Toronto time) the next Business Day. For certainty, after an Event of Default, the Trustee shall only be obligated to make investments on receipt of appropriate instructions from the Holders by way of a resolution of Holders of at least a majority in principal amount of the Notes represented and voting at a meeting of Holders, or by a resolution in writing.

(b) The Trustee shall have no liability for any loss sustained as a result of any investment selected by and made pursuant to the instructions of the Issuer or the Holders, as applicable, as a result of any liquidation of any investment prior to its maturity or for failure of either the Issuer or the Holders, as applicable, to give the Trustee instructions to liquidate, invest or reinvest amounts held with it. In the absence of written instructions from either the Issuer or the Holders as to investment of funds held by it, such funds shall be held uninvested by the Trustee without liability for interest thereon.

(c) For the purposes of this section, "Authorized Investments" means short term interest bearing or discount debt obligations issued or guaranteed by the government of Canada or a Province or a Canadian chartered bank (which may include an affiliate (as defined in this section) or related party of the Trustee) provided that such obligation is rated at least R1 (middle) by DBRS or an equivalent rating service. For certainty, the Issuer and the Holders acknowledge and agree that the Trustee has no obligation or liability to confirm or verify that investment instructions delivered pursuant to this Section 12.9 comply with the definition of Authorized Investments.

12.10 Trustee Not Ordinarily Bound

Except as otherwise specifically provided herein, the Trustee shall not, subject to Section 12.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Issuer of any of the obligations herein imposed upon the Issuer or of the covenants on the part of the Issuer herein contained, nor in any way to supervise or interfere with the conduct of the Issuer's business, unless the Trustee shall have been required to do so in writing by the Holders of more than 50% of the principal amount of the Notes then outstanding, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

12.11 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

12.12 **Trustee Not Bound to Act on Issuer's Request**

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Issuer until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

12.13 **Conditions Precedent to Trustee's Obligations to Act Hereunder**

12.13 **Conditions Precedent to Trustee's Obligations to Act Hereunder**

(a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Holders hereunder shall be conditional upon any one or more Holders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(b) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Holders of Notes of a series at whose instance it is acting to deposit with the Trustee such Notes held by them for which Notes the Trustee shall issue receipts.

(d) Unless an action is expressly directed or required herein, the Trustee shall request instructions from the Holders with respect to any actions or approvals which, by the terms of this Indenture, the Trustee is permitted to take or to grant (including any such actions or approvals that are to be taken in the Trustee's "discretion" or "opinion", or to its "satisfaction", or words to similar effect), and the Trustee shall refrain from taking any such action or withholding any such approval and shall not be under any liability whatsoever as a result thereof until it shall have received such instructions by way of resolution from the Holders in accordance with this Indenture.

12.14 Authority to Carry on Business

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Provinces of British Columbia and Alberta but if, notwithstanding the provisions of this Section 12.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Section 12.2.

12.15 Compensation and Indemnity

(a) The Issuer shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Issuer and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any Default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(b) The Issuer hereby indemnifies and saves harmless the Trustee and its directors

(b) The Issuer hereby indemnifies and saves harmless the Trustee and its directors, officers, employees and shareholders from and against any and all loss, damages, charges,

expenses, claims, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of the gross negligence or wilful misconduct of the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defence. The Trustee may have separate Counsel and the Issuer shall pay the reasonable fees and expenses of such Counsel. The Issuer need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture. Other than for gross negligence or intentional misconduct, any liability of the Trustee shall be limited to direct damages which in the aggregate shall not exceed the amount of fees paid by the Issuer under this Indenture in the twelve months immediately prior to the Trustee receiving the first notice of the claim.

(c) The Issuer need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or wilful misconduct on the part of the Trustee.

12.16 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Holders, subject to all the terms and conditions herein set forth.

12.17 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to all parties hereto; provided that (A) the written notice shall describe the circumstances of such non-compliance; and (B) if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

12.18 Privacy

(a) The parties hereto acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(i) to provide the services required under this Indenture and other services that may be requested from time to time;

(ii) to help the Trustee manage its servicing relationships with such individuals;

(ii) to help the Trustee manage its servicing relationships with such individuals;

(iii) to meet the Trustee's legal and regulatory requirements; and

(iv) if social insurance or social security numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

(b) Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of providing services under this Indenture for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Trustee shall make available on its website or upon request, including revisions thereto. The Trustee may transfer some of that personal information to service providers in the United States for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

12.19 Execution of Intercreditor Agreement

The Trustee shall execute the Intercreditor Agreement, in its capacity as Trustee under this Indenture, without any further consent or approval from the Holders or the Issuer. Each Holder, by its acceptance of Notes: (a) authorizes the Trustee to enter into the Intercreditor Agreement and any subsequent amendments or modifications thereto that (i) are requested by the Issuer; or (ii) are minor or administrative in nature without further authorization of the Holders; and (b) acknowledges and agrees that the Trustee shall not be responsible to approve, review or otherwise negotiate the terms of the Intercreditor Agreement on behalf of the Holders or the Issuer and that the Trustee shall not be liable to the Holders for any of the terms or provisions contained in the Intercreditor Agreement. The Holders further acknowledge that the Trustee has not and will not provide any advice to the Holders of the Notes in respect of this Indenture or the Security Documents, the adequacy of this Indenture or the Security Documents or as to the priority, registration or perfection of their interest in the Collateral.

ARTICLE 13
AMENDMENT, SUPPLEMENT AND WAIVER

13.1 Ordinary Consent

Except as provided in Section 13.2 or 13.3, the Issuer and the Trustee (upon the vote or direction or otherwise with the affirmative consent of the Notes Majority) may amend, supplement or waive any provision in this Indenture or the Notes.

13.2 Special Consent

Notwithstanding Section 13.1, without the consent of, or a resolution passed by the affirmative votes of or signed by each Holder affected, an amendment, supplement or waiver may not (with respect to any Notes of any series held by a non-consenting Holder):

(a) change the fixed Maturity of any Note;

(b) reduce the rate of or change the time for payment of interest on any Note; or

(c) release a material portion of the Collateral from the liens imposed by the Security Documents, other than in accordance with the terms of this Indenture or the Security Documents.

13.3 Without Consent

Notwithstanding Section 13.1 or 13.2, the Issuer and the Trustee, without the consent of any Holders of Notes or any other Person, may amend or supplement this Indenture or the Notes to:

(a) cure any ambiguity, defect or inconsistency;

(b) provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) make any change that would provide any additional rights or benefits to the Holders of Notes or that does not materially adversely effect the legal rights under this Indenture of any Holder of Notes;

(d) add any additional Guarantors or to evidence the release of any Guarantor from its obligations under its Guarantee to the extent that such release is permitted by this Indenture, the Notes or the Security Documents;

(e) comply with the provisions set out in Article 14;

(f) evidence and provide for the acceptance of appointment by a successor Trustee;

(g) provide for the issuance of Additional Notes and other credit instruments in accordance with this Indenture;

(h) to enter into additional or supplemental Security Documents or to add additional parties to the Security Documents to the extent permitted thereunder and under this Indenture or the Security Documents;

(i) allow any future Guarantor to execute a Guarantee; or

(j) to release Collateral from liens when permitted or required by this Indenture or the Security Documents or add assets to Collateral when permitted or required by this Indenture or the Security Documents.

13.4 Form of Consent

It is not necessary for any consent under Section 13.1 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

13.5 Supplemental Indentures

(a) Subject to the provisions of this Indenture, the Issuer and the Trustee may from time to time execute, acknowledge and deliver Supplemental Indentures which thereafter shall form part of this Indenture, for any one or more of the following purposes:

(i) establishing the terms of any series of Notes and the forms and

denominations in which they may be issued as provided in Article 2;

(ii) making such amendments not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes of any series which do not affect the substance thereof and which in the opinion of the Trustee relying on an Opinion of Counsel will not be materially prejudicial to the interests of Holders;

(iii) rectifying typographical, clerical or other manifest errors contained in this Indenture or any Supplemental Indenture, or making any modification to this Indenture or any Supplemental Indenture which, in the opinion of Counsel, are of a formal, minor or technical nature and that are not materially prejudicial to the interests of the Holders;

(iv) to give effect to any amendment or supplement to this Indenture or the Notes of any series made in accordance with Sections 13.1 or 13.2;

(v) evidencing the succession, or successive successions, of others to the Issuer or any Guarantor and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture; or

(vi) for any other purpose not inconsistent with the terms of this Indenture, provided that in the opinion of the Trustee (relying on an Opinion of Counsel) the rights of neither the Holders nor the Trustee are materially prejudiced thereby.

(b) Unless this Indenture expressly requires the consent or concurrence of Holders, the consent or concurrence of Holders shall not be required in connection with the execution, acknowledgement or delivery of a Supplemental Indenture contemplated by this Indenture.

(c) Upon receipt by the Trustee of (i) an Issuer Order accompanied by a Board Resolution authorizing the execution of any such Supplemental Indenture, and (ii) an Officers' Certificate stating that such amended or Supplemental Indenture complies with this Section 13.5, the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or Supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained.

ARTICLE 14
GUARANTEES

14.1 Guarantees and Collateral Agent

(a) Each Guarantor providing a Guarantee on the Issue Date shall execute and deliver to the Trustee the Guaranty and Collateral Security Agreement substantially in the form attached hereto as Error! Reference source not found..

(b) By their acceptance of the Notes, the Holders hereby designate and appoint a Collateral Agent to serve as Collateral Agent and as the Holder's agent under this Indenture and the Security Documents, and the Trustee and each of the Holders by acceptance of the Notes

hereby irrevocably authorizes the Collateral Agent to take such action on its behalf under the provisions of this Indenture and the Security Documents and to exercise such powers and perform

such duties as are expressly delegated to the Collateral Agent by the terms of this Indenture and the Security Documents, and consents and agrees to the terms of each Security Document, as the same may be in effect or may be amended, restated, supplemented or otherwise modified from time to time in accordance with their respective terms.

(c) By their acceptance of the Notes hereunder, the Holders further authorize and direct the Collateral Agent to (i) enter into the Security Documents to which it is party, whether executed on or after the Issue Date, (ii) bind the Holders on the terms as set forth in the Security Documents and (iii) perform and observe its obligations under the Security Documents.

(d) The Collateral Agent shall execute the Intercreditor Agreement, in its capacity as Collateral Agent under this Indenture, without any further consent or approval from the Holders or the Issuer. Each Holder, by its acceptance of Notes: (a) authorizes the Collateral Agent to enter into the Intercreditor Agreement and any subsequent amendments or modifications thereto that (i) are requested by the Issuer; or (ii) are minor or administrative in nature without further authorization of the Holders; and (b) acknowledges and agrees that the Collateral Agent shall not be responsible to approve, review or otherwise negotiate the terms of the Intercreditor Agreement on behalf of the Holders or the Issuer and that the Trustee shall not be liable to the Holders for any of the terms or provisions contained in the Intercreditor Agreement. The Holders further acknowledge that the Collateral Agent has not and will not provide any advice to the Holders of the Notes in respect of this Indenture or the Security Documents, the adequacy of this Indenture or the Security Documents or as to the priority, registration or perfection of their interest in the Collateral.

ARTICLE 15
NOTICES

15.1 Notice to Issuer

Any notice to the Issuer under the provisions of this Indenture shall be valid and effective (i) if delivered to the Issuer at 301 Yamato Road, Suite 3250, Boca Raton, FL 33431, Attention: Legal Department (ii) if delivered by email to legal@jushico.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and if mailed, five days following the mailing thereof. The Issuer may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Issuer for all purposes of this Indenture.

15.2 Notice to Holders

(a) All notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the Holders thereof if sent by first class mail, postage prepaid, or, if agreed to by the applicable recipient, by email, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given five days following the day of mailing, or immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient,

such email shall be deemed to have been sent at the opening of business on the next business day

for the recipient, as applicable. Accidental error or omission in giving notice or accidental failure to mail notice to any Holder or the inability of the Issuer to give or mail any notice due to anything beyond the reasonable control of the Issuer shall not invalidate any action or proceeding founded thereon.

(b) If any notice given in accordance with Section 15.2(a) would be unlikely to reach the Holders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Issuer shall give such notice by publication at least once in a daily newspaper of general national circulation in Canada.

(c) Any notice given to Holders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(d) All notices with respect to any Note may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of any Persons interested in such Note.

15.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective: (i) if delivered to the Trustee at its principal office in the City of Vancouver, British Columbia at 350 – 409 Granville Street V6C 1T2, Attention: VP, Corporate Trust, (ii) if delivered by email to corptrust@odysseytrust.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given five days following the mailing thereof.

15.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 15.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 15.3.

ARTICLE 16
MISCELLANEOUS

16.1 Copies of Indenture

Any holder of a Second Lien Note may obtain a copy of this Indenture without charge by writing to the Issuer at 301 Yamato Road, Suite 3250, Boca Raton, FL 33431, Attention: Investor Relations (investors@jushico.com).

16.2 Force Majeure

Except for the payment obligations of the Issuer contained herein, neither the Issuer nor the Trustee

Except for the payment obligations of the issuer contained herein, neither the issuer nor the Trustee shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed

in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 16.2.

16.3 Waiver of Jury Trial

EACH OF THE ISSUER, THE GUARANTORS AND THE TRUSTEE HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS INDENTURE. The scope of this waiver is intended to encompass any and all disputes that may be filed in any court and that relate to the subject matter of this Indenture, including contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that such party has already relied on the waiver in entering into this Indenture, and that such party shall continue to rely on the waiver in its related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of litigation, this Indenture may be filed as a written consent to a trial by the court without a jury.

ARTICLE 17
EXECUTION AND FORMAL DATE

17.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Indenture by any party hereto by facsimile transmission or PDF shall be as effective as delivery of a manually executed copy of this Indenture by such party.

17.2 Formal Date

For the purpose of convenience, this Indenture may be referred to as bearing the formal date of December 7, 2022, irrespective of the actual date of execution hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

ISSUER:

JUSHI HOLDINGS INC.

Per: /s/ Leonardo Garcia-Berg
Name: Leonardo Garcia-Berg
Title: Chief Operations Officer

TRUSTEE:

ODYSSEY TRUST COMPANY

Per: /s/ Dan Sander
Name: Dan Sander
Title: President, Corporate Trust

Per: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

EXHIBIT 4.7

Execution Version

SECOND AMENDMENT TO CREDIT AGREEMENT AND CONSENT TO SENIOR NOTES REFINANCING

This Second Amendment to Credit Agreement (this "**Amendment**") is made as of December 6, 2022 by and among Jushi Holdings Inc. ("**Borrower**"), the other loan parties signatory hereto (the "**Other Loan Parties**") and Roxbury, LP, as administrative agent for the Lenders (the "**Agent**"). All capitalized terms used but not otherwise defined in this Amendment shall have the meaning provided in the Credit Agreement.

RECITALS

WHEREAS, Borrower, the Other Loan Parties, the Lenders and Agent are parties to that certain Credit Agreement, dated as of October 20, 2021 as amended by the Limited Waiver and First Amendment to Credit Agreement dated as of April 29, 2022 (the "**Credit Agreement**");

WHEREAS, Roxbury, LP is the only Lender under the Credit Agreement as of the date hereof;

WHEREAS, pursuant to Section 16.1(a) of the Credit Agreement, no amendment, waiver or other modification of any provision of the Credit Agreement shall be effective unless the same shall be in writing and signed by Required Lenders, Borrower and the other Loan Parties;

WHEREAS, Borrower and the Other Loan Parties intend to consummate a Senior Notes Refinancing on or before the Senior Notes Maturity Date;

WHEREAS, pursuant to Section 2.12 of the Credit Agreement, the Agent has the right on behalf of the Lenders to elect to have the Lenders contribute up to fifty percent (50%) of the funds to be used as part of a bona fide Senior Notes Refinancing Proposal to refinance the Indebtedness under the Senior Notes;

WHEREAS, the Senior Notes Refinancing shall be consummated with the proceeds of the issuance of subordinated notes (the "**Subordinated Notes**") pursuant to a Subordinated Notes Trust Indenture (the "**Subordinates Notes Indenture**") between the Borrower, as issuer, and Odyssey Trust Company, as trustee, substantially in the form attached hereto as Exhibit C; and

WHEREAS, the Borrower has requested, and the Agent and Lender have agreed to: (a) consent to the Senior Notes Refinancing through the issuance of the Subordinated Notes; (b) waive its right to participate in the Senior Notes Refinancing; and (c) to amend the Credit Agreement to, among other things, permit the incurrence by the Borrower of secured subordinated Indebtedness in connection with the Subordinated Notes, in each case as more expressly provided herein.

NOW, THEREFORE, based on the mutual promises provided herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

AGREEMENT

1. Consent and Amendments. Subject only to the satisfaction of the conditions precedent set forth in Section 2 hereof:

a. The Agent and Lender each hereby: (i) consents to the consummation of the Senior Notes Refinancing through the issuance of the Subordinated Notes; (ii) waives any right to participate in the

Senior Notes Refinancing; and (iii) acknowledges and agrees that its consent to the consummation of the Senior Notes Refinancing with the proceeds of the issuance of the Subordinated Notes hereunder satisfies the requirements of a Senior Notes Refinancing under Section 2.12 of the Credit Agreement as in effect prior to the Subsequent Effective Date; and

b. The Credit Agreement shall automatically be amended as of the Subsequent Effective Date (as defined below) by deleting the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and adding the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as indicated in Exhibit A attached hereto.

2. Condition Precedent to Effectiveness.

a. This Amendment (other than the consent, waiver and amendments set forth in Section 1 hereto) shall become effective upon the satisfaction of the following conditions precedent (such effective date, the "Initial Effective Date"):

i. each party shall have received duly executed counterparts of this Amendment;

ii. the Agent shall have received updated disclosure schedules to the Credit Agreement, reflecting disclosures as of the Initial Effective Date, each in form and substance satisfactory to the Agent; and

iii. all costs and expenses due and owing pursuant to Section 5(g) hereof to the Agent by the Borrower shall have been paid in full and the Borrower shall have paid any other fees or invoiced expenses of the Agent or its counsel.

b. The effectiveness of the Lender's consent to the Senior Notes Refinancing, the Lender's waiver of its right to participate in the Senior Notes Refinancing and the amendments to the Credit Agreement indicated in Exhibit A attached hereto are subject to the satisfaction in full or waiver by the Agent of each of the conditions precedent set forth in this Section 2.b. (the date upon which each of such conditions precedent has been satisfied or waived, the "Subsequent Effective Date"):

i. the conditions to the Initial Effective Date shall have been satisfied;

ii. the Agent shall have received evidence that (x) the Senior Notes Refinancing has been consummated prior to January 15, 2023 (the date of consummation of the Senior Notes Refinancing, the "Refinancing Date") and (y) all Indebtedness under the Senior Notes has been paid in full;

iii. the Agent shall have received the Subordination and Intercreditor Agreement, dated on or prior to the Refinancing Date, duly executed by Odyssey Trust Company (or such other Person serving as trustee of the Subordinated Notes pursuant to the Subordinated Notes Indenture) on behalf of the holders of the Subordinated Notes;

iv. the Agent shall have received a warrant in the form attached as Exhibit B hereto, duly executed by the Borrower;

v. the Agent shall have received UCC and other searches satisfactory to it indicating that no other filings, encumbrances, or transfers (other than in connection with Permitted Liens) with regard to the Collateral are of record in any jurisdiction in which it shall be necessary or desirable for the Agent to make a filing in order to provide the Agent (for the benefit of the Lenders) with a perfected first priority security interest in the Collateral (subject to Permitted Priority Liens); and

vi. the representations and warranties contained in Section 4 hereof are true and correct.

The parties acknowledge and agree that if the Refinancing Date does not occur on or prior to January 15, 2023, this Amendment and all the terms and conditions set forth herein (including without limitation any modifications and amendments to the Credit Agreement) shall be null and void and of no force or effect.

3. Conditions Subsequent. Notwithstanding anything to the contrary in the Credit Agreement, the fulfillment of each of the following obligations on or before the date applicable thereto (as such date may be extended in the Agent's reasonable discretion) shall be a condition subsequent to the effectiveness of the consents, waivers, amendments and modifications set forth in this Amendment. Any breach of this Section 3 shall constitute an immediate Event of Default under the Credit Agreement, unless such deadline has otherwise been agreed to be extended in writing by Agent in its sole discretion (not to be unreasonably withheld if the Loan Parties have acted diligently and in good faith and failure to meet such deadline is beyond the reasonable control of the Loan Parties).

a. Within 60 days after the Subsequent Effective Date, the Loan Parties shall have complied with Section 6.17(a) of the Credit Agreement;

b. Within 30 days after the Subsequent Effective Date, the Agent shall have received a duly executed Intellectual Property Security Agreement for the Intellectual Property Collateral of any Loan Party not subject to an existing Intellectual Property Security Agreement;

c. Within 10 days after the Subsequent Effective Date, the Agent shall have received stock certificates in respect of all Pledged Equity of the Loan Parties that is certificated, together with stock powers executed in blank in respect of such stock certificates; and

d. Within 10 days after the Subsequent Effective Date, the Agent shall have received (x) documentation satisfactory to it in its reasonable discretion evidencing that all security interests in respect of the Senior Notes have been discharged and (y) the Amended and Restated Guaranty and Security Agreement, duly executed by each of the Loan Parties.

4. Representations and Warranties. The Borrower and each Loan Party represents and warrants that:

a. Immediately before and immediately after giving effect to this Amendment, the representations and warranties contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof (except to the extent that any such representations and warranties specifically relate to an earlier date or to the Initial Effective Date, in which case all such representations and warranties are true and correct on and as of the applicable date); and

b. Immediately before and immediately after giving effect to this Amendment, no Default or Event of Default (other than those Defaults waived pursuant to the Limited Waiver and First Amendment to Credit Agreement dated as of April 29, 2022 by and among Borrower, the Other Loan Parties and Agent) will have occurred and be continuing.

5. Miscellaneous.

a. Severability. Each provision of this Amendment shall be severable from every other provision of this Amendment for the purposes of determining the legal enforceability of any specific provision.

b. Ratification. Except to the extent expressly modified by this Amendment, the Parties reconfirm and ratify the Credit Agreement and confirm that the Credit Agreement has remained in full force and effect, to the extent set forth therein, since the date of its execution.

c. No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Amendment.

d. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

e. Loan Document. This Amendment constitutes a Loan Document. All references to the Credit Agreement in the Loan Documents shall mean the Credit Agreement as modified by this Amendment.

f. APPLICABLE LAW. THIS AMENDMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

g. Expenses. The Borrower agrees to pay all reasonable documented out-of-pocket expenses incurred by the Agent in connection with the preparation, execution and delivery of this Amendment, including, but not limited to, the reasonable documented fees and disbursements of O'Melveny & Myers LLP, counsel for the Agent.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first set forth above.

BORROWER:

JUSHI HOLDINGS INC.

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: President

LOAN PARTIES:

JUSHI INC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: President

JMGT, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI IP, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JREH, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEAR FLAG ASSETS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

TGS CC VENTURES LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

MOJAVE SUNCUP HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYOND HELLO IL HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYOND HELLO IL, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

AGAPE TOTAL HEALTHCARE INC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PASPV HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PENNSYLVANIA MEDICAL SOLUTIONS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

NORTHEAST VENTURE HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PENNSYLVANIA DISPENSARY SOLUTIONS LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

GSG SBCA, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI VA, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

DALITSO LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PRODUCTION EXCELLENCE, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE NV LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI OH, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

OHIGROW, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE – PENN LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE OH, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - NE LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - SE LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - SW LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYOND HELLO CA, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI MA, INC.

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

MCMANN, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

VALIANT ENTERPRISES, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

SF-D, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

JUSHI NV, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

JUSHI NV CLV, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

NULEAF RENO PRODUCTION, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Manager

NULEAF SPARKS CULTIVATION, LLC

By: DocuSigned by: Jon Barack C66934968412 4D3...

Name: Jon Barack

Title: Manager

NULEAF INCLINE DISPENSARY, LLC

By: DocuSigned by: Jon Barack C66934968412 4D3...

Name: Jon Barack

Title: Manager

NULEAF CLARK DISPENSARY, LLC

By: DocuSigned by: Jon Barack C66934968412 4D3...

Name: Jon Barack

Title: Manager

NULEAF CLV DISPENSARY, LLC

By: DocuSigned by: Jon Barack C66934968412 4D3...

Name: Jon Barack

Title: Manager

EAGLE EYE ENLIGHTENMENT, INC.

By: DocuSigned by: Jon Barack C66934968412 4D3...

Name: Jon Barack

Title: President

ROXBURY, LP,
as Agent and as sole Lender

By: _____
Name: Aaron Bunting
Title: Officer

EXHIBIT A

AMENDED CREDIT AGREEMENT

[attached]

Conformed through Amendment No. 2

CREDIT AGREEMENT

by and among

JUSHI HOLDINGS INC.,
as Borrower,

THE OTHER LOAN PARTIES THAT ARE PARTY HERETO,

THE LENDERS THAT ARE PARTY HERETO
as the Lenders,

and

ROXBURY, LP,
as Agent

Dated as of October 20, 2021

THIS INDEBTEDNESS GOVERNED HEREBY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES. FOR FURTHER INFORMATION REGARDING THE ISSUE PRICE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE DATE AND THE YIELD TO MATURITY OF SUCH INDEBTEDNESS, THE HOLDER OF THIS NOTE SHOULD CONTACT THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF JUSHI HOLDINGS INC. AT 301 YAMATO ROAD, SUITE 3250, BOCA RATON, FLORIDA 33431 WHO WILL PROMPTLY MAKE SUCH INFORMATION AVAILABLE.

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ANNEXES, EXHIBITS AND SCHEDULES

CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement"), is entered into as of October 20, 2021 by and among JUSHI HOLDINGS INC., a company organized under the laws of the Province of British Columbia ("Borrower"), the other Loan Parties that are party hereto from time to time, the lenders identified on the signature pages hereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), and ROXBURY, LP, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent").

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the meanings assigned to such terms below:

"Acquired Financed Loan Party" or "Acquired Financed Loan Parties" means each Loan Party that is acquired by the Borrower or its Subsidiaries pursuant to the Specified Acquisition or a Permitted Acquisition and that is financed, in whole or in part, with Term Loans.

"Acquired Financed Loan Party Collateral" shall mean all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Acquired Financed Loan Party.

"Acquired Financed Loan Party Guaranty and Security Agreement" means any Guaranty and Security Agreement executed and delivered to Agent by an Acquired Financed Loan Party as may be required pursuant to Section 6.11 hereof with respect to any Permitted Acquisition, for the benefit of the Lender Group, which shall provide that the Lender Group shall be entitled to a first priority Lien on all Acquired Financed Loan Parties Collateral and shall be in substantially the form attached hereto as Exhibit E.

"Acquired Financed Loan Party Leasehold Property" means any leasehold interest of any Acquired Financed Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Agent in its sole discretion as not being required to be included in the Collateral.

"Acquired Financed Loan Party Mortgage" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by any Acquired Financed Loan Party in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber any Acquired Financed Loan Party Real Property.

"Acquired Financed Loan Party Mortgage Supporting Documents" means, with respect to each Acquired Financed Loan Party Mortgage for a parcel of Acquired Financed Loan Party Real Property, each of the following:

(i) evidence in form and substance reasonably satisfactory to Agent that the recording of counterparts of such Acquired Financed Loan Party Mortgage in the recording offices specified in such Acquired Financed Loan Party Mortgage will create a valid and enforceable first priority lien on the property described therein in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve;

(ii) a lender's Title Insurance Policy dated a date reasonably satisfactory to Agent, which shall (A) be in an amount not less than the appraised value (determined by reference to an appraisal) of such parcel of Acquired Financed Loan Party Real Property in form and substance satisfactory to Agent, but subject to the limitations imposed by the approved Title Insurance Company, (B) insure that the Lien granted pursuant to the Acquired Financed Loan Party Mortgage insured thereby creates a valid first Lien on such parcel of Acquired Financed Loan Party Real Property free and clear of all defects and encumbrances, except for Liens permitted hereunder and for such defects and encumbrances as may be approved by Agent, (C) name Agent as the insured thereunder, (D) contain such endorsements as Agent deems reasonably necessary to the extent available from the Title Insurance Company in the State where the Acquired Financed Loan Party Real Property is located, and I be otherwise in form and substance reasonably satisfactory to Agent;

(iii) copies of a recent ALTA survey of such parcel of Acquired Financed Loan Party Real Property in form and substance satisfactory to Agent, but in any event allowing for the Title Insurance Policy to be issued without a standard survey exception and with same as survey endorsement to the extent available from the Title Insurance Company in the State where the Acquired Financed Loan Party Real Property is located;

(iv) evidence in form and substance reasonably satisfactory to Agent that all premiums in respect of the lender's Title Insurance Policy, all recording fees and stamp, documentary, intangible or mortgage taxes, if any, in connection with the Acquired Financed Loan Party Mortgage have been paid;

(v) concurrent with the delivery of any Acquired Financed Loan Party Mortgage with respect to a Acquired Financed Loan Party Real Property, (i) if the improvements to the applicable improved property is located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property"), a written notification thereof to the Borrower ("Borrower Notice"), (ii) the Borrower's written acknowledgment of receipt of Borrower Notice as to the fact that such Acquired Financed Loan Party Real Property is a Flood Hazard Property and as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (iii) if the Borrower Notice is required to be given and flood insurance is available in the community in which the applicable Acquired Financed Loan Party Real Property is located, copies of the applicable Acquired Financed Loan Party's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued and naming Agent as loss payee on behalf of the Lender Group; and

(vi) such other agreements, documents and instruments in form and substance reasonably satisfactory to Agent as Agent deems necessary or appropriate to create, register or otherwise perfect, maintain, evidence the existence, substance, form or validity of, or enforce a valid and enforceable first priority lien on such parcel of Acquired Financed Loan Party Real Property in favor of Agent (or in favor of such other trustee as may be required or desired under local law) subject only to (A) Liens permitted hereunder and (B) such other Liens as Agent may reasonably approve.

"Acquired Financed Loan Party Real Property" means any estates or interests in real property now owned or hereafter acquired by any Acquired Financed Loan Party and the improvements thereto.

"Acquired Non-Financed Parties" means each Subsidiary that is acquired by the Borrower or its Subsidiaries pursuant to a Permitted Acquisition that is not an Acquired Financed Loan Party.

"Acquired Non-Financed Party Guaranty and Security Agreement" means any Guaranty and Security Agreement executed and delivered to Agent by an Acquired Non-Financed Party as may be required pursuant to Section 6.11 hereof, for the benefit of the Lender Group, which shall provide that: (1) the Lender Group shall be entitled to a Lien on all Acquired Non-Financed Party Collateral which shall be senior to all other Liens other than Permitted Priority Liens; and (2) the Lender Group's Lien will, upon repayment of the loans financing the Permitted Acquisition of the relevant Acquired Non-Financed Party, automatically become a first priority Lien.

"Acquired Non-Financed Party Collateral" shall mean all Collateral now owned or hereafter acquired by any Acquired Non-Financed Party.

"Acquired Party" or "Acquired Parties" means the Acquired Financed Loan Parties and the Acquired Non-Financed Parties, or any of them individually.

"Additional Documents" has the meaning specified therefor in Section 6.13.

"Additional Term Loans" has the meaning specified therefor in Section 2.1(b).

"Adjusted EBITDA" means, with respect to any period,

1. EBITDA,

minus

(a) without duplication, the sum of the following amounts of Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary non-recurring or unusual gains and income, and

(ii) non-cash items increasing consolidated net earnings for such period including in connection with any earn-out or conditional consideration payable in connection with a Permitted Acquisition (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), and

(iii) interest income,

plus

(b) without duplication, the sum of the following amounts of Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) non-recurring non-cash charges, losses or expenses or other extraordinary costs and expenses, including for goodwill writeoffs and write downs;

(ii) non-cash compensation expense, or other non-cash expenses or charges in each case arising from the granting of stock options, stock appreciation rights, restricted stock, or similar arrangements;

(iii) the amount of any minority interest expense attributable to minority interests of third parties in the positive income of any non-wholly owned Subsidiary;

(iv) the amount of "run-rate" cost savings, operating expense reductions and synergies (collectively, "Cost Savings") projected by the Borrower in good faith to result from actions taken, committed to be taken or expected in good faith to be taken with respect to integrating, consolidating or discontinuing operations, headcount reductions, closure of facilities or Permitted Acquisition within twelve (12) months thereafter, net of the amount of actual benefits realized during such period from such actions; provided, that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable and set forth in an officer's certificate delivered to Agent;

(v) any expenses, charges or losses to the extent covered and actually reimbursed by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or sale, conveyance, transfer or other disposition of assets permitted under this Agreement;

(vi) expenses, charges or losses with respect to liability or casualty events or business interruption to the extent covered and actually reimbursed by insurance;

(vii) non-cash compensation, fees and expense reimbursements paid to board directors to the extent permitted under Section 7.1;

(viii) (A) transaction fees and transaction expenses incurred in connection with the Senior Notes Refinancing and (B) reasonable and documented out-of-pocket fees and expenses incurred in connection with any amendments, consents or waivers to or under this Agreement and any other Loan Document or the negotiation, execution and delivery of additional Loan Documents;

(ix) transaction expenses incurred in connection with a Permitted Investment or a Permitted Acquisition (irrespective of whether such Permitted Acquisition is consummated, subject to a maximum of *** of EBITDA for non-consummated transactions), including any refinancing of (or amendment to) any Indebtedness acquired or assumed in connection with such Permitted Investment or Permitted Acquisition);

(x) transaction expenses incurred in connection with (A) any actual or proposed issuance of Indebtedness permitted hereunder (regardless of whether consummated), (B) the issuance of any Restricted Payments or equity permitted hereunder (including for the avoidance of doubt any actual or proposed offering of equity securities of the Borrower) (C) the making of any Permitted Disposition; (D) Borrower's registration as a reporting issuer in the United States pursuant to the Exchange Act or (E) any actual or proposed public or private offering of Stock;

(xi) other cash charges and expenses approved in writing by Agent in its sole discretion;

(xii) [reserved];

(xiii) any other non-cash charges, including any write-offs, write-downs, expenses, losses, impairment charges and the impact of purchase accounting, including in connection with inventory or any earn-out or conditional consideration payable in connection with a Permitted Acquisition, but excluding (A) any write-off or write-down of accounts receivable, and (B) amortization of a prepaid cash item that was paid in a prior period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from EBITDA to such extent);

(xiv) start-up or initial costs for any project or new production line, division or new line of business or other business optimization expenses, including, without limitation, costs or reserves associated with improvements to information technology functions, integration and facilities opening costs, costs relating to entry into a new state, project startup costs, costs relating to any strategic initiative or new operations and conversion costs and any business development, consulting or legal costs and fees relating to the foregoing;

(xv) integration costs in connection with any Permitted Acquisition or Permitted Investment, including severance costs, noncompetition and non-solicitation costs, retention and completion bonuses, business optimization expenses, transition costs, costs related to the closure, relocation and/or consolidation of offices and facilities (including the termination or discontinuance of activities constituting a business or business unit), contract termination costs, recruiting, signing and completion bonuses and expenses, systems establishment costs, conversion costs, excess pension charges and curtailments or modifications to pension and post-retirement employee benefit plans;

(xvi) non-recurring litigation and arbitration costs, charges, fees and expenses (including payments of legal settlements, fines, judgments or orders) exceeding ***;

(xvii) costs related to restructurings, including severance, recruiting, contract termination, relocation, integration, information technology investment and other costs and expenses;

(xviii) non-cash fair value adjustments, including those resulting from purchase accounting, to inventory sold and biological assets, including cannabis plants, measured at fair value less cost to sell up to the point of harvest;

(xix) non-cash fair value adjustments to derivative instruments; and

(xx) non-cash fair value adjustments to unrealized gains or losses on financial assets or liabilities, including but not limited to modification or extinguishment of Indebtedness, or modification of warrants or exchangeable shares of the Borrower and its Subsidiaries;

provided that the aggregate amounts added back pursuant to clauses (b)(iv), (xiv), (xv) (solely to the extent such costs are paid in cash) and (xvii) (solely to the extent such costs are paid in cash) shall not exceed an amount equal to *** of Adjusted EBITDA as determined without giving effect to such clauses.

For the purpose of calculating EBITDA and Adjusted EBITDA for any period, if during such period the Borrower or any Subsidiary shall have consummated a Permitted Acquisition, EBITDA and Adjusted EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Permitted Acquisition occurred on the first day of such period.

"Affected Lender" has the meaning specified therefor in Section 2.11(b).

"Affiliate" means, as applied to any Person, any other Person that controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Stock, by contract, or otherwise; provided that, for purposes of Section 7.10 only: (a) any Person which owns directly or indirectly ten percent (10.00%) or more of the Stock having ordinary voting power for the election of directors or other members of the governing body of a Person or ten percent (10.00%) or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person; and provided further, that in no event shall Agent, any Lender or their respective Affiliates be deemed to be Affiliates of any Loan Party for any purpose whatsoever.

"Agent" has the meaning specified therefor in the preamble to this Agreement.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys and agents.

"Agent's Account" means the Deposit Account of Agent identified on Schedule A-1 (or such other Deposit Account of Agent that has been designated as such, in writing, by Agent to the Borrower and the Lenders).

"Agent's Liens" means the Liens granted by the Loan Parties to Agent under the Loan Documents securing or purporting to secure the Obligations for the benefit of the Lender Group.

"Agreement" has the meaning specified therefor in the preamble to this Agreement.

"Amended and Restated Guaranty and Security Agreement" means that certain Amended and Restated Guaranty and Collateral Security Agreement dated as of the Second Amendment Subsequent Effective Date and executed and delivered by the Borrower and each Loan Party to Agent for the benefit of the Lender Group, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Law" means any applicable United States or foreign federal, state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated or entered into by any Governmental Authority, in each case related to the conduct and business of the applicable Person, including but not limited to any applicable Sanctions Laws, Money Laundering Laws or Environmental Laws; provided, however, that "Applicable Law" shall exclude all Federal Cannabis Laws.

"Applicable Accounting Standards" means (a) initially, IFRS applied on a basis consistent with the most recent audited financial statements of the Borrower and its consolidated Subsidiaries; and (b) upon the Borrower's election to use GAAP for financial reporting purposes commencing with the third fiscal quarter of fiscal year 2021, references herein to "Applicable Accounting Standards" shall thereafter be construed to mean (i) for the third and fourth fiscal quarters of fiscal year 2021 of the Borrower, IFRS or GAAP as the Borrower may elect (provided that to the extent the Borrower elects to use IFRS during

such periods during which GAAP is available, the Borrower will provide Agent a reconciliation to GAAP) and (ii) for all periods thereafter, GAAP.

"Application Event" means the occurrence of (a) a failure by the Borrower to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the Maturity Date, (b) an Event of Default described in Section 9.1(d) or Section 9.1(e), or (c) any other Event of Default, subject to the expiration of any applicable cure period, and the election by the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.3(b)(ii).

"Assignee" has the meaning specified therefor in Section 15.1(a).

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A to this Agreement.

"Auditor" means Marcum LLP, or any other independent certified public accountant reasonably acceptable to Agent.

"Authorized Person" means any one of the individuals identified on Schedule A-2, as such schedule is updated from time to time by written notice from the Borrower to Agent and the Lenders.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Benefit Plan" means (i) any "defined benefit plan" (as defined in Section 3(35) of ERISA) for which Borrower or any of its Subsidiaries or ERISA Affiliates has been an "employer" (as defined in Section 3(5) of ERISA) within the past six (6) years and (ii) any Foreign Plan.

"Board of Directors" means, as to any Person, the board of directors (or comparable governing body) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable governing body).

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" has the meaning specified therefor in the preamble to this Agreement.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of Florida.

"Cannabis Law" means any applicable state, or local statute, law, ordinance, regulation, rule, code, order (whether executive, legislative, judicial or otherwise), judgment, injunction, notice, decree or other requirement or rule of law or legal process, or any other order of, or agreement issued, promulgated

or entered into by any Governmental Authority, in each case related to the cultivation, manufacture, development, distribution, or sale of cannabis or products containing cannabis, but explicitly excluding Federal Cannabis Laws.

"Cannabis License" means all permits, licenses, registrations, variances, land-use rights, clearances, consents, commissions, franchises, exemptions, orders, authorizations, and approvals from Governmental Authorities authorizing the recipient to conduct business in accordance with the Cannabis Laws of each applicable jurisdiction including specifically applicable licenses required by the Cannabis Laws in each state in which a Loan Party operates.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate amount of all expenditures by such Person during such period that are capital expenditures as determined in accordance with Applicable Accounting Standards, whether such expenditures are paid in cash or financed.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one (1) year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within one (1) year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than one hundred million Dollars ($100,000,000), (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than five hundred million Dollars ($500,000,000), having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

"Change of Control" means:

(a) a transaction in which any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of more than 45% (in each case on a fully-diluted basis) of the aggregate voting or aggregate economic interests in the Borrower;

(b) a sale of all or substantially all of the assets of the Borrower (on a consolidated basis);

(c) the Borrower ceases to beneficially and of record own and control, directly or indirectly, free and clear of all Liens other than Permitted Liens (including without limitation Liens incurred in connection with Permitted Acquisitions), one hundred percent (100.00%) of the issued and outstanding shares of each class of capital Stock of any Loan Party other than the Borrower, provided, however, that any Permitted Disposition shall not constitute a Change of Control for purposes of this definition;

(d) the Current Directors shall cease to constitute at least a majority of the members of the Borrower's Board of Directors; or

(e) the occurrence of a change in control, or other similar provision, as defined in any document governing any Material Indebtedness triggering a default, mandatory prepayment or mandatory repurchase offer, which default, mandatory prepayment or requirement to make a mandatory repurchase offer has not been waived in writing.

"Closing Date" means October 20, 2021.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" shall mean all of the Loan Parties' right, title and interest in and to all personal property of such Loan Party whether now owned or existing or hereafter acquired or arising and wherever located, including without limitation all Acquired Financed Loan Party Collateral and all Acquired Non-Financed Party Collateral (subject to Permitted Priority Liens), but excluding, for the avoidance of doubt, the Excluded Property.

"Commitments" means with respect to each Lender, its commitment to make the Term Loans pursuant to the terms of this Agreement, and, with respect to all Lenders, their commitments to make the Term Loans pursuant to the terms of this Agreement, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 to this Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 15.1.

"Competitor" means any direct competitor of the Borrower or any Loan Party constituting (i) a licensed multi-state operator engaged in the cultivation, manufacturing, production, distribution or retail sale of cannabis or cannabis-related products, or (ii) a licensed single-state operator engaged in the cultivation, manufacturing, production, distribution or retail sale of cannabis or cannabis-related products in a State in which the Borrower or any Subsidiary operates, and any Affiliate thereof that has a controlling interest in such multi-state operator or single-state operator.

"Compliance Certificate" means a certificate substantially in the form of Exhibit B to this Agreement delivered, on behalf of the Borrower, by the chief financial officer or chief executive officer of the Borrower to Agent and the Lenders.

"Concentration Account" means a Deposit Account maintained by the Borrower at *** or another financial institution reasonably acceptable to Agent, which account is at all times subject to a springing Control Agreement in favor of Agent.

"Controlled Account Trigger Period" means a period commencing on ***, and terminating on the latest of: (a) ***, and (b) the Loan Parties have delivered bank statements prepared by the relevant account bank(s) and a certificate in form and substance satisfactory to the Agent, from the Chief Executive Officer, Chief Financial Officer or other similar officer of Borrower evidencing to the Agent's satisfaction that the foregoing clause (a) has been satisfied.

"Control Agreement" means, with respect to any Deposit Account, Securities Account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to Agent, among Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Loan Party maintaining such account or owning such entitlement or contract, effective to grant "control" (within the meaning of Articles 8 and 9 under the applicable UCC) over such account to Agent.

"Cost Savings" has the meaning specified therefor in the definition of Adjusted EBITDA.

"Current Director" means any member of the Board of Directors of the Borrower as of the Closing Date and (i) any Person occupying a vacant position on the Board of Directors of the Borrower or (ii) any successor of a Current Director, in each case whose election, or nomination for election by the Borrower's shareholders, was approved by at least a majority of the Current Directors then on the Board of Directors.

"Debt Service Coverage Ratio" means, as of any date of determination, the ratio of (i) Adjusted EBITDA for the consecutive four (4) fiscal quarter period ended as of such date, to (ii) the aggregate amount of all payments of principal and interest in whatever form for all Indebtedness due or made by the Borrower and its consolidated Subsidiaries (collectively, the "Debt Service Amounts") during the consecutive four (4) fiscal quarter period ended as of such date (other than with respect to the payment of principal in connection with a refinancing that constitutes Permitted Indebtedness hereunder); provided that for purposes of calculating the Debt Service Coverage Ratio for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, instead of using the Adjusted EBITDA and Debt Service Amounts for the consecutive 4 fiscal quarter period ending as of such date, such amounts will be annualized as follows:

(i) for the fiscal quarter ending March 31, 2022, the Adjusted EBITDA and Debt Service Amounts for the fiscal quarter ending March 31, 2022 will be multiplied by 4;

(ii) for the fiscal quarter ending June 30, 2022, the sum of the Adjusted EBITDA and the sum of the Debt Service Amounts, in each case for the fiscal quarters ending March 31, 2022 and June 30, 2022, will be multiplied by 2; and

(ii) for the fiscal quarter ending September 30, 2022, the sum of the Adjusted EBITDA and the sum of the Debt Service Amounts, in each case for the fiscal quarters ending March 31, 2022, June 30, 2022 and September 30, 2022, will be multiplied by 1 and 1/3.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under this Agreement on the date on which it is required to do so under this Agreement, (b) has notified the Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under this Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements generally (as reasonably determined by Agent and the Required Lenders) under which it has committed to extend credit, (d) has failed, within one (1) Business Day after written request by Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund any amounts required to be funded by it under this Agreement, (e) has otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under this Agreement on the date that it is required to do so under this Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) (A) becomes the subject of a bankruptcy or Insolvency Proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or Insolvency Proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (B) becomes the subject of a Bail-In Action.

"Deposit Account" means any deposit account (as such term is defined in the Code).

"Designated Account" means the Deposit Account of the Borrower identified on Schedule D-1 (or such other Deposit Account of the Borrower located at Designated Account Bank that has been designated as such, in writing, by the Borrower to Agent).

"Designated Account Bank" has the meaning specified therefor in Schedule D-1 (or such other bank that is located within the United States that has been designated as such, in writing, by the Borrower to Agent).

"Disposition" has the meaning specified in Section 7.4.

"Disqualified Stock" means any Stock other than *** that, by its terms (or by the terms of any security or other Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable for cash, pursuant to a sinking fund obligation or otherwise (except as a result of a Change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change of Control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof for cash, in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Stock that would constitute Disqualified Stock, in each case, prior to the date that is ninety one (91) days after the Maturity Date.

"Dollars" or "$" means United States dollars.

"Draw Period" means (i) with respect to the Initial Term Loan, the Closing Date, and (ii) with respect to any Additional Term Loans, the period from and including the Closing Date until, but not including, the date that is the 18-month anniversary of the Closing Date. Notwithstanding the foregoing, it is acknowledged and agreed to no Additional Term Loans will be funded after the Second Amendment Subsequent Effective Date.

"EBITDA" means, with respect to the Borrower and its Subsidiaries (excluding any Subsidiaries not incorporated, organized or formed in the United States or Canada) determined on a consolidated basis, for any period,

(a) net earnings (or loss), excluding the earnings of any entity that is not a Subsidiary but in which the Borrower directly or indirectly owns any Stock, except to the extent such earnings are actually distributed in cash to the Borrower,

plus

(b) without duplication, the sum of the following amounts of the Borrower and its Subsidiaries for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) Interest Expense (and to the extent not reflected in Interest Expense, (x) bank and letter of credit fees and premiums in connection with financing activities and (y) amortization of deferred financing and loan fees,

(ii) federal, state or local taxes and foreign taxes, in each case based upon income or earnings, and

(iii) depreciation and amortization for such period, in each case, determined on a consolidated basis in accordance with Applicable Accounting Standards.

"EBITDAR" means Adjusted EBITDA plus (without duplication, and to the extent deducted from net earnings) rental expenses to be paid in cash during such period.

"EEA Financial Institution" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Employee Notes" means certain promissory notes evidencing certain Indebtedness owed to Borrower by certain employees of Borrower in existence on the Closing Date and disclosed to Agent prior to the Closing Date.

"Environmental Action" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority or any third party involving violations of Environmental Laws, or Releases of Hazardous Materials (a) at or from any assets, properties, or businesses of the Borrower or any of its Subsidiaries, or any of their predecessors in interest or (b) at or from any facilities which received Hazardous Materials generated by Borrower or any of its Subsidiaries, or any of their predecessors in interest.

"Environmental Law" means any Applicable Law relating to worker health and safety, protection of the environment or natural resources, or the use, transportation, storage, disposal, Release or remediation of any Hazardous Material.

"Environmental Liabilities" means all liabilities, monetary obligations, losses, damages, (including punitive damages, consequential damages and treble damages), costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Equipment" means equipment (as that term is defined in the Code).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of the Borrower or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of the Borrower or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Borrower or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with the Borrower or any of its Subsidiaries and whose employees are aggregated with the employees of the any Loan Party under IRC Section 414(o).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan, (b) a withdrawal by the Borrower or any of its Subsidiaries or ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, (c) a complete or partial withdrawal by the Borrower or any of its Subsidiaries or ERISA Affiliates from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization, (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan, (e) the determination that any Pension Plan or Multiemployer Plan is considered an at risk plan or a plan in critical or endangered status under the IRS, ERISA or the Pension Protection Act of 2006; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer

Plan, or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any of its Subsidiaries or ERISA Affiliates.

"Escrow Agent" means Odyssey Trust Company.

"Escrow Agreement" means that certain Escrow Agreement dated October 20, 2021 among Agent, Borrower, and Odyssey Trust Company.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning specified therefor in Section 9.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Accounts" means (a) any segregated Bank Account specifically and exclusively used to hold tax funds, trust funds and other Collateral funds reasonably acceptable to Agent (b) controlled disbursement accounts (to the extent that such accounts are zero balance accounts), and (c) Petty Cash Accounts.

"Excluded Deposit Accounts" has the meaning specified therefor in Section 6.17.

"Excluded Property" has the meaning specified therefor in the Amended and Restated Guaranty and Security Agreement.

"Excluded Subsidiaries" means any Subsidiary of the Borrower that, pursuant to the most recently delivered quarterly Financial Reports, meets any of the following criteria: (a) together with all other subsidiaries excluded pursuant to this clause (a), contributes less than *** of Adjusted EBITDA of the Borrower and its Subsidiaries on a consolidated basis and owns less than *** of the total assets (excluding real property) of the Borrower and its Subsidiaries on a consolidated basis; (b) is not directly or indirectly wholly-owned by any Loan Party (it being understood that any transaction that results in a Subsidiary not being so wholly-owned that is undertaken for the primary purposes of making such Subsidiary an Excluded Subsidiary shall not be given effect for purposes of this clause (b)); (c) has assets all or substantially all of which consist of ownership or leasehold or other interests in real property (except to the extent such ownership or leasehold or other interests constitute Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, in which case such Subsidiary shall be an Acquired Financed Loan Party, (d) is incorporated or otherwise formed or organized outside the United States of America or Canada; (e) is prohibited or restricted by Applicable Law (including without limitation any Cannabis Laws) or contractual obligation (so long as, in respect of any such contractual obligation, such prohibition either existed on the Closing Date or, if later, on the date the applicable Subsidiary is acquired or when such Subsidiary would have otherwise been required to become a Loan Party and such contractual obligation was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents) from providing a guarantee or pledge of equity or granting a Lien in or over its asset, as and to the extent applicable, (f) that would require a consent, approval, license, authorization or consent from any Person (including any Governmental Authority but excluding any Loan Party or any of its Affiliates) in order to become an obligor hereunder (including, in each case, under any financial assistance, corporate benefit or thin capitalization rule), but not under any contractual obligation entered into for the primary purpose of making such Subsidiary an Excluded Subsidiary, or (g) any

Subsidiary to the extent providing a guarantee or pledge of equity or granting a Lien in or over its asset is likely to result in material adverse Tax consequences to Borrower (as determined by Borrower in its reasonable discretion in consultation with its tax advisors); provided that, in each case, such exclusions shall remain only for so long as the facts, circumstances, prohibitions or restrictions giving rise to the exclusion shall continue to apply. Schedule 1.1(a) hereto sets forth a list of each Excluded Subsidiary that exists on the Second Amendment Initial Effective Date and identifies which category of Excluded Subsidiary under this definition applies to such Excluded Subsidiary.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 16.2(a)(ii)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 17.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 17.11(f) and (d) any withholding Taxes imposed under FATCA.

"Exempted Permitted Acquisition Indebtedness" means Indebtedness incurred to finance a Permitted Acquisition in an aggregate principal amount not to exceed *** for all such Indebtedness and which satisfies each of the following at all times:

(a) such Indebtedness is subordinated in right of payment to the payment of all Obligations hereunder;

(b) any Lien securing such Indebtedness is subject and subordinate to the Lender Group's Security;

(c) the stated maturity of such Indebtedness is at least 91 days subsequent to the Maturity Date; and

(d) the interest rate applicable to such Indebtedness does not exceed *** per annum.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the IRC.

"Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the

conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

"Finance Lease" means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as a finance lease under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP. Notwithstanding anything to the contrary herein, in the event of an accounting change requiring all leases to be capitalized, at the Borrower's election only those leases that would constitute Finance Leases in conformity with Applicable Accounting Standards on the Closing Date shall be considered Finance Leases, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

"Finance Lease Obligation" means, with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Finance Lease.

"First Amendment Effective Date" means April 29, 2022.

"Foreign Lender" means each Lender (or if the Lender is a disregarded entity for U.S. federal income tax purposes, the Person treated as the owner of the assets of such Lender for U.S. federal income tax purposes) that is not a United States person within the meaning of IRC section 7701(a)(30).

"Foreign Plan" means any employee benefit plan or arrangement that would be considered a "defined benefit plan" (as defined in Section 3(35) of ERISA) if such plan was maintained in the United States and that is (a) maintained or contributed to by the Borrower or any of its subsidiaries that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of the Borrower or any of its Subsidiaries.

"Funds Flow" means a flow of funds setting forth the sources and uses of capital for the transactions contemplated by this Agreement, in form and substance reasonably satisfactory to Agent.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, certificates of designations pertaining to preferred securities, by-laws, or other organizational documents of such Person.

"Governmental Authority" means the government of the United States, any foreign country or any multinational authority, or any state, commonwealth, protectorate or political subdivision thereof, and any entity, body or authority exercising executive, legislative, judicial, tax, regulatory or administrative functions of or pertaining to government, including, without limitation, other administrative bodies or quasi-governmental entities established to perform the functions of any such agency or authority, and any agency, branch or other governmental body (federal or state) charged with the responsibility, or vested with the authority to administer or enforce, any Applicable Laws.

"Guarantor" means each Subsidiary of the Borrower except for the Excluded Subsidiaries, including any Subsidiary formed or acquired after the Closing Date that becomes a Guarantor pursuant to Section 6.11 of this Agreement.

"Guaranty" means any guaranty agreement entered into at any time on or after the Closing Date, executed and delivered by any Guarantor to Agent for the benefit of the Lender Group, including each Guaranty and Security Agreement, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Guaranty and Security Agreements" means, collectively, the Amended and Restated Guaranty and Security Agreement, each Acquired Financed Loan Party Guaranty and Security Agreement, and each Acquired Non-Financed Party Guaranty and Security Agreement.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any Applicable Laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity" (b) petroleum and petroleum products, and (c) per- and polyfluoroalkyl substances (PFAS).

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"Historical Financial Statements" has the meaning specified therefor in Section 4.8.

"IFRS" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect in Canada from time to time.

"Indebtedness" as to any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Finance Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices that are less than ninety (90) days past due and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Stock of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited

amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

"Indemnified Liabilities" has the meaning specified therefor in Section 12.3.

"Indemnified Person" has the meaning specified therefor in Section 12.3.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indenture Senior Notes" means the 10% Senior Secured Notes due January 15, 2023 issued by the Borrower pursuant to, and governed by, the Senior Notes Indenture, as may be amended from time to time pursuant to the terms thereof.

"Initial Term Loan" has the meaning specified therefor in Section 2.1(a).

"Initial Term Loan Amount" means forty million Dollars ($40,000,000) less the Original Issue Discount.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intellectual Property" has the meaning specified therefor in the Amended and Restated Guaranty and Security Agreement.

"Intellectual Property Security Agreement" means any security agreement executed and delivered to Agent by a Loan Party as may be required pursuant to the relevant Guaranty and Security Agreement with respect to any Intellectual Property of such Loan Party, for the benefit of the Lender Group, which shall be in form and substance satisfactory to Agent.

"Intercreditor Agreement" means that certain Subordination and Intercreditor Agreement dated as of December 7, 2022 by and among the Agent, the Subordinated Notes Trustee, Acquiom Agency Services, LLC, and the Loan Parties.

"Interest Expense" means, for any period, the aggregate of the interest expense of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with Applicable Accounting Standards.

"Interest Rate" has the meaning set forth in Section 2.5(a).

"Inventory" means inventory (as that term is defined in the Code).

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, or capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business and consistent with past practice, and (b) bona fide accounts arising in the

ordinary course of business consistent with past practice), purchase, or acquisitions of Indebtedness, Stock, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with Applicable Accounting Standards. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"Jushi Europe" means Jushi Europe SA, a société anonyme organized under the laws of Switzerland.

"Jushi Europe Proceeding" means that certain petition for bankruptcy that is contemplated to be filed by Jushi Europe in Switzerland either on or after the First Amendment Effective Date, and any Insolvency Proceeding relating thereto.

"Lease" means, with respect to any Leasehold Property (including any Acquired Financed Loan Party Leasehold Property), the lease, sublease or other agreement under the terms of which any Loan Party has or acquires from any Person any right to occupy or use such Real Property, or any part thereof, or interest therein, and each existing or future guaranty of payment or performance thereunder, and all extensions, renewals, modifications and replacements of each such lease, sublease, agreement or guaranty.

"Leasehold Property" means any leasehold interest of any Loan Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Agent in its sole discretion as not being required to be included in the Collateral.

"Lender" has the meaning set forth in the preamble to this Agreement, and shall include any other Person made a party to this Agreement pursuant to the provisions of Section 15.1 and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders and Agent, or any one or more of them.

"Lender Group Expenses" means all of the following (without double-counting or duplication): (a) reasonable and documented out-of-pocket costs or expenses (excluding Taxes (which are addressed in Section 11) required to be paid by the Loan Parties under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) documented, reasonable, out of pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with the Loan Parties under any of the Loan Documents (in each case, solely to the extent contemplated by this Agreement), photocopying, notarization, couriers and messengers, telecommunication, third party digital automation services and compliance software, public record searches, filing fees, recording fees, publication, appraisal (including periodic collateral appraisals or business valuations to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement), real estate surveys (solely to the extent contemplated by this Agreement), and real estate title policies and endorsements and environmental audits (solely to the extent expressly contemplated by this Agreement) (c) Agent's customary and documented fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Loan Party or other members of the Lender Group (whether by wire transfer or otherwise) together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith, (d) reasonable and documented charges paid, imposed or incurred by Agent and or any Lender resulting from the dishonor of checks payable by or to any Loan Party, (e)

reasonable documented out of pocket costs and expenses paid or incurred by the Lender Group to correct any Default or Event of Default or enforce any provision of the Loan Documents, or, upon the occurrence and during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, or defending the Loan Documents, irrespective of whether a lawsuit or adverse proceeding is brought, or in taking any enforcement action concerning the Collateral, (f) solely to the extent contemplated by the terms of this Agreement, financial examination, appraisal, audit, and valuation reasonable and documented fees and reasonable and documented out-of-pocket expenses of Agent related to any inspections or financial examination, appraisal, audit, and valuation to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement; provided, that such limits shall not apply during the continuance of an Event of Default), (g) Agent's reasonable and documented out of pocket costs and expenses (including reasonable and documented expenses of one primary counsel) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent's Liens in and to the Collateral, or the Lender Group's relationship with any Loan Party and (h) Agent's and each Lender's reasonable documented costs and expenses (including reasonable and documented attorney's fees and due diligence expenses of (i) one external counsel to Agent and the Lenders, taken as a whole in each appropriate material jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and (ii) any additional counsel if one or more actual conflicts of interest arise for each class of similarly situated Persons) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to the rating of the Loans, CUSIP, DXSyndicate, SyndTrak or other communication costs incurred in connection with a syndication of the loan facilities), amending, waiving, or modifying the Loan Documents.

"Lender Group Representatives" has the meaning specified therefor in Section 18.7(a).

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement and the interest of a lessor under a Finance Lease and any Synthetic Lease (provided that, for the avoidance of doubt, in no event shall an operating lease be deemed to constitute a Lien.

"Loan" means any Term Loan made hereunder and "Loans" means all of them, collectively.

"Loan Account" has the meaning specified therefor in Section 2.9.

"Loan Documents" means this Agreement, the Intercreditor Agreement, each Guaranty and Security Agreement, any Guaranty, each Control Agreement, each Intellectual Property Security Agreement, the Acquired Financed Loan Party Mortgages, the Notes and any other instrument or agreement entered into, now or in the future, by any Loan Party and any member of the Lender Group in connection with this Agreement.

"Loan Party" means the Borrower and any Guarantor, and "Loan Parties" means each of them.

"Loan Party Representatives" has the meaning specified in Section 18.9.

"LQA EBITDAR" means EBITDAR for the Borrower's most recently ended fiscal quarter multiplied by 4.

"Make-Whole Premium" with respect to any Term Loan or any portion thereof on any date of prepayment pursuant to Section 2.3(g), means an amount equal to (a) if such prepayment is made on or prior to *** of the principal amount of such prepayment; and (b) if such prepayment is made on or after *** of the principal amount of such prepayment. No Make-Whole Premium will apply to any prepayment made on or after ***.

"Manassas Property" means that certain real property located at 8100 Albertstone Circle, Manassas, VA 20109.

"Margin Stock" has the meaning specified in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means a material adverse effect on (i) the business, operations, assets, liabilities or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole, which causes a material impairment of their ability to perform their obligations under the Loan Documents; (ii) the legality, validity, or enforceability of the Loan Documents under Applicable Law or (iii) an invalidity or impairment of the enforceability or priority of Agent's Liens with respect to the Collateral under Applicable Law.

"Material Contract" means, with respect to any Person, (i) each contract or agreement (including any Lease) to which such Person is a party involving aggregate revenues payable to, consideration payable to or by, or the principal amount of Indebtedness incurred by such Person (in each case to the extent reasonably determinable by such Person) of one million Dollars ($1,000,000) or more (other than purchase orders or customer agreements in the ordinary course of the business of such Person and other than contracts that by their terms may be terminated by such Person in the ordinary course of its business upon less than thirty (30) days' notice without penalty or premium), (ii) the Specified Acquisition Agreement, (iii) each Senior Note Loan Document, and (iv) all other contracts or agreements, the loss of which could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

"Material Indebtedness" means any Indebtedness in excess of *** in aggregate outstanding principal amount.

"Maturity Date" means December 31, 2024.

"Money Laundering Laws" means all Applicable Laws that may be enforced by any Governmental Authority relating to anti-money laundering statutes, laws, regulations and rules, including, but not limited to the Bank Secrecy Act (31 U.S.C. §5311 et seq.; 12 U.S.C. §§1818(s) 1829(b), 1951-1959), as amended by the Patriot Act.

"Moody's" has the meaning specified therefor in the definition of Cash Equivalents.

"Mortgage" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by any Loan Party in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property owned by any Loan Party.

"Multiemployer Plan" means any Pension Plan that is an employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any of its Subsidiaries or any ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Cash Proceeds" means, with respect to any sale or disposition by any Loan Party of its assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Loan Party, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under this Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by a Loan Party in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities a Loan Party in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are actually paid or payable to a Person that is not an Affiliate of Borrower or any Subsidiary and are properly attributable to such transaction.

"Non-Consenting Lender" has the meaning specified therefor in Section 16.2(a).

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Note" means a promissory note issued by the Borrower to the applicable Lender in respect of the Loan made by such Lender under this Agreement, in each case, in form and substance reasonably satisfactory to Agent.

"Obligations" means all loans (including the Loans), Protective Advances, debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, including any Make-Whole Premium, Upfront Fee, liabilities (including all amounts charged to the Loan Account pursuant to this Agreement), Original Issue Discount, obligations (including indemnification obligations), other fees, charges, costs, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by this Agreement or any other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Loan Parties are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding. Without limiting the generality of the foregoing, the Obligations of Loan Parties under the Loan Documents include the obligation to pay (i) the principal of the Loans, (ii) interest accrued on the Loans and any Make-Whole Premium, (iii) Lender Group Expenses, (iv) fees payable under this Agreement or any of the other Loan

Documents, and (v) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Original Issue Discount" means, with respect to each Term Loan draw, an amount equal to 2.45% of the principal amount of such Term Loan draw.

"Original Senior Notes" means the 10% senior secured notes due January 15, 2023 issued by Borrower pursuant to subscription agreements entered into by Borrower and the other parties thereto between December 23, 2019 and July 30, 2020, as may be amended from time to time pursuant to the terms thereof.

"Original Term Loan Amount" means one hundred million Dollars ($100,000,000).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.11(b)).

"Outstanding Amount" means, at any time, the aggregate outstanding principal balance of the Loans at such time immediately prior to giving effect to any prepayment thereof.

"Participant" has the meaning specified therefor in Section 15.1(b).

"Participant Register" has the meaning specified therefor in Section 15.1(b).

"Patriot Act" has the meaning specified therefor in Section 4.15.

"Payment Date" means the first day of each calendar quarter, or if the Payment Date is not a Business Day, upon the next following Business Day.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any of its Subsidiaries or ERISA Affiliates or to which such Loan Party or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other

plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

"PEP" has the meaning specified therefor in Section 4.22.

"Perfection Certificate" means a certificate in form satisfactory to Agent that provides information with respect to the personal or mixed property of the Loan Parties.

"Permits" means, in respect of any Person, all licenses, permits, franchises, consents, rights, privileges, certificates, authorizations, approvals, registrations and similar consents granted or issued by any Governmental Authority to which or by which such Person is bound or as to which its assets are bound or which has regulatory authority over such Person's business and operations; provided, however, that "Permits" shall not mean any Cannabis License.

"Permitted Acquisition" means an acquisition of a Person, business, business unit or product line with respect to which all of the following conditions shall have been satisfied (or Required Lenders shall have otherwise approved such acquisition):

(a) (i) the Person, division or business, business unit or product line being acquired (the "Target") shall be useful or engaged in such lines of business as are conducted by the Borrower and its Subsidiaries on the Closing Date or activities reasonably complimentary or related thereto after giving effect to such acquisition, or (ii) the acquisitions is consummated as part of a corporate restructuring between Loan Parties or between a Loan Party and an Excluded Subsidiary (including as part of a listing on a public securities market in the United Sates, including without limitation the New York Stock Exchange or the NASDAQ), provided such acquisition would not reasonably be expected to adversely impact Agent's Lien in any material respect or interest as a Lender in any material respect;

(b) [reserved];

(c) before and after giving effect to such acquisition, (i) all representations and warranties contained in the Loan Documents shall be true and correct on and as of the date of consummation of such acquisition, except where the failure of any such representation or warranty to be true or correct could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect; and (ii) no Default or Event of Default shall exist, based on the financial statements most recently delivered to Agent pursuant to Section 6.1, as adjusted on a pro forma basis including the Target based on pro forma assumptions mutually agreed by the Borrower and Agent in good faith and set forth in a pro forma calculation of the Borrower's compliance with the financial covenants in Section 8 herein, which calculation shall be in form and substance reasonably acceptable to Agent;

(d) all applicable requirements of Section 6.11 shall be complied with in connection with such acquisition;

(e) Borrower and its Subsidiaries shall have obtained all necessary governmental, regulatory, creditor, shareholder, partner and other material permits, licenses, authorizations, consents, approvals and exemptions required to be obtained by the Loan Parties on or before the closing thereof, and each of the foregoing shall be in full force and effect, in each case except where the failure to obtain such material permits, licenses, authorizations, consents, approvals and exemptions could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect;

(f) subject to the waiver by Agent in its reasonable discretion, all applicable waiting periods with respect to such proposed acquisition shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on such acquisition, and no action, request for stay, petition for review or rehearing, reconsideration or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired, except where any such action could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect;

(g) Agent shall have received copies of all Permitted Acquisition Documents related to such Permitted Acquisition at least five (5) days prior to the consummation of such Permitted Acquisition;

(h) Agent will, promptly following the closing of any such acquisition where the Target is required to become a Loan Party pursuant to Section 6.11, receive a certificate from the Borrower's insurance broker or other evidence reasonably satisfactory to it that all insurance required to be maintained pursuant to Section 6.7 is in full force and effect with respect to the assets acquired in such acquisition and that Agent on behalf of the Lenders has been named as additional insured and/or loss payee thereunder to the extent required under Section 6.7; and

(i) either (x) Borrower shall survive such acquisition or (y) another Loan Party shall survive such acquisition so long as (A) upon the consummation of such acquisition, such surviving Loan Party is listed on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ, (B) the failure of the Borrower to survive such acquisition could have no adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect, and (C) such acquisition will not result in a Change of Control.

Notwithstanding the foregoing, each of the acquisitions identified on Schedule A-3 hereto and other acquisitions pursuant to which the Borrower or any Subsidiary incurs Indebtedness shall constitute Permitted Acquisitions hereunder so long as either (i) if any portion of the consideration for such acquisition is a cash payment, the Agent shall have received evidence that the aggregate amount raised pursuant (A) to the issuance of the Subordinated Notes immediately prior to the consummation of such acquisition, (B) additional Indebtedness in connection with the Specified Lease pursuant to clause (x) of the definition of "Permitted Indebtedness", and (C) proceeds of equity offerings by the Borrower, is not less than ***; or (ii) no Loan Party pays any cash consideration for such acquisition.

For the avoidance of doubt, an "acquisition" consummated by Borrower and/or its Subsidiaries may be in the form of a purchase or other acquisition of the equity securities or other interests of a Person, the purchase of all or substantially all of the assets of a Person (or of any division or business line of such other Person), a merger or consolidation with or into a Person (regardless, for the avoidance of doubt, of the surviving entity except in the case Borrower would not be a surviving entity to such transaction), or such other form as Borrower and/or its Subsidiaries may determine, provided the transaction otherwise complies with the provisions of this definition.

"Permitted Acquisition Documents" means the purchase agreement or other relevant primary transaction document and the other material documents and agreements, including any licenses, permits, waivers, side letters or other material agreements executed in connection with a Permitted Acquisition.

"Permitted Assignees" means: (a) Agent, any Lender or any of their direct or indirect Affiliates; and (b) any fund that is administered or managed by Agent or any Lender or an Affiliate of Agent or any Lender.

"Permitted Dispositions" means:

(a) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(b) any involuntary loss, damage or destruction of property, with the Net Cash Proceeds thereof subject to Section 2.3(f);

(c) sales, abandonment, or other Dispositions of Equipment that is substantially worn, damaged, obsolete or no longer used or useful in the ordinary course of business, with the Net Cash Proceeds thereof subject to Section 2.3(f);

(d) Dispositions of Inventory, products or services to buyers in the ordinary course of business;

(e) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(f) the licensing, on a non-exclusive basis, of Intellectual Property in the ordinary course of business;

(g) (i) Dispositions of Stock for public offerings, (ii) pursuant to Borrower's employee stock option plan, or (iii) in connection with the compensation of any employee of Borrower or any other Loan Party;

(h) Dispositions of Excluded Property that are sold for fair market value, reasonable equivalent value or otherwise disposed of in the relevant Loan Party's reasonable business judgment;

(i) Dispositions of any real property, including pursuant to a sale-leaseback or similar transaction that are sold for fair market value and for cash; provided that to the extent such transferred property was Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, the Net Cash Proceeds thereof shall be subject to Section 2.3(f) and, to the extent such Net Cash Proceeds are to be reinvested pursuant to Section 2.3(f), they shall be reinvested solely in assets that are subject to Agent's Lien hereunder;

(j) Dispositions, in each case without recourse, of accounts receivable or any delinquent receivables, arising in the ordinary course of business, and only in connection with the compromise, settlement or collection thereof;

(k) the lapse or abandonment of registered patents, trademarks, copyrights and other Intellectual Property of the Borrower or any Loan Party to the extent not economically desirable or useful in the conduct of their business;

(l) to the extent constituting a Disposition, the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement;

(m) to the extent constituting a Disposition, the making of Permitted Investments that are expressly permitted to be made pursuant to this Agreement;

(n) any Dispositions to the extent constituting the incurrence of Permitted Liens;

(o) intercompany Dispositions (i) from a Loan Party to another Loan Party, including without limitation pursuant to a corporate reorganization provided all parties to such reorganization are Loan Parties and so remain; (ii) from an Excluded Subsidiaries to another Excluded Subsidiary; and (iii) so long as no Default or Event of Default is in effect, from a Loan Party to an Excluded Subsidiary in an aggregate amount not to exceed *** per fiscal year, and which, in each case, must serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6;

(p) Dispositions made pursuant to deferred compensation arrangements in the ordinary course of business;

(q) the sale or other Disposition of a nominal amount of equity interests in any Loan Party in order to qualify members of the board of directors or equivalent governing body of such Loan Party to the extent required by Applicable Law;

(r) Dispositions of the Stock or other equity securities or interests of any Subsidiary that: (a) is immaterial (in the reasonable discretion of Borrower), regardless of whether such Subsidiary is a Loan Party (in the reasonable discretion of Borrower); (b) is not directly or indirectly wholly-owned by Borrower; or (c) is incorporated or otherwise formed or organized outside the United States of America or Canada, which, in each case, (x) are sold for fair market value and for cash and (y) in each case, with the Net Cash Proceeds thereof subject to the Section 2.3(f);

(s) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements, which, in each case, (i) are sold for fair market value and for cash and (ii) with the Net Cash Proceeds thereof subject to Section 2.3(f);

(t) (i) terminations of leases, subleases, licenses, sub-licenses and agreements (including management agreements and other similar agreements) in the ordinary course of business and (ii) the surrender or waiver of contractual rights or the settlement release or surrender of contract or tort claims in the ordinary course of business, in each case, to the extent not interfering in any material respect with the business of the Loan Parties;

(u) Dispositions of Stock or assets in connection with a Permitted Acquisition to the extent required pursuant to Applicable Law, including without limitation as may be require pursuant to any Applicable Law setting a limit or cap on the ownership of Cannabis Licenses, and provided, for the avoidance of doubt, that Borrower may elect to cause a Disposition of the Stock or assets of one or more Loan Parties in connection with such Permitted Acquisition provided that the Targets shall be Acquired Financed Parties or Borrower shall replace the Loan Parties that are disposed of with Excluded Subsidiaries having equal or greater value than the Loan Parties that are disposed of;

(v) Dispositions of Stock in connection with pre-existing contractual arrangements;

(w) [reserved];

(x) the trade-in-kind or exchange of any asset for any other asset or assets of equivalent value (as determined by the Borrower in good faith in its reasonable judgement), including any cash or Cash Equivalents solely to the extent necessary in order to achieve an exchange of equivalent value to the extent not exceeding 25% of the overall fair market value of the more valuable asset or assets, with any Net Cash Proceeds received subject to Section 2.3(f); and

(y) Any other Dispositions of property, with all such property disposed of pursuant to this clause (t) not to exceed a value of *** in any fiscal year, determined by the greater of (i) the aggregate fair market value or (ii) original purchase price or acquisition cost of such property, which in each case, (x) are sold for fair market value and for cash and (y) with the Net Cash Proceeds thereof subject to Section 2.3(f).

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents;

(b) endorsement of instruments or other payment items for deposit;

(c) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantees and similar obligations incurred in the ordinary course of business, (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) guarantees arising with respect to customary indemnification obligations to sellers in connection with Permitted Acquisitions;

(d) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to any Loan Party, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(e) Indebtedness incurred in the ordinary course of business in respect of Cash Management Services in an aggregate amount not to exceed *** at any time;

(f) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business;

(g) Indebtedness in respect of unsecured intercompany loans and advances solely as between Loan Parties, subject to subordination agreements in form and substance reasonably satisfactory to Required Lenders;

(h) [reserved];

(i) Indebtedness listed on Schedule 4.14 attached hereto;

(j) Indebtedness that is subordinated in right of payment to the prior payment of all Obligations of any Loan Party under the Loan Documents, pursuant to subordination provisions in form and substance reasonably satisfactory to the Required Lenders, to the extent that such Indebtedness is otherwise permitted under this Agreement;

(k) Subject to Section 8.3, Exempted Permitted Acquisition Indebtedness (including any earn-out payments incurred in connection therewith);

(l) guaranties of other Permitted Indebtedness;

(m) Indebtedness issued by the Borrower or any Subsidiary after the Closing Date to current or former officers, directors, employees, managers and consultants, and their respective estates, spouses or former spouses, of the Borrower or any Subsidiary, incurred in the ordinary course of business up to an aggregate principal amount of *** outstanding at any time;

(n) Indebtedness under the Subordinated Notes, subject to the Intercreditor Agreement or subordination terms acceptable to the Agent, provided that the aggregate outstanding principal amount thereof shall not exceed $140,000,000;

(o) Subject to Section 8.3, Indebtedness of a Person whose assets or equity interests are acquired in a Permitted Acquisition; provided that such Indebtedness (i) was in existence prior to the date of such Permitted Acquisition; (ii) was not incurred in connection with, or in contemplation of such Permitted Acquisition; and (iii) after giving effect to the incurrence of such Indebtedness, the Loan Parties shall be in pro forma compliance with the financial covenants set forth in Article 8;

(p) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(q) reasonable and customary indemnification obligations incurred in the ordinary course of business or pursuant to a transaction otherwise permitted under this Agreement, to the extent constituting Indebtedness;

(r) deferred taxes to the extent constituting Indebtedness;

(s) [reserved];

(t) Indebtedness in respect of Excluded Property;

(u) (i) Indebtedness incurred by Jushi Europe SA and/or its Subsidiaries in an amount that shall not exceed the Indebtedness listed on Schedule 1.1(c) plus *** and interest on any such Indebtedness (but excluding intercompany Indebtedness) at any one time outstanding, (ii) beginning on the First Amendment Effective Date, up to *** for expenses relating to the Jushi Europe Proceeding; and (iii) Indebtedness between Excluded Subsidiaries;

(v) Indebtedness to refinance all but not less than all of the Term Loans (provided the applicable Make-Whole Premium has been paid);

(w) Indebtedness with respect to the Permitted Transaction in an amount not to exceed *** at any one time outstanding;

(x) Indebtedness in connection with the Specified Lease existing on the date of this Agreement and additional Indebtedness in connection with the Specified Lease in an aggregate principal amount not to exceed the lesser of (1) *** and (2) the actual amount of additional Indebtedness incurred in

connection with the Specified Lease after the Closing Date, such additional Indebtedness to be determined on an as-funded or as-incurred basis regardless of the treatment of such Indebtedness on Borrower's financial statements;

(y) Indebtedness in connection with the purchase, sale, improvement or financing of the Manassas Property in an amount not to exceed at any time *** of the sum of (1) *** (provided, for the avoidance of doubt, that this cap may not be adjusted upward due to subsequent appraisals of the Manassas Property); and (2) if applicable, the *** in connection with the *** of the Manassas Property as set forth in a report delivered to the Agent outlining prospective costs, which report shall be in form and substance satisfactory to the Agent in its reasonable discretion, and in connection with such Indebtedness Agent and/or the Lenders, as applicable, shall use commercially reasonable efforts to enter into an intercreditor agreement and/or such other documentation reasonably requested by any prospective lender and in form and substance acceptable to the Agent in its reasonable discretion to establish the relative priority of Liens on the Manassas Property;

(z) Indebtedness in connection with (1) Permitted Purchase Money Indebtedness, or (2) the purchase, sale, improvement or financing of any real property (including any leasehold interest(s) relating thereto but excluding all Indebtedness existing on prior to *** including without limitation Indebtedness attributable to the Permitted Transaction, the Specified Lease or the Manassas Property), and which may include, without limitation, the mortgaging of any such property and any sale-leaseback transactions, collectively in an aggregate principal amount not to exceed *** as of the last day of any fiscal quarter;

(aa) Indebtedness in respect of obligations incurred in connection with the acquisition of a Cannabis License that requires that the Loan Parties enter into a Finance Lease to operate a dispensary or growth/cultivation facility under such Cannabis License (other than Indebtedness incurred pursuant to clause (o)), in an aggregate amount not to exceed ***;

(bb) Any refinancing or extending of the Indebtedness described in clauses (a) through (z) above (excluding (n)) above; provided such indebtedness (i) has an aggregate outstanding principal amount that is no greater than the aggregate principal amount of the Indebtedness being refinanced or extended, except by an amount equal to the unpaid accrued interest and premium thereon, defeasance costs and other reasonable amounts paid and fees and expenses incurred in connection therewith, (ii) is not secured by a Lien on any assets other than the collateral securing the Indebtedness being refinanced or extended, (iii) does not include any obligors other than obligors with respect to the Indebtedness being refinanced or extended, (iv) is payment and/or lien subordinated to the Term Loans at least to the same extent and in the same manner as the Indebtedness being refinanced or extended, and (v) does not have a stated maturity or weighted average life that is earlier than the Indebtedness being refinanced or extended;

(cc) Additional Indebtedness (including, subject to Section 8.3, Indebtedness incurred to finance a Permitted Acquisition (including any earn-out payments incurred in connection therewith) other than Exempted Permitted Acquisition Indebtedness) in an aggregate principal amount not to exceed the lesser of (i) the amount by which *** and (ii) ***. For the avoidance of doubt, the Borrower and its Subsidiaries shall be entitled to incur additional Indebtedness under any other subsections of this definition of Permitted Indebtedness by an aggregate amount not to exceed the lesser of (i) the amount by which ***, and (ii) *** (which for the avoidance of doubt is without duplication of the maximum amount permitted pursuant to the first sentence of this clause (cc)). By way of example only, ***; and

(dd) Amounts owing to *** due to the satisfaction of milestones in accordance with the Specified Joint Venture Agreement, in an aggregate principal amount not to exceed ***.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents;

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business and consistent with past practice;

(c) advances (including to trade creditors) made in connection with purchases of goods or services in the ordinary course of business;

(d) Stock or other securities acquired in connection with the satisfaction or enforcement of Indebtedness (including in connection with the Employee Notes) or claims due or owing to a Loan Party (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims;

(e) deposits of cash made in the ordinary course of business to secure performance of operating leases by the Borrower that is lessee under such lease;

(f) Investments made in the form of capital contributions or loans by a Loan Party to another Loan Party;

(g) [Reserved];

(h) Investments existing on the Closing Date in the Stock of direct or indirect Subsidiaries of the Borrower existing on the Closing Date;

(i) the maintenance of Deposit Accounts and securities accounts in the ordinary course of business and not in violation of this Agreement;

(j) the Specified Acquisition;

(k) any Permitted Acquisition;

(l) the Permitted Transaction;

(m) any Permitted Indebtedness;

(n) other Investments not to exceed the greater of (i) *** of EBITDA or (ii) *** in the aggregate at any time outstanding.

"Permitted Liens" means:

(a) Agent's Liens;

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying Taxes are the subject of Permitted Protests;

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 9.1(g) of this Agreement;

(d) Liens set forth on Schedule P-1, provided that to qualify as a Permitted Lien, any such Lien described on Schedule P-1 shall only secure the Indebtedness that it secures on the Closing Date or any Indebtedness such Liens are contractually obligated to secure on the Closing Date;

(e) the interests of lessors under operating leases and UCC financing statements filed as a precautionary measure in connection with operating leases or consignment of goods;

(f) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances, none of which interfere in any material respect with the ordinary course of business of the Loan Parties (taken as a whole);

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, repairmen, workmen or suppliers, or other statutory Liens, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either are for sums not yet delinquent or are subject to Permitted Protest;

(h) Liens on amounts pledged or deposited in connection with obtaining worker's compensation or other unemployment insurance;

(i) Liens on amounts deposited to secure any Loan Party's obligations in connection with the making or entering into of bids, tenders, trade contracts (other than for borrowed money), government contracts, statutory obligations, leases and other obligations of a like nature, or leases in the ordinary course of business and not in connection with the borrowing of money;

(j) Liens on amounts deposited to secure any Loan Party's obligations as security for surety, stay, custom, appeal performance and return of money bonds, and bonds of a like nature, in connection with obtaining such bonds in the ordinary course of business;

(k) non-exclusive licenses of Intellectual Property in the ordinary course of business;

(l) [Reserved];

(m) Liens securing obligations under the Subordinated Notes so long as such Liens are subject and subordinate to the Lender Group's Lien under the Loan Documents pursuant to the Intercreditor Agreement;

(n) [Reserved];

(o) Liens on deposit accounts granted or arising in the ordinary course of business in favor of depositary banks maintaining such deposit accounts solely to secure customary account fees and charges payable with respect to such Deposit Accounts and overdrafts not in violation of this Agreement;

(p) Permitted Priority Liens;

(q) [Reserved];

(r) Liens securing Indebtedness that constitutes Permitted Indebtedness; and

(s) Other Liens as to which the aggregate amount of the obligations secured thereby does not exceed ***.

***

"Permitted Priority Liens" means Liens that may be given priority over Liens held by Agent for the benefit of the Lender Group hereunder, and solely includes (i) statutory Permitted Liens which are non-consensual, (ii) Liens securing Indebtedness incurred in connection with the Permitted Transaction, (iii) Liens securing Permitted Purchase Money Indebtedness; (iii) Liens securing Indebtedness of Borrower or any of its Subsidiaries incurred in connection with a Permitted Acquisition (including the acquisition of an Acquired Non-Financed Party), provided that any such Lien attaches only to those assets acquired in such Permitted Acquisition; (v) Liens securing Indebtedness of a Person whose assets or equity interests are acquired in a Permitted Acquisition; (vi) Liens on Excluded Property, including the interests of lessors under Finance Leases and Liens in connection with the purchase, sale, improvement or financing of any real property (including any leasehold interest(s) relating thereto) that is not Acquired Financed Loan Party Real Property or Acquired Financed Loan Party Leasehold Property, and which may include, without limitation, the mortgaging of any such property and any sale-leaseback transactions, securing Indebtedness that constitutes Permitted Indebtedness and which is solely secured by such real property; and (vii) the Lien existing on the Closing Date that is expressly noted on Schedule P-1 as being a Permitted Priority Lien.

"Permitted Protest" means the right of the Borrower or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien) or rental payment, provided that (a) a reserve with respect to such obligation is established on the Borrower' or any of its Subsidiaries' books and records in such amount as is required under Applicable Accounting Standards, (b) any such protest is instituted promptly and prosecuted diligently by Borrower or its Subsidiaries, as applicable, in good faith, and (c) the Required Lenders are reasonably satisfied that, while any such protest is pending, there will be no material impairment of the enforceability, validity, or priority of any of Agent's Liens or result in a Material Adverse Effect.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Indebtedness incurred after the Closing Date and at the time of, or within one hundred eighty (180) days after, the acquisition of any fixed or capital assets (excluding for the avoidance of doubt any Excluded Property) for the purpose of financing all or any part of the acquisition cost thereof, so long as such Indebtedness is otherwise permitted pursuant to clause (z) or clause (cc) of the definition of Permitted Indebtedness.

"Permitted Transaction" means the transaction described on Schedule 1.1(b).

"Petty Cash Accounts" means Bank Accounts with deposits at any time in an amount not in excess of *** for any one account and *** in the aggregate for all such accounts.

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Projections" means the Borrower's and its Subsidiaries' forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, together with appropriate supporting details and a statement of underlying assumptions.

"Pro Rata Share" means, as of any date of determination, with respect to any Term Loan Lender, the percentage obtained by dividing (i) the Term Loan Exposure of such Lender by (ii) the aggregate Term Loan Exposure of all Lenders, as the applicable percentage may be adjusted by assignments permitted pursuant to Section 15.1.

"Protective Advance" has the meaning specified therefor in Section 2.13.

"Qualified Stock" means and refers to any Stock issued by the Borrower (and not by one or more of their Subsidiaries) that is not a Disqualified Stock.

"Real Property" means any estates or interests in real property now owned or hereafter acquired (including any leasehold interest(s) relating thereto) by any Loan Party and the improvements thereto.

"Recipient" means (a) Agent, or (b) any Lender, as applicable.

"Register" has the meaning specified therefor in Section 15.1(a).

"Regulatory Authority" means each political subdivision authorized under Cannabis Law to regulate the growth, processing, testing, and sale of cannabis or medical marijuana in each state in which the Borrower operates.

"Release" means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the environment.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.11(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"Required Lenders" means, at any time, (x) Agent and (y) Lenders having or holding more than fifty-one percent (51.00%) of the aggregate Term Loan Exposure of all Lenders (subject to Section 2.2(d) in respect of Defaulting Lenders).

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Stock issued by any other Loan Party (including any

payment in connection with any merger or consolidation involving any Loan Party) or to the direct or indirect holders of Stock issued by any Loan Party in their capacity as such (other than: (i) dividends or distributions payable in Qualified Stock issued by a Loan Party or in cash in connection with *** to the extent permitted pursuant to this Agreement; (ii) dividends or other payments an Acquired Party is contractually obligated to make and such contractual obligation was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents or (iii) dividends or other payments from a Subsidiary to Borrower or another Loan Party; (b) purchase, redeem, make any sinking fund or similar payment, or otherwise retire for value (excluding in connection with any merger or consolidation involving any Loan Party that does not constitute (x) a Change of Control or (y) an acquisition that is not a Permitted Acquisition) any Stock issued by any Loan Party; (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Stock of any Loan Party now or hereafter outstanding, except: (1) in connection with the repayment or forgiveness of the Employee Notes; or (2) in connection with and to the extent necessary to effectuate Borrower's listing on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ, (d) make, or cause or suffer to permit any Loan Party to make, any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any subordinated Indebtedness (including, without limitation, Indebtedness under the Subordinated Notes except as permitted under the Intercreditor Agreement), provided that this subsection (d) shall not prohibit any Loan Party from forgiving or making "gross-up" or similar payments in connection with the Employee Notes (including with respect to all Taxes associated with the Employee Notes and the forgiveness thereof), which shall expressly be permitted hereunder, and (e) make any payment with respect to any earnout obligation or similar deferred or contingent obligation to employees, consultants, officers or directors of any Loan Party other than (1) pursuant to a Permitted Acquisition (so long as the Borrower is in pro forma compliance with the financial covenants in Section 8 and no Event of Default is in effect), (2) pursuant to a contractual arrangement in place prior to the Closing Date and which was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents, or (3) bonuses, commissions, or similar payments to employees, consultants, officers and directors of the Loan Parties in the ordinary course of business pursuant to an employee stock option or other compensation plan or as may have been approved in writing by a majority of the independent members of such Loan Party's Board of Directors (or comparable governing body) or a committee thereof, and provided, for the avoidance of doubt, the provisions of this subsection shall not prohibit Borrower or any Subsidiary from paying earnouts or similar deferred or contingent obligations in connection with Permitted Acquisitions so long as the Borrower is in pro forma compliance with the financial covenants in Section 8 and no Event of Default is in effect).

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"Sanctioned Jurisdiction" means, at any time, a country, territory or geographical region which is itself the target of comprehensive Sanctions Laws (currently, Cuba, Iran, North Korea, Sudan, Crimea and Syria).

"Sanctions Laws" means all Applicable Laws concerning or relating to economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by OFAC, including, but not limited to, the following (together with their implementing regulations, in each case, as amended from time to time): the International Security and Development Cooperation Act (ISDCA) (22 U.S.C. §23499aa-9 et seq.) and the Trading with the Enemy Act (TWEA) (50 U.S.C. §5 et seq.).

"Sanctioned Entity" means (a) a country, region or territory or a government of a country, region or territory, (b) an agency of the government of a country, region or territory, (c) an organization directly or indirectly controlled by a country, region or territory, or its government, (d) a Person resident in or determined to be resident in a country, region or territory, in each case, that is subject to a country, region or territory, as applicable, sanctions program administered and enforced by OFAC.

"Sanctioned Person" means any Person that is a designated target of Sanctions or is otherwise a subject of Sanctions, including as a result of being (i) owned, held or controlled by any Person which is a designated target of Sanctions, (ii) located or resident in, a national of, or organized under the laws of, any country that is subject to general or country-wide Sanctions, or (iii) a Person named on the list of Specially Designated Nationals maintained by OFAC, or any Person owned fifty percent (50.00%) or more by one or more of such Persons.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Second Amendment" means that certain Second Amendment to Credit Agreement dated as of December 6, 2022 by and among the parties hereto.

"Second Amendment Initial Effective Date" means the "Initial Effective Date" as defined in the Second Amendment.

"Second Amendment Subsequent Effective Date" means the "Subsequent Effective Date" as defined in the Second Amendment.

"Securities Account" means a securities account (as that term is defined in the Code).

"Security" means, collectively, all present and future guarantees and Liens granted by the Borrower or any of its Subsidiaries to Agent as Security for all or any part of the Obligations.

"Senior Notes" means Original Senior Notes and Indenture Senior Notes.

"Senior Notes Indenture" means that certain Trust Indenture dated as of November 20, 2020 between the Borrower, as issuer, and Odyssey Trust Company, a trust incorporated under the laws of the Province of Alberta, as the same may be amended, supplemented or otherwise modified from time to time, providing for the issue of the Senior Notes, as may be amended from time to time pursuant to the terms thereof.

"Senior Notes Refinancing" has the meaning specified therefor in Section 2.12.

"Solvent" means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person's debts (including contingent liabilities) is less than all of such Person's assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, and (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under Applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any

contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Acquisition" means the acquisition of all equity interests in Nature's Remedy of Massachusetts Inc., a Massachusetts corporation, and certain of its Affiliates, by the Borrower or one of its Subsidiaries, upon terms and conditions set forth in the Specified Acquisition Agreement.

"Specified Acquisition Agreement" means that certain Merger and Membership Interests Purchase Agreement dated April 16, 2021 between the Borrower, Jushi MA, Inc., Jushi Inc., Nature's Remedy of Massachusetts, Inc., McMann LLC, Valiant Enterprises, LLC and the Seller Executives (as defined therein).

"Specified Acquisition Documents" means the Specified Acquisition Agreement and the other documents and agreements, including any licenses, permits, waivers relating thereto or side letters or agreements affecting the terms thereof, executed in connection with the Specified Acquisition.

"Specified Joint Venture Agreement" means that certain Amended and Restated Operating Agreement of ***.

"Specified Lease" means that certain Lease Agreement, dated April 6, 2018 by and between IIP-PA 1, LLC, a Delaware limited liability company and Pennsylvania Medical Solutions, LLC, a Pennsylvania limited liability company.

"Springing Trigger Event" means (a) the occurrence and continuance of any Event of Default and/or (b) the failure of the Loan Parties to comply with Section 6.17(a); provided that such Springing Trigger Event shall automatically terminate (and to the extent not previously exercised, Agent and the Lenders shall cease to have the option to exercise control over the Concentration Account) on the date that: (x) in the case of the foregoing clause (a), the Event of Default is waived by the Agent or the Required Lenders in accordance with this Agreement; and (y) in the case of the foregoing clause (b), (i) the Loan Parties have maintained an aggregate cash balance of greater than *** in the Concentration Account (or such other account satisfactory to the Agent in its sole discretion) for at least *** consecutive days; and (ii) Agent has received bank statements prepared by the relevant account bank(s), and a certificate in form and substance satisfactory to the Agent, from the Chief Executive Officer, Chief Financial Officer or other similar officer of Borrower evidencing and certifying that that the foregoing clause (y)(i) has been satisfied.

"Stock" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"Subordinated Notes" means the 12% Second Lien Notes due December 7, 2026 issued by the Borrower pursuant to, and governed by, the Subordinated Notes Indenture, as may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof.

"Subordinated Notes Indenture" means that certain Trust Indenture between the Borrower, as issuer, and the Subordinated Notes Trustee, as the same may be amended, supplemented or otherwise modified from time to time, providing for the issue of the Subordinated Notes.

"Subordinated Notes Loan Documents" means the Subordinated Notes, the Subordinated Notes Indenture, the Subordinated Notes Security Agreement, and such other instrument or agreement entered into, now or in the future, in connection with the Subordinated Notes, in each case, as the same may be amended, supplemented or otherwise modified from time to time.

"Subordinated Notes Security" means the Lien granted to for the benefit of the holders of the Subordinated Notes under the Subordinated Notes Security Agreement.

"Subordinated Notes Security Agreement" means that certain Guaranty and Collateral Security Agreement, dated as of December 7, 2022, executed and delivered by the Borrower and certain Subsidiaries of the Borrower identified as Grantors therein, to Acquiom Agency Services, LLC, as collateral agent for the holders of the Subordinated Notes, as the same may be amended, supplemented or otherwise modified from time to time, which will provide, among other things, that the Subordinated Notes Security shall be subject and subordinate to the Lender Group's Lien with respect to any common collateral.

"Subordinated Notes Trustee" means Odyssey Trust Company.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity. Unless otherwise indicated, any use of the term Subsidiary means a Subsidiary of the Borrower; provided that on and after the First Amendment Effective Date, Jushi Europe and each Subsidiary of Jushi Europe shall be deemed to not be a Subsidiary of any Loan Party.

"Synthetic Lease" means (a) a so-called "synthetic", "off-balance sheet" or "tax retention" lease; or (b) an agreement for the use or possession of property creating Obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Synthetic Lease Obligations" means with respect to any Person as of any date of determination, all Obligations of such Person to pay rent or other amounts under a Synthetic Lease.

"Target" has the meaning specified therefor in the definition of "Permitted Acquisition".

"Tax Lender" has the meaning specified therefor in Section 16.2(a).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), fees, assessments or other charges imposed by any Governmental Authority or Regulatory Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" and "Term Loans" means collectively, the Initial Term Loan and each Additional Term Loan.

"Term Loan Exposure" means, with respect to any Lender, as of any date of determination, the aggregate of unfunded Commitments and outstanding principal amount of Term Loans held by such Lender at such time.

"Term Loan Request" means the form delivered by the Borrower pursuant to Section 2.2(b) in substantially the form of Exhibit D attached hereto.

"Threshold Acquisition" has the meaning specified therefor in the definition of "Permitted Acquisitions".

"Title Insurance Policy" means a mortgagee's loan policy, in form and substance satisfactory to Agent, together with all reasonable endorsements made from time to time thereto, issued to Agent by or on behalf of a title insurance company selected by or otherwise satisfactory to Agent (the "Title Insurance Company"), insuring the Lien created by an Acquired Financed Loan Party Mortgage in an amount and on terms and with such endorsements satisfactory to Agent, subject to Permitted Liens, delivered to Agent.

"Total Funded Indebtedness" means, as of any date of determination and without duplication, the sum of (a) the Outstanding Amount and all other Indebtedness for borrowed money as of such date, plus (b) the attributable indebtedness with respect to all Finance Lease Obligations and Synthetic Lease Obligations, plus (c) without duplication of amounts counted under clause (a), the outstanding principal amount of any revolving loans outstanding at such date (excluding any undrawn amounts under any such applicable revolving credit facilities), in each case with respect to the Loan Parties and their Subsidiaries but excluding any Permitted Investments in, or Permitted Indebtedness of, all Subsidiaries of Borrower not incorporated, organized or formed in the United States or Canada, determined on a consolidated basis in accordance with Applicable Accounting Standards, plus (d) without duplication, capitalized lease obligations related to operating leases as determined under GAAP (provided that the discount rate shall not exceed *** per annum). Notwithstanding the foregoing or anything contained herein to the contrary, for the purpose of calculating Total Funded Indebtedness hereunder for any purpose: (1) the Indebtedness attributable to the Specified Lease on the Closing Date shall be *** (or, if there is a change to the payment terms of the Specified Lease, the balance sheet amount of the Indebtedness attributable to the Specified Lease) and shall increase in connection with any Indebtedness incurred by Borrower or its Subsidiaries pursuant to subsection (x) of the definition of Permitted Indebtedness, for a maximum total Indebtedness pursuant to the Specified Lease of ***; and (2) any Indebtedness exclusively between: (i) Borrower and any Loan Party, (ii) two Loan Parties, or (iii) a Loan Party and an Excluded Subsidiary that is wholly-owned by a Loan Party and which is permitted pursuant to the terms of this Agreement shall be excluded.

"Transaction Documents" means, collectively, the Loan Documents and the Specified Acquisition Documents.

"Upfront Fees" has the meaning specified therefor in Section 2.6(a).

"United States" means the United States of America.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the IRC.

"U.S. Tax Compliance Certificate" has the meaning specified therefor in Section 17.11(f)(i)(B)(3).

"Voidable Transfer" has the meaning specified therefor in Section 18.6.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with Appliable Accounting Standards. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Borrower" is used in respect of a financial covenant or a related definition, it shall be understood to mean the Borrower and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (or any similar accounting principle or other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof or (ii) any treatment of Indebtedness with respect to convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (b) the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants means an opinion or report that does not include any qualification or supplemental comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit. On the first reporting period for which the Loan parties have transitioned from IFRS to GAAP, then following delivery to Agent of a completed Compliance Certificate attaching the information required to be delivered for such financial reporting period, Agent shall use commercially reasonable efforts to amend (in a manner mutually satisfactory to the Lender and Loan Parties) the thresholds or methods of calculation required (including any definitions or components applicable thereto) such that compliance therewith is neither more nor less burdensome to Loan Parties as a result of such conversion to GAAP and, thereafter, all references in the Loan Documents to IFRS shall be deemed references to GAAP.

1.3 Code. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 Construction. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all

alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, prepayment, repayment, or payment in full of the Obligations means (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid (other than contingent obligations in respect of which no claim has been made), (iii) all fees or charges that have accrued hereunder or under any other Loan Document and are unpaid, (b) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, and (c) the termination of all of the Commitments of the Lenders to Borrower hereunder. Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. LOAN AND TERMS OF PAYMENT.

2.1 Term Loan.

(a) Initial Term Loan. Subject to the terms and conditions of this Agreement, including the satisfaction (or waiver) of all conditions precedent specified in Section 3.1, and in reliance upon the representations and warranties of the Loan Parties contained herein, on the Closing Date, each Lender agrees (severally, not jointly or jointly and severally) to make a single term loan advance in an amount equal to such Lender's Pro Rata Share of the Initial Term Loan Amount (the "Initial Term Loan").

(b) Additional Term Loans. Subject to the terms and conditions of this Agreement, including the satisfaction (or waiver) of all conditions precedent specified in Section 3.3, and in reliance upon the representations and warranties of the Loan Parties contained herein, each Lender agrees (severally, not jointly or jointly and severally) to make additional term loan advances from time to time solely during the applicable Draw Period in an amount up to such Lender's Pro Rata Share of the then unfunded portion of the Original Term Loan Amount (each an "Additional Term Loan"); provided each Additional Term Loan draw shall be in a principal amount of not less than $15,000,000, or such greater amount which is a multiple of $15,000,000 (unless Borrower and Agent agree otherwise in writing), less the Original Issue Discount. Notwithstanding anything to the contrary herein, it is acknowledged and agreed that:

(i) Additional Term Loans in an aggregate principal amount of $25,000,000 were funded prior to the Second Amendment Subsequent Effective Date, such that the total Outstanding Amount of the Term Loans as of the Second Amendment Subsequent Effective Date is $65,000,000; and

(ii) from and after the Second Amendment Subsequent Effective Date, the Lenders will not fund any Additional Term Loans and the remaining unfunded portion of the Original Term Loan Amount is cancelled in all respects.

(c) [Reserved].

(d) The Outstanding Amount of the Term Loans and all accrued and unpaid interest thereon shall be due and payable on the earlier of (i) the Maturity Date, (ii) the tenth (10^{th}) day following the occurrence of a Change of Control, and (iii) the date of the acceleration of the Term Loans in accordance with the terms hereof. Any principal amount of the Term Loans that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Term Loans shall constitute Obligations.

2.2 Borrowing Procedures.

(a) For the Initial Term Loan, full execution of this Agreement by the parties hereto shall be deemed a written and completed request for the Initial Term Loan by Borrower signed by an authorized officer of the Borrower and an acceptance of such request by Agent, subject only to Borrower's satisfaction on the Closing Date of the conditions set forth in Section 3.1 hereof. Upon satisfaction of the conditions set forth in Section 3.1 hereof on the Closing Date, Agent shall remit the Initial Term Loan Amount immediately by wire transfer of such funds in accordance with the Escrow Agreement.

(b) For any Additional Term Loans, during the Draw Period, if the Borrower desires an Additional Term Loan, the Borrower shall notify Agent no later than 5:00 p.m. (Pacific time), at least ten (10) Business Days prior to the date such Additional Term Loan is to be made, which notice may be given by telephone. Each such notification shall be confirmed promptly by delivery, which shall include email delivery, to Agent of a written and completed Term Loan Request in substantially the form of Exhibit D hereto, signed by an authorized officer of the Borrower. Agent shall be entitled to rely on any notice given by a person who Agent reasonably believes to be an authorized officer of the Borrower or a designee thereof, and the Borrower shall indemnify and hold Agent harmless for any damages or loss suffered by Agent as a result of such reliance. Agent will credit the amount of Additional Term Loans made under this Section 2.2(a) to the Borrower's Deposit Account on the date such Additional Term Loan is made.

(c) Following receipt of a Term Loan Request, Agent shall promptly notify each Lender of the amount of the portion of the applicable Additional Term Loan to be funded by such Lender under Section 2.1. Upon satisfaction of the applicable conditions set forth in Section 3.3, Agent shall remit such Additional Term Loan by wire transfer of such funds in accordance with the Escrow Agreement.

(d) Notwithstanding the foregoing, it is acknowledged and agreed to no Additional Term Loans will be funded after the Second Amendment Subsequent Effective Date.

(e) [Reserved].

(f) Defaulting Lenders.

(i) Notwithstanding the provisions of Section 2.3(b)(ii), the Borrower shall make any payments that, but for this Section 2.2(e), would be due and payable to a Defaulting Lender, directly to Agent, and Agent shall not be obligated to transfer to a Defaulting Lender any payments made by the Borrower to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to each Non-Defaulting Lender ratably in accordance with their Pro Rata Share (but, in each case, only to the extent that such Defaulting Lender's

portion of the funding obligation was funded by such other Non-Defaulting Lender), (B) to a suspense account maintained by Agent, the proceeds of which shall be retained by Agent, and (C) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (I) of Section 2.3(b)(ii). Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Pro Rata Share shall be deemed to be zero. The provisions of this Section 2.2(e) shall remain effective with respect to such Defaulting Lender until the earlier of (x) the date on which all of the Non-Defaulting Lenders, Agent, and the Borrower shall have waived, in writing, the application of this Section 2.2(e) to such Defaulting Lender, and (y) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent or the Borrower, provides adequate assurance of its ability to perform its future obligations hereunder. The operation of this Section 2.2(e) shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Loan Party of its duties and obligations hereunder to Agent or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement. In the event of a direct conflict between the priority provisions of this Section 2.2(e) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.2(e) shall control and govern.

(ii) Notwithstanding anything else set forth herein, during the time period that the provisions of this Section 2.2(e) shall remain effective with respect to a Defaulting Lender, if the Borrower prepays all or any part of the principal balance as set forth in Section 2.3(e) or Section 2.3(f) during such time period, any Make-Whole Premium due and payable to any such Defaulting Lender in connection with such prepayment shall be deemed to have been irrevocably waived by such Defaulting Lender.

(g) Independent Obligations. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Loan (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

2.3 Payments; Termination of Commitments; Prepayments.

(a) Payments by the Borrower. Except as otherwise expressly provided herein, (i) all payments by the Borrower due and payable to any Lender pursuant to this Agreement shall be made for the benefit of such Lender to Agent's Account (for subsequent distribution to each Lender) and shall be made in immediately available funds, no later than 3:00 p.m. (New York time) on the date specified herein and (ii) all payments by the Borrower due and payable to Agent pursuant to this Agreement shall be made to Agent at Agent's Account and shall be made in immediately available funds, no later than 3:00 p.m. (New York time) on the date specified herein. Any payment received by Agent or any Lender later than 5:00 p.m. (New York time) shall be deemed to have been received (unless Agent or such Lender, as applicable, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day; provided that the

failure of the Borrower to make a payment to Agent's Account on or before 3:00 p.m. (New York time) in accordance with the foregoing shall not constitute a Default or an Event of Default so long as such payment is received on the applicable due date provided herein.

(b) Apportionment and Application.

(i) So long as no Application Event has occurred and is continuing, all principal and interest payments made by the Borrower shall be paid ratably to the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses made by the Borrower (other than fees or expenses that are for Agent's separate account, which fees and expenses shall be paid to Agent) shall be paid ratably to each Lender according to such Lender's Pro Rata Share of the type of commitment or Obligation to which a particular fee or expense relates. Subject to any applicable regulatory requirements (including any licensing requirements promulgated by applicable Governmental Authorities or Regulatory Authorities), all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to be distributed to the Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law. If any Lender shall receive any amounts with respect to the Obligations at any time that an Application Event has occurred and is continuing, such Lender shall receive such amounts as trustee for Agent, and such Lender shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.3(b)(ii).

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent or any Lender and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, in each case until paid in full,

(B) second, to the extent not paid under clause (A) above, ratably, to pay any fees or premiums then due to Agent and the Lenders under the Loan Documents until paid in full,

(C) third, to pay interest accrued with respect to the Protective Advances, ratably, until paid in full,

(D) fourth, to pay the outstanding principal balance of the Protective Advances until such amounts are paid in full,

(E) fifth, ratably to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents until paid in full,

(F) sixth, to the extent not paid under clause (B) above, ratably, to pay any fees or premiums then due to any of the Lenders under the Loan Documents until paid in full,

(G) seventh, to pay interest accrued with respect to the Term Loans, ratably, until paid in full,

(H) eighth, to pay the outstanding principal balance of the Term Loans to the next four (4) scheduled principal installments and any remaining thereafter, ratably in the inverse order of the maturity of the installments due thereunder, until such Loans are paid in full,

(I) ninth, to pay any other Obligations other than Obligations owed to Defaulting Lenders until paid in full;

(J) tenth, ratably to pay any Obligations owed to Defaulting Lenders until paid in full; and

(K) eleventh, to the Borrower (to be wired to the Designated Account) or such other Person entitled thereto under Applicable Law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive.

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.3(b)(i) shall not apply to any payment made by the Borrower to Agent and specified by the Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(v) For purposes of Section 2.3(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.3 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other.

(c) Termination and Reduction of Commitments. The Commitments to make a Term Loan shall automatically terminate upon the making of such Term Loan. The Borrower may terminate this Agreement and the Commitments hereunder pursuant to Section 3.6.

(d) Amortization. Beginning on July 1, 2023, the Borrower shall repay the Term Loans in an amount equal to *** per annum of the total amount of Term Loans funded to date, in equal quarterly installments on the first business day of each calendar quarter; provided that, the final principal repayment installment of the Term Loans repaid on the Maturity Date shall be, in any event, in an amount equal to the Outstanding Amount on such date.

(e) Optional Prepayments. Subject to Section 2.3(g) and any other applicable terms and conditions of this Agreement, the Borrower may, upon at least five (5) Business Days' prior written notice to Agent, prepay all or any part of the Outstanding Amount.

(f) Mandatory Prepayments. Within three (3) Business Days following the date of receipt by any Loan Party of Net Cash Proceeds exceeding *** individually or in the aggregate during any calendar year from one or more voluntary or involuntary sales or dispositions by any Loan Party of property or assets (including all Permitted Dispositions that pursuant to the definition of Permitted Dispositions requires application under this Section 2.3(f) but excluding the Net Cash Proceeds resulting from (i) the sale of Inventory, (ii) the sale of Excluded Property, (iii) sale and leaseback transactions permitted under Section 7.15 herein, (iv) Dispositions made pursuant to subsection (u) of the definition of "Permitted Dispositions", (v) any public or private sale of Borrower's Stock, (vi) the conversion of Cash Equivalents and publicly-traded Stock (including without limitation mutual fund securities and publicly traded securities) into cash, and (vii) legal awards or settlements in favor of any Loan Party arising from or relating to the matters set forth on Schedule 2.3(f)(vii) or any other legal award or settlement that is individually less than ***, the Borrower shall prepay the Outstanding Amount in accordance with Section 2.3(h) in an amount equal to one hundred percent (100%) of such Net Cash Proceeds (including condemnation awards and payments in lieu thereof); provided that, so long as (A) no Default or Event of Default shall have occurred and is continuing or would result therefrom, (B) the Borrower shall have given Agent and the Lenders prior written notice of such Loan Party's intention to apply such monies to the costs of replacement of the properties or assets that are the subject of such sale or Disposition with a similar or "like" asset or the cost of purchase or construction of any other assets useful in the business of the Loan Parties (including Permitted Acquisitions), and (C) the Loan Parties complete such replacement, purchase, or construction within one hundred eighty (180) days after the initial receipt of such monies (or, so long as such Loan Party has, within one hundred eighty (180) days following the initial receipt of such monies, entered into a binding commitment of purchase, construction, repair or restoration, within three hundred sixty five (365) days following the initial receipt of such monies), such Loan Party shall have the option to apply such Net Cash Proceeds to the costs of replacement of the properties or assets that are the subject of such sale or Disposition or the costs of purchase or construction of other assets useful in the business of the Loan Parties unless and to the extent that such applicable period shall have expired without such replacement, purchase or construction being made or completed, in which case, any amounts not reinvested in accordance with the foregoing after expiration of the applicable period above shall be paid to Agent and the Lenders and applied in accordance with Section 2.3(h).

(g) Make-Whole Premium.

(i) If the Borrower prepays all or any part of the Outstanding Amount of any Term Loans (voluntarily, pursuant to any mandatory prepayment required under Section 2.3(f) or as a result of acceleration of the Term Loans (other than amortization payments pursuant to Section 2.3(d)), whether before or after an Event of Default, Borrower shall pay to each Lender entitled to a portion of such prepayment an amount equal to such Lender's Pro Rata Share of the applicable Make-Whole Premium. Notwithstanding the foregoing, any prepayment of amortization payments prior to the scheduled payment date under Section 2.3(d) shall be subject to this obligation to pay any applicable Make-Whole Premium together with such prepayment.

(ii) Notwithstanding anything herein to the contrary, the parties hereto agree to the fullest extent permitted by Applicable Law, that (x) any and all Make-Whole Premiums shall constitute Obligations and (y) all applicable Make-Whole Premium calculated as set forth herein shall be due and owing in connection with any prepayment of the Loans.

(h) Application of Payments. Each prepayment made pursuant to Section 2.3(e) or Section 2.3(f) shall be accompanied by (i) the payment of accrued and unpaid interest to the date of such payment on the amount prepaid and (ii) the applicable Make-Whole Premium, if any. Each such prepayment of the Term Loans so allocated shall be applied to the Term Loans to ratably reduce all remaining scheduled installments of principal (which, for the avoidance of doubt, shall include any amount that is due and payable on the Maturity Date). Each prepayment pursuant to Section 2.3(e) or Section 2.3(f) shall (i) so long as no Application Event shall have occurred and be continuing, be applied, to the Outstanding Amount as set forth in Section 2.3(b)(i) until paid in full and (ii) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.3(b)(ii).

2.4 Promise to Pay. The Borrower promises to pay all of the Obligations (including principal, interest, premiums, if any (including any Make-Whole Premiums), fees, costs, and expenses (including Lender Group Expenses), and Protective Advances, if any) in full on the Maturity Date or, if earlier, on the date on which the Obligations become due and payable pursuant to the terms of this Agreement. The Borrower agrees that its obligations contained in the first sentence of this Section 2.4 shall survive payment or satisfaction in full of all other Obligations.

2.5 Interest Rates, Payments and Calculations.

(a) Interest Rate. All Outstanding Amounts that have been charged to the Loan Account pursuant to the terms hereof shall bear interest payable in cash on the outstanding balance thereof at a rate per annum equal to 11.0% (the "Interest Rate").

(b) Default Rate. Upon the occurrence and during the continuation of an Event of Default and at the written election of the Required Lenders (or automatically while any Event of Default under Section 9.1(a), Section 9.1(d) or Section 9.1(e) exists), all outstanding Obligations shall bear interest from the date of the occurrence of such Event of Default at a per annum rate equal to *** the per annum rate otherwise applicable to the Outstanding Amounts hereunder or under any other Loan Document (or, in the case of any amounts that do not otherwise bear interest, at a rate equal to *** the per annum interest rate otherwise payable hereunder), payable in cash.

(c) Payment.

(i) Except as expressly provided herein to the contrary:

(A) all interest payable hereunder or under any of the other Loan Documents shall be due and payable in cash, in arrears, on each Payment Date commencing after the Closing Date;

(B) all Lender Group Expenses and all other costs and expenses payable hereunder or under any of the other Loan Documents shall be due and payable on the later of (x) 30 days after the date on which the applicable costs, expenses, or Lender Group Expenses were first invoiced to the Borrower and (y) five (5) Business Days following the date on which demand therefor is made by Agent or such Lender, as applicable.

(ii) The Borrower hereby authorizes Agent and the Lenders, from time to time to charge to the Loan Account (i) on each Payment Date, all interest accrued during the prior quarter on any Loan hereunder, (ii) as and when due in accordance with Section 2.5(c)(i)(B), all Lender Group

Expenses, and (iii) as and when due and payable all other fees or other payment obligations payable hereunder or under any other Loan Document.

(iii) All amounts (including interest, premiums, if any (including any Make-Whole Premium), fees, Original Issue Discount, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document) charged to the Loan Account shall thereupon constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to the Loans.

(d) Computation. All interest and applicable fees chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty five (365) day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue.

(e) Intent to Limit Charges to Maximum Lawful Rate. In no event shall the Interest Rate or rates payable under this Agreement or any other Loan Document, plus any other amounts paid in connection herewith or therewith, exceed the highest rate permissible under any Applicable Law that a court of competent jurisdiction shall, in a final determination, deem applicable. The Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided that anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under Applicable Law, then, ipso facto, as of the date of the Closing Date, the Borrower is and shall be liable only for the payment of such maximum amount as is allowed by Applicable Law, and payment received from the Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the Outstanding Amount of the Obligations to the extent of such excess.

2.6 Fees.

(a) Upfront Fee. An upfront fee in the amount equal to 0.50% on the principal amount funded of each Term Loan (the "Upfront Fee"), which shall be fully earned as of the date of each Term Loan and paid by the Borrower on the date of such Term Loan. All Upfront Fees paid to Agent shall be distributed to the applicable Lenders based on their Pro Rata Share.

(b) [Reserved].

(c) [Reserved].

(d) Original Issue Discount. On each date of funding of a Term Loan, an amount equal to the Original Issue Discount for such Term Loan shall be charged to the Loan Account.

(e) All fees and Original Issue Discount due and payable hereunder shall be irrevocable when paid or charged, as applicable.

2.7 Crediting Payments. The receipt of any payment item by Agent or any Lender shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account, or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then the Borrower shall be deemed not to have made such payment and interest shall be calculated accordingly.

2.8 Designated Account. Agent and each Lender is authorized to make the Loans under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person. The Borrower agrees to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Loans in accordance with the Escrow Agreement.

2.9 Maintenance of Loan Account; Statements of Obligations. Agent shall maintain an account on its books in the name of the Borrower, (the "Loan Account") on which the Borrower will be charged with the Term Loan, and with all other payment Obligations hereunder or under the other Loan Documents, including accrued interest, premiums, if any (including any Make-Whole Premiums), fees and expenses, Lender Group Expenses, and any other fees and expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent or any Lender from the Borrower or for the Borrower's account. Agent and/or the Lenders shall endeavor to provide statements regarding the Loan Account to the Borrower, including principal, interest, fees, and including an itemization of all charges and expenses constituting Lender Group Expenses owing (but neither Agent nor any Lender shall have any liability if Agent and/or the Lenders shall fail to provide any such statement), and such statements, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between the Borrower and the Lender Group unless, within thirty (30) days after Agent first makes such a statement available to the Borrower (or such longer period as Required Lenders may agree in their sole discretion), the Borrower shall deliver to Agent and the Lenders written objection thereto describing the error or errors contained in any such statements.

2.10 Financial Examination and Other Fees. The Borrower shall pay to Agent financial examination, audit, inspection, appraisal, and valuation fees and charges, as and when incurred or chargeable, as follows: (i) reasonable and documented out of pocket expenses for each financial examination, audit, or inspection of any Loan Party performed by personnel employed by Agent, and (ii) fees and charges paid or incurred by Agent (plus reasonable and documented out of pocket expenses (including travel, meals, and lodging)) if it elects to employ the services of one or more third party Persons to perform financial examinations, audits or quality of earnings analyses of the Loan Parties, to appraise the Collateral, or any portion thereof, or to assess the Loan Parties' business valuation; provided that, except upon the occurrence of an Event of Default, Borrower shall only be required to pay to Agent the costs and expenses for one (1) financial examination, audit, inspection, appraisal, and valuation for the Loan Parties as a whole, up to an aggregate amount of *** for each calendar year.

2.11 Capital Requirements.

(a) If, after the Closing Date, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request, or directive of any such entity regarding capital adequacy or liquidity (whether or not having the force of law), has the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's Commitments hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and liquidity) by any amount deemed by such Lender to be material, then such Lender may notify the Borrower and Agent thereof. Following receipt of such notice, the Borrower agrees to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in

the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than one hundred twenty (120) days prior to the date that such Lender notifies the Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor; and provided, further, that if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred twenty (120)-day period referred to above shall be extended to include the period of retroactive effect thereof, provided in all events that the aggregate compensation due to any Lender under this Section 2.11(a) shall not cause the effective Interest Rate (including after giving effect to such compensation hereunder as part of the applicable Interest Rate) to exceed ***.

(b) If any Lender requests additional or increased costs or amounts under Section 2.11(a) (any such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(a), as applicable, and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate the Borrower's obligations to pay any future amounts to such Affected Lender pursuant to Section 2.11(a), as applicable, then the Borrower (without prejudice to any amounts then due to such Affected Lender under Section 2.11(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(a), as applicable, seek a substitute Lender reasonably acceptable to Agent (the consent of Agent not to be unreasonably withheld, conditioned or delayed) to purchase the Obligations owed to such Affected Lender (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender shall cease to be a "Lender" for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protections of Section 2.11 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for lenders affected thereby to comply therewith.

(d) Notwithstanding anything herein to the contrary, including subsections (a)-(c) of this Section 2.11, no Lender shall be entitled to make a claim for compensation under this Section 2.11 unless such Lender shall be subject to the capital or reserve requirements or capital adequacy and liquidity laws, rules, guidelines, requests, or directives contemplated herein.

2.12 Senior Notes Refinancing. On or before January 15, 2023, the Borrower consummated a refinancing of the Indebtedness under the Senior Notes (the "Senior Notes Refinancing") financed by the

proceeds of the issuance of the Subordinated Notes pursuant to and in accordance with the terms of the Subordinated Notes Indenture.

2.13 Protective Advances. At any time that a Default or Event of Default has occurred and is continuing, the Agent, without prior notice to the Loan Parties, is authorized, in its sole discretion, to make any tax, insurance or other payments on behalf of the Loan Parties ("Protective Advances") if Agent deems, in its sole discretion, that such Protective Advances are necessary or desirable to (a) enhance the likelihood, or maximize the amount of, repayment of the Loans and the other Obligations, (b) preserve or protect any Collateral or Cannabis License or (c) to protect the priority, validity and enforceability of the Lender Group's Lien on, and security interests in, the Collateral. All Protective Advances shall constitute Obligations for all purposes under the Loan Documents, secured by the Collateral, and shall be treated for all purposes as additional Loans. Any Protective Advance made pursuant to the terms hereof shall be made by the Lenders ratably in accordance with their Pro Rata Shares.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent to the Initial Extension of Credit. The obligation of each Lender to make its initial extension of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent, of each of the following conditions precedent:

(a) Agent shall have received each of the following documents, in form and substance reasonably satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

(i) this Agreement;

(ii) the Existing Party Guaranty and Security Agreement;

(iii) the Acquired Financed Loan Party Guaranty and Security Agreement for Nature's Remedy of Massachusetts Inc.;

(iv) a completed Perfection Certificate; and

(v) the Funds Flow.

(b) Agent shall have received:

(i) a certificate, in form and substance reasonably satisfactory to Agent, from an officer or member of each Loan Party (A) attesting to the resolutions of such Loan Party's board of directors (or equivalent governing body or sole member) authorizing its execution, delivery, and performance of the Loan Documents to which it is a party and authorizing specific natural persons to execute the same, (B) attesting to the incumbency and signatures of such natural persons, certifying as to such Loan Party's Governing Documents, as of the Closing Date (and with respect to Governing Documents that are charter documents, certified as of a recent date (not more than thirty (30) days prior to the Closing Date) by the appropriate governmental official) and (C) attaching a certificate of status with respect to such Loan Party, dated not more than thirty (30) days prior to the Closing Date, issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing (if applicable) in such jurisdiction;

(ii) a certificate, in form and substance reasonably satisfactory to Agent, from the Chief Executive Officer, Chief Financial Officer or similar such officer of Borrower certifying that, on behalf of each Loan Party, after giving effect to the initial Loans and transactions hereunder, (A) the Loan Parties, on a consolidated basis, are Solvent, (B) no Default or Event of Default exists, (C) the representations and warranties set forth in Section 4 are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) and (D) each Loan Party has complied with all conditions to be satisfied by it under the Loan Documents except to the extent waived or permitted to be delivered pursuant to Section 3.7;

(iii) a customary opinion of the Loan Parties' U.S. and Canadian counsel, each in form and substance reasonably satisfactory to Agent;

(iv) a copy of the Escrow Agreement duly executed by the Borrower and the Escrow Agent;

(v) all documentation and other information for each Loan Party required by bank regulatory authorities under applicable "know your customer" procedures and Money Laundering Laws, including the Patriot Act to the extent requested at least five (5) days prior to the Closing Date, and such documentation and information shall be reasonably satisfactory to Agent and the Required Lenders;

(vi) evidence that appropriate financing statements will be duly filed promptly following closing in such office or offices as may be necessary or, in the reasonable opinion of Agent, desirable to perfect Agent's Lien's in the Collateral;

(vii) (A) a summary of all existing insurance coverage, (B) evidence acceptable to Agent that the insurance policies required by Section 6.7 have been obtained and are in full force and effect, and (C) certificates of insurance with respect to all existing insurance coverage, which certificates shall name Agent as an additional insured and/or loss payee and shall evidence compliance with Section 6.7; and

(viii) executed (and, if applicable, recorded) copies of all other material documents in connection with the transactions contemplated by this Agreement in form and substance reasonable satisfactory to Agent.

(c) [Reserved];

(d) Each Loan Party shall have received all other governmental, regulatory and third party approvals (including shareholder approvals and other consents) necessary to be obtained on or before the Closing Date in connection with this Agreement and the transactions contemplated by the Loan Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement, the transactions contemplated by the Loan Documents; and

(e) The representations and warranties of the Loan Parties contained in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of the Closing Date

(except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect in the text thereof) on and as of such earlier date;

(f) No injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the making of the Initial Term Loan on the Closing Date shall have been issued and remain in force by any Governmental Authority against the Borrower, Agent or any Lender;

(g) After giving effect to the Term Loans as of the Closing Date and the liabilities and obligations of each of the Loan Parties under the Loan Documents, the Loan Parties, on a consolidated basis, shall be Solvent;

(h) No material adverse change in the financial condition of the Loan Parties shall have occurred since December 31, 2020; and

(i) Agent and each Lender shall have received all fees required to be paid, and all expenses required to be reimbursed hereunder (including the reasonable and documented fees and expenses of legal counsel); provided that, all such amounts may be paid with proceeds of the Initial Term Loan made on the Closing Date.

3.2 [Reserved].

3.3 [Reserved].

3.4 Term. Subject to Section 3.6, this Agreement shall continue in full force and effect for a term ending on the Maturity Date. The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default (other than any Event of Default described in Section 9.1(d) or Section 9.1(e), each of which shall automatically result in the termination of the Commitments and the acceleration of the Loans as set forth in Section 10.1).

3.5 Effect of Maturity. On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and the Borrower shall be required to repay all of the Obligations (other than contingent obligations in respect of which no claim has been made) in full. No termination of the obligations of the Lender Group (other than payment in full of the Obligations and termination of the Commitments set forth in Schedule C-1) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations (other than contingent obligations in respect of which no claim has been made) have been paid in full. When all of the Obligations (other than contingent obligations in respect of which no claim has been made) have been paid in full, Agent will, at the Borrower's sole expense, execute and deliver any termination statements (or, alternatively, in Agent's sole discretion, at the Borrower's sole expense, authorize the Loan Parties to file termination statements), lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary or requested by the Borrower to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to the Obligations.

3.6 Early Termination by the Borrower. The Borrower has the option, at any time after the Second Amendment Subsequent Effective Date, subject to Section 2.3(g), and upon five (5) Business Days prior written notice to Agent, to terminate this Agreement and terminate the Commitments hereunder by paying to the Lenders, all of the Obligations, in full. If the Borrower has sent a notice of termination pursuant to the provisions of this Section 3.6, then the Commitments shall terminate and the Borrower shall be obligated to repay the Obligations (other than contingent obligations in respect of which no claim has been made) in full on the date set forth as the date of termination of this Agreement in such notice. The foregoing notwithstanding, the Borrower may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness or other transactions if the closing for such issuance, incurrence or other transaction does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination).

3.7 [Reserved].

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group:

4.1 Title to Assets; No Encumbrances. Each of the Loan Parties has (a) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (b) good and marketable title to (in the case of all other real or personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 6.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

4.2 Specified Acquisition. The Borrower has furnished Agent with true and correct copies of the material Specified Acquisition Documents. As of the Closing Date, except as would not have a Material Adverse Effect, (i) each of the representations and warranties contained in the Specified Acquisition Documents made by the Borrower and the purchaser thereunder is true and correct and (ii) to the actual knowledge of the Borrower, each of the representations and warranties contained in the Specified Acquisition Documents made by the other parties thereto, is true and correct and may be relied on by Agent and Lenders, in each case of clauses (i) and (ii), subject to scheduled exceptions thereto. As of the Closing Date, the Specified Acquisition has been consummated in accordance with the terms of the Specified Acquisition Documents in all material respects. The Specified Acquisition complies with all applicable material legal requirements in all material respects, except for Federal Cannabis Laws. All necessary governmental, regulatory, creditor, shareholder, partner and other material consents, approvals and exemptions required to be obtained by the Loan Parties in connection with the Specified Acquisition have been duly obtained and are in full force and effect. All applicable waiting periods with respect to the Specified Acquisition have expired without any action being taken by any competent Governmental Authority that restrains, prevents or imposes material adverse conditions upon the consummation of the Specified Acquisition. The execution and delivery of the Specified Acquisition Documents do not, and the consummation of the Specified Acquisition do not, violate any statute or regulation of the United States (including any securities law) or of any state or other applicable jurisdiction, or any order, judgment or decree of any court or governmental body binding on the Loan Parties or, to the Loan Parties' knowledge, any other party to the Specified Acquisition Documents, or result in a breach of, or constitute a default under, any Material Contract or any judgment, order or decree, to which any other party is a party or by which any other party is bound or, to the Loan Parties' knowledge, to which any other party to the Specified

Acquisition Documents is a party or by which any such party is bound, in each case except for Federal Cannabis Laws.

4.3 [Reserved].

4.4 Due Organization and Qualification; Subsidiaries

(a) Each Loan Party (i) is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, as applicable, (ii) is qualified to do business in any state where the failure to be so qualified would reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Transaction Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.4(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement), is a complete and accurate description as of the Second Amendment Initial Effective Date of (i) the authorized Stock of each Loan Party and each Subsidiary of each Loan Party, by class and (ii) a description of the number of shares of each such class that are issued and outstanding. Other than as described on Schedule 4.4(b), there are no subscriptions, options, warrants, or calls relating to any shares of any Loan Party's Stock, including any right of conversion or exchange under any outstanding security or other instrument. Other than ***, no Loan Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Stock or any security convertible into or exchangeable for any of its Stock. All of the outstanding Stock of each Loan Party (i) has been validly issued, is fully paid and non-assessable, to the extent applicable, (ii) was issued in compliance with all Applicable Law, and (iii) except with respect to any publicly traded Stock of Borrower (for which no Loan Party makes any representation whatsoever), are free and clear of all Liens other than Permitted Liens.

(c) Set forth on Schedule 4.4(c) is a complete and accurate list of (i) the jurisdiction of organization of each Loan Party, (ii) the chief executive office of each Loan Party, and (iii) the organizational identification number of each Loan Party (if any).

4.5 Due Authorization; No Conflict.

(a) The execution, delivery, and performance by each Loan Party of the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) The execution, delivery, and performance by such Loan Party of the Transaction Documents to which it is a party do not and will not (i) violate any material Applicable Law, the Governing Documents of any Loan Party, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Contract of any Loan Party, except to the extent that the proceeds of this Agreement shall be used to satisfy in full or otherwise cancel such Material Contract, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Stock of a Loan Party or any approval or consent of any Person under any Material Contract of any Loan Party, except to the extent that (x) such consents or approvals have been obtained and are still in force and effect or (y) with respect to Material Contracts, such consents or approvals have not been obtained, but the proceeds of this

Agreement shall be used to satisfy or otherwise cancel such Material Contracts, thereby rendering such approvals or consents unnecessary, except to the extent that failure to comply with any of the foregoing would not reasonably be expected to result in a Material Adverse Effect.

(c) The execution, delivery, and performance by each Loan Party of the Transaction Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Transaction Documents do not and will not require any Loan Party registration with, consent, or registrations, consents, approvals, notices, or other action with or by, any Governmental Authority, other than Permits, notices, or other actions that (i) have been obtained and that are still in force and effect, or (ii) the failure to obtain which would not reasonably be expected to become a Material Adverse Effect. Notwithstanding the foregoing, any filings and recordings with respect to the Collateral shall be made, or otherwise delivered to Agent for filing or recordation, as of the Second Amendment Initial Effective Date.

(d) Each Transaction Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(e) This Agreement and the other Loan Documents, when executed and delivered, will grant to Agent (for the benefit of the Lender Group), upon the filing of the appropriate UCC financing statements with the filing offices listed in the Perfection Certificate, a valid and perfected Lien on the Collateral that is senior to all Liens other than Permitted Priority Liens, solely to the extent perfection can be achieved by such UCC filing.

4.6 Litigation.

(a) There are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, threatened in writing against any Loan Party that either individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect or which in any manner draws into question the validity or enforceability of any of the Transaction Documents.

(b) Schedule 4.6(b) sets forth, as of the Second Amendment Initial Effective Date, to the knowledge of any Loan Party, a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that would reasonably be expected to result in liabilities in excess of, three million Dollars ($3,000,000) that, as of the Second Amendment Initial Effective Date, is pending or, to the knowledge of each Loan Party, threatened in writing against a Loan Party, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Second Amendment Initial Effective Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties in connection with such actions, suits, or proceedings is covered by insurance. The estimate of costs with respect to such actions, suits, or proceedings set forth on Schedule 4.6(b) represents a reasonable estimate of such costs as of the Second Amendment Initial Effective Date, based on reasonable assumptions made in good faith.

4.7 Compliance with Laws; Permits; Licenses.

(a) Except as would not have a Material Adverse Effect, no Loan Party nor any of its Subsidiaries (i) is in violation of any Applicable Law or (ii) is subject to or in default with respect to any

final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(b) None of the Loan Parties has received any written notice from any Governmental Authority alleging that any of the Loan Parties are not in compliance in any material respect with, or may be subject to material liability under, any Applicable Law.

(c) Except as would not have a Material Adverse Effect, the Loan Parties have all the Permits required pursuant to Applicable Laws for the Loan Parties to conduct its business as currently contemplated, and all such Permits are in full force and effect. There are no such Permits held in the name of any Person (other than the Loan Parties) on behalf of any of the Loan Parties.

(d) Except as set forth on Schedule 4.7(d), the Loan Parties on the applicable date this representation is being made have all Cannabis Licenses required to conduct their business as currently conducted or contemplated or the Loan Parties have valid, operative, and enforceable management or services agreements with the holders of the applicable Cannabis Licenses.

4.8 Historical Financial Statements; No Material Adverse Effect. All historical financial information relating to the financial condition of the Loan Parties and their Subsidiaries that have been delivered by or on behalf of any Loan Party to Agent and the Lenders (the "Historical Financial Statements") have been prepared in accordance with Applicable Accounting Standards, except as otherwise expressly noted therein, and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the applicable date of such Historical Financial Statements, none of the Loan Parties has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not, in each case, reflected in the Historical Financial Statements or the notes thereto (to the extent required by Applicable Accounting Standards) and which in any such case is material in relation to the business, operations, properties, assets, or financial condition of the Loan Parties or any of their Subsidiaries taken as a whole. Since December 31, 2020, no event, circumstance, or change has occurred that has or would reasonably be expected to result in a Material Adverse Effect.

4.9 Solvency.

(a) As of the Second Amendment Initial Effective Date, the Loan Parties and their Subsidiaries, on a consolidated basis, are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 Employee Benefits. No Loan Party, its Subsidiaries nor any of their respective ERISA Affiliates has to such Loan Party's actual knowledge after due inquiry) contributed to or maintained any Benefit Plan, or is liable for any obligations under any Benefit Plan. No ERISA Event has ever occurred or is reasonably expected to occur.

4.11 Environmental Condition. Except as would not have a Material Adverse Effect, (a) to the knowledge of each Loan Party, none of the Real Property nor any other Loan Party's or any of their Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries' or by previous owners or operators in the disposal of, or to produce, store, handle, treat, Release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, Release or transport was in violation, in any material respect, of any material Environmental Law, (b) to the knowledge of the Borrower, after due inquiry, there has been no Release of any Hazardous Material, at, to or from any Real Property or any other property owned or leased by any Loan Party or any of their Subsidiaries, (c) no Loan Party nor any of its Subsidiaries has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by a Loan Party, and (d) to the knowledge of each Loan Party, no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any Environmental Action or any consent decree or settlement agreement with any Person relating to any Environmental Law or Environmental Liability.

4.12 Real Property.

(a) Schedule 4.12(a) sets forth a correct and complete list as of the Second Amendment Initial Effective Date of the location, by state and street address, of all Real Property owned by any Loan Party with a value in excess of $500,000 or leased by any Loan Party where Collateral in excess of $500,000 in value is located, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

(b) Each Loan Party has title, subject to matters of record disclosed in the title commitments referenced on Schedule 4.12(b), to, or valid leasehold interests in, all such Real Property, and none of the Real Property is subject to any Lien, except Permitted Liens.

(c) Each Loan Party has paid all such material payments required to be made by it in respect of any Leasehold Property, and, to such Loan Party's knowledge, no landlord Lien has been filed, and to the Borrower's knowledge, no claim of delinquency is being asserted, with respect to any such payments, except as are subject to Permitted Protest.

(d) All Permits or Cannabis Licenses required to have been issued to enable all Real Property of any Loan Party to be lawfully occupied and used for all of the purposes for which they are currently occupied and used have been lawfully issued and are in full force and effect, other than those that, either individually or in the aggregate, would not have a Material Adverse Effect.

(e) None of any Loan Party has received any notice, or has any knowledge, of any pending, threatened or contemplated condemnation proceeding affecting any Real Property of such Loan Party or any part thereof, except those that, either individually or in the aggregate, would not have a Material Adverse Effect.

4.13 Complete Disclosure. To the actual knowledge of each Loan Party after due inquiry, all factual written information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) furnished by or on behalf of a Loan Party to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents is, and all other such factual information taken as a whole (other than forward-looking statements and projections and information of a general economic nature and general information about the Loan Parties' industry) hereafter furnished by or on behalf of a Loan Party to Agent or any Lender,

will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole), not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent and the Lenders on the Closing Date represent, and as of the date on which any other Projections are delivered to Agent or the Lenders, such additional Projections represent, the good faith estimate of management of the Loan Parties, on the date such Projections were delivered, of the Loan Parties' future performance for the periods covered thereby based upon assumptions believed by the management of the Loan Parties to be reasonable at the time of the delivery thereof to Agent and the Lenders (it being recognized by Agent and the Lenders that such projected financial information is not to be viewed as fact and is subject to significant uncertainties and contingencies many of which are beyond the Loan Parties' control, that no assurance can be given that any particular financial projections will be realized, and that actual results may vary materially from such projected financial information).

4.14 Indebtedness. Set forth on Schedule 4.14 is a true and complete list of all Indebtedness in excess of $1,000,000 in principal amount of each Loan Party as of the Second Amendment Initial Effective Date that is to remain outstanding after the Second Amendment Initial Effective Date and Schedule 4.14 accurately sets forth the aggregate principal amount of such Indebtedness as of the Second Amendment Initial Effective Date.

4.15 Patriot Act; Foreign Corrupt Practices Act. Each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the Loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.16 Payment of Taxes. Except as otherwise permitted under Section 6.6, all tax returns of each Loan Party required to be filed by any of them have been timely filed, all such tax returns and reports are true, correct and complete, in each case, in all material respects, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other similar governmental charges imposed by a tax authority upon a Loan Party and upon its assets, income, businesses and franchises that are due and payable have been paid when due and payable, other than taxes that are the subject of a Permitted Protest. No Loan Party knows of any actual or proposed tax assessment or tax Lien against any Loan Party or any Subsidiary of a Loan Party or any of their respective assets or any Stock in respect of any such Person that is not subject to Permitted Protest.

4.17 Margin Stock. No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to the Borrower will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.18 Governmental Regulation. No Loan Party is subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to

incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.19 Sanctions. No Loan Party nor any of their Subsidiaries is in violation of any Sanctions Laws, and the Borrower has implemented and maintains in effect and enforces necessary policies and procedures designed to ensure compliance therewith by the Loan Parties, their Subsidiaries and their respective directors, officers and employees. None of the Loan Parties, nor any of their Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Jurisdictions or Sanctioned Entities, or (c) directly or, to the knowledge of the Loan Parties, indirectly derives revenues from investments in, or transactions with Sanctioned Persons, Sanctioned Jurisdictions or Sanctioned Entities. No proceeds of any Loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person, Sanctioned Jurisdiction or Sanctioned Entity.

4.20 Employee and Labor Matters. Except as would not reasonably be expected to cause a Material Adverse Effect, there is (i) no unfair labor practice complaint pending or, to the knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan which arises out of or under any collective bargaining agreement, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party, or (iii) no union representation question existing with respect to the employees of any Loan Party and no union organizing activity taking place with respect to any of the employees of any Loan Party. No Loan Party has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of any Loan Party have not been in material violation of the Fair Labor Standards Act or any other applicable legal requirements. All material payments due from any Loan Party on account of wages and employee health and welfare insurance and other benefits (except for employee vacation benefits) have been paid or accrued as a liability on the books of Borrower and its Subsidiaries.

4.21 Material Contracts. Except as would not have a Material Adverse Effect, each Material Contract (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party and, to the knowledge of each Loan Party, each other Person that is a party thereto in accordance with its terms, (b) has not been otherwise amended or modified in any material respect that has not been discussed, and (c) is not in material default due to the action or inaction of the applicable Loan Party. No Loan Party, nor any of its Subsidiaries, is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Material Contracts, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.22 PEP. To the knowledge of each Loan Party, no Loan Party nor any of their respective Subsidiaries is acting on behalf of any corporation, business or other entity that has been formed by, or for the benefit of, a current or former senior foreign political figure, serving in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government owned corporation, or political figure (collectively, a "PEP").

4.23 Location of Collateral. The office where each Loan Party keeps its records concerning the Collateral, and each Loan Party's principal place of business and chief executive office, each as of the Second Amendment Initial Effective Date, are set forth on Schedule 4.23.

4.24 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

4.25 Intellectual Property. Each Loan Party owns, is licensed to use or otherwise has the right to use, all Intellectual Property that is material to the condition (financial or other) for the business or operations of such Loan Party. All Intellectual Property owned by any Loan Party which is issued, registered or pending with any United States or foreign Governmental Authority (including, without limitation, any and all applications for the registration of any such Intellectual Property with any such United States or foreign Governmental Authority) and, to the knowledge of each Loan Party, all licenses under which any Loan Party is the exclusive licensee of any such registered Intellectual Property (or any such application for the registration of Intellectual Property) owned by another Person are set forth on Schedule 4.25. Such Schedule 4.25 indicates in each case whether such registered Intellectual Property (or application therefor) is owned or exclusively licensed by such Loan Party. Except as indicated on Schedule 4.25, to the best of each Loan Party's knowledge, the applicable Loan Party is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each such registered Intellectual Property (or application therefor) purported to be owned by such Loan Party, free and clear of any Liens and/or licenses in favor of third parties or agreements or covenants not to sue such third parties for infringement, other than non-exclusive licenses granted in the ordinary course of business. To the Loan Parties' knowledge, all registered Intellectual Property of each Loan Party is duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances. No Loan Party is party to, nor bound by, any material license agreement with respect to which any Loan Party is the licensee that prohibits or otherwise restricts such Loan Party from granting a security interest in such Loan Party's interest in such license agreement. To the Loan Parties' actual knowledge (after due inquiry), there is no infringement or claim of infringement by others of any Intellectual Property rights of any Loan Party.

4.26 Broker Fees. Except as set forth on Schedule 4.26, no broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby. The Borrower shall be solely responsible for the payment of any and all broker's or finder's fees and commissions payable now and in the future in connection with this Agreement or any of the transactions contemplated hereby and shall indemnify upon demand the Lender Group and its directors, officers, employees and agents against any claim arising therefrom or in connection therewith

4.27 Representations Not Waived. The representations and warranties of the Loan Parties contained herein will not be affected or deemed waived by reason of any investigation made by or on behalf of any Lender, Agent and/or any of their respective representatives or agents or by reason of the fact that any Lender, Agent and/or any of their respective representatives or agents knew or should have known that any such representation or warranty is or might be inaccurate in any respect.

5. [RESERVED].

6. AFFIRMATIVE COVENANTS.

Each Loan Party covenants and agrees that, (x) with respect to Sections 6.1, 6.3, 6.5, 6.8, 6.9, 6.10, 6.14, 6.15, 6.16 and 6.18, beginning on the Second Amendment Subsequent Effective Date and (y) with respect to all other Section of this Article 6, beginning on the date of this Agreement, and continuing until termination of the Commitments and payment in full of the Obligations (other than

contingent obligations with respect to which no claim has been made), each Loan Party shall and shall cause each of its Subsidiaries (not including Excluded Subsidiaries) to do all of the following:

6.1 Financial Statements, Reports, Certificates. (a) Deliver to Agent and each Lender, each of the financial statements, reports, and other items set forth on Schedule 6.1 no later than the times specified therein, (b) agree that no Loan Party nor any of its Subsidiaries (excluding Excluded Subsidiaries) will have a fiscal year different from that of Borrower (except for any Acquired Financed Loan Party or Acquired Non-Financed Party), (c) agree to maintain a system of accounting that enables the Loan Parties to produce financial statements in accordance with Applicable Accounting Standards, and (d) agree to (i) in connection with the delivery of annual audited financial statements (as set forth on Schedule 6.1), use commercially reasonable efforts to provide Agent with progress reports regarding the Borrower's audited year-end financial statements upon Agent's request, and (ii) permit Agent, the Lenders and their duly authorized representatives or agents to discuss such audited financials with the Auditor during regular business hours and with reasonable prior notice, provided that an employee or a duly authorized representative or agent of the applicable Loan Party be permitted to attend such discussion, provided further, such discussions with any Lender and Auditor shall be no more than one time per year unless an Event of Default has occurred or is continuing.

6.2 Collateral Reporting. Provide Agent and the Lenders with each of the reports set forth on Schedule 6.2 at the times specified therein.

6.3 Existence. At all times preserve and keep in full force and effect such Person's (i) valid existence and good standing in its jurisdiction of formation or organization except in a transaction expressly permitted by Section 7.3 and Section 7.4 and (ii) except as would not have a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any Permits or Cannabis Licenses.

6.4 Inspection; Appraisals. Permit Agent and the Lenders' duly authorized representatives or agents to (a) visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided that (i) an authorized representative of the Loan Parties shall be given an opportunity to be present, (ii) to the extent Agent and the Lender's duly authorized representatives aren't permitted by Applicable Law to visit any properties or any specific area thereof without credentials, approvals, background checks or similar authorizations, neither Borrower nor any Loan Party shall be in violation of this Agreement for refusing access to any such restricted area to Agent and the Lender's duly authorized representatives, provided that Borrower and each Loan Party shall cooperate with Agent and the Lender's duly authorized representatives to assist with the procurement of all credentials, approvals, background checks or similar authorizations necessary to enter such restricted area, (iii) so long as no Event of Default shall have occurred during a calendar year, Agent and the Lenders' shall not conduct more than one (1) inspection per calendar year for the Loan Parties, as a whole, and (iv) all costs and expenses incurred by Agent or the Lenders' representatives or agents shall be subject to the cap set forth in Section 2.10 herein except for (x) any such costs and expenses incurred during the existence of an Event of Default or (y) in connection with a refinancing of this credit facility) and (b) cause the Acquired Financed Loan Party Real Property to be appraised by an appraiser selected by Agent at Agent's sole cost and expense, in each case at such reasonable times and intervals as Agent may designate and, so long as no Event of Default exists, with reasonable prior notice to the Borrower and during regular business hours.

6.5 Maintenance of Properties.

(a) Maintain and preserve all of its assets and properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty and Permitted Dispositions excepted, and defend its title and Agent's Lien therein against all Persons claims and demands, except Permitted Liens, except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

(b) Maintain, or obtain contractual commitments from relevant landlords to maintain, all rights of way, easements, grants, privileges, licenses, certificates, and permits necessary for the use of the Acquired Financed Loan Party Real Property (as used in the business of the Loan Parties), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

(c) Comply in all respects with the terms of each Lease and other material agreement relating to the Acquired Financed Loan Party Leasehold Properties so as not to permit any tenant default to exist thereunder beyond any applicable notice and cure periods (other than any matters being contested in good faith by appropriate proceedings), except to the extent a failure to do so would not reasonably be expected to cause a Material Adverse Effect.

6.6 Taxes. Cause all Taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against the Loan Parties, their Subsidiaries (except for Excluded Subsidiaries) or any of their respective assets to be paid in full when due in accordance with Applicable Law, except to the extent that the validity of such Tax shall be the subject of a Permitted Protest.

6.7 Insurance.

(a) The Loan Parties will, and will cause each of their Subsidiaries to, at the Borrower's expense, maintain insurance substantially similar to the coverage in place on the Closing Date, as listed on Schedule 6.7. All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent, the Lenders, and any other lenders with respect to collateral secured by Permitted Indebtedness, as their interests may appear, in case of loss, pursuant to a lender loss payable endorsement with a standard noncontributory "lender" or "secured party" clause to the extent not otherwise payable to Agent and the Lenders pursuant to the terms of such insurance policy and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the lender loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for (unless agreed to by Agent) not less than thirty (30) days (ten (10) days in the case of non-payment) prior written notice to Agent and the Lenders of the exercise of any right of cancellation.

(b) If an Event of Default has occurred and is continuing, the Borrower shall give Agent and the Lenders prompt notice of any loss exceeding $1,000,000 covered by any Loan Party's casualty or business interruption insurance. So long as no Event of Default has occurred and is continuing, the Loan Parties shall have the exclusive right to adjust any losses payable under any such insurance policies. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be

necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

6.8 Compliance with Laws. Comply with the requirements of all Applicable Laws, Permits, Cannabis Licenses, and orders of any Governmental Authority or any Regulatory Authority in all material respects.

6.9 Environmental. Except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect:

(a) Keep any property either owned or operated by any Acquired Financed Loan Party free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Each Acquired Financed Loan Party shall comply, in all material respects, with Environmental Laws and provide to Agent and the Lenders documentation of such compliance which Agent or any Lender reasonably requests,

(c) Promptly notify Agent and the Lenders of any Release of which the Borrower has knowledge of a Hazardous Material in any reportable quantity at, from or onto the Acquired Financed Loan Party Real Property or any other property owned or operated by any Acquired Financed Loan Party including any Release identified in the course of any Phase II investigation conducted on behalf of Borrower and take any Remedial Actions required to abate said Release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, including any actions required to receive a "No Further Action" letter or similar confirmation from the relevant Governmental Authority evidencing completion of the remediation and compliance with Environmental Law, and provide Agent and Lenders with a copy of such No Further Action Letter or similar confirmation, and

(d) Promptly, but in any event within ten (10) Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) written notice that an Environmental Lien has been filed against any of the real or personal property of any Acquired Financed Loan Party, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Acquired Financed Loan Party, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

6.10 Disclosure Updates. Promptly upon an Authorized Person obtaining actual knowledge thereof, notify Agent and the Lenders if any written information, exhibit, or report furnished to the Lender Group contained, at the time it was furnished, any untrue statement of material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules thereto.

6.11 Formation or Acquisition of Subsidiaries. Upon the formation or acquisition by any Loan Party of any Subsidiary that is not an Excluded Subsidiary after the Closing Date (or when a prior Excluded Subsidiary ceases to constitute an Excluded Subsidiary hereunder), within thirty (30) days of such formation or the consummation of such acquisition (or within thirty (30) days of the date such prior Excluded Subsidiary ceases to constitute an Excluded Subsidiary hereunder) (or such later date as permitted

by Agent in its sole discretion), the Loan Parties shall (a) cause such Subsidiary to execute and deliver to Agent an Acquired Financed Loan Party Guaranty and Security Agreement or an Acquired Non-Financed Party Guaranty and Security Agreement, as applicable, in each case in form and substance reasonably satisfactory to Agent, together with such other security documents, as well as appropriate financing statements all in form and substance reasonably satisfactory to Agent (including being sufficient to grant an Agent Lien (subject to Permitted Liens and with the priority called for by this Agreement) in and to the applicable assets of such Subsidiary) which Lien is granted by such Subsidiary in favor of Agent, on behalf of the Lender Group, under any of the Loan Documents, (b) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or addendum to the applicable Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, as applicable pledging all of the direct or beneficial ownership interest in each Subsidiary that is an Acquired Financed Loan Party, each in form and substance reasonably satisfactory to Agent, and (c) provide to Agent all other customary documentation, including, to the extent reasonably requested by Agent, one or more opinions of counsel reasonably satisfactory to Agent which in its reasonable opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11, or Section 6.13 shall constitute a Loan Document

6.12 Additional Acquired Financed Loan Party Real Property. To the extent requested by Agent with respect to any owned Acquired Financed Loan Party Real Property acquired after the Closing Date, in the aggregate with a fair market value in excess of $500,000, the applicable Acquired Finance Loan Party owning any such Acquired Financed Loan Party Real Property shall, within thirty (30) days of Agent's request, take such actions and execute and deliver, or cause to be executed and delivered, all such Mortgages, instruments, agreements, opinions, certificates and all other Mortgage Supporting Documents with respect to such owned Acquired Financed Loan Party Real Property as reasonably requested by Agent to create in favor of Agent, a valid and perfected first priority security interest in such Acquired Financed Loan Party Real Property or to otherwise grant Agent rights with respect thereto consistent with the rights granted to Agent with respect to other owned Acquired Financed Loan Party Real Property subject to a Mortgage pursuant to the Loan Documents..

6.13 Further Assurances. At any time upon the reasonable request of Agent, each Loan Party shall execute or deliver to Agent, any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, Mortgages, deeds of trust, opinions of counsel, and all other documents that Agent may reasonably request, in form and substance reasonably satisfactory to Agent, to create, perfect, and continue perfected Agent's Liens in the Collateral granted hereunder (collectively, the "Additional Documents"), to create and perfect Liens in favor of Agent in such Collateral, and in order to fully consummate all of the transactions contemplated hereby and under the Loan Documents. To the maximum extent permitted by Applicable Law, each Loan Party authorizes Agent, after the occurrence and during the continuance of an Event of Default, to execute any such Additional Documents in the applicable Loan Party's name and to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each of Borrower and each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by the Collateral.

6.14 Lender Meetings. The Loan Parties will, within ninety (90) days after the close of each fiscal year of the Borrower (or such later date as Agent may agree), at the request of Agent and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time, including participation by conference call) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of the Loan Parties and the projections presented for the current fiscal year of the Borrower.

6.15 Material Contracts. Each Loan Party shall and shall cause each of its Subsidiaries (excluding Excluded Subsidiaries) to observe and perform all of the covenants, terms, conditions and agreements contained in the Material Contracts to be observed or performed by it if failure to so observe or perform is likely to have a Material Adverse Effect. Each Loan Party will, and will cause each other Loan Party to, use commercially reasonable efforts to ensure that any Material Contract entered into after the Closing Date (other than any renewals, amendments or extensions of Material Contracts in existence as of the Closing Date) by any Loan Party permits the grant of a security interest in such agreement (and all rights of such Loan Party thereunder) to such Loan Party's lenders or an agent for any lenders (and any transferees of such lenders or such agent, as applicable). No Loan Party shall release the liability of any party under any Material Contract if such release is likely to have a Material Adverse Effect.

6.16 Books and Records. Each Loan Party shall keep proper books of records and accounts in which full, true and correct entries in conformity with Appliable Accounting Standards and all requirements of law, in each case, in all material respects, shall be made of all dealings and transactions in relation to its businesses and activities.

6.17 Accounts.

(a) By no later than sixty (60) days after the Second Amendment Subsequent Effective Date, unless such deadline has otherwise been agreed to be extended in writing by Agent in its sole discretion (not to be unreasonably withheld if the Loan Parties have acted diligently and in good faith and failure to meet such deadline is beyond the reasonable control of the Loan Parties), the Loan Parties shall, at all times thereafter, hold not less than $6,500,000 in the aggregate on deposit in the Concentration Account.

(b) At all times during a Controlled Account Trigger Period:

(i) the Loan Parties shall ACH or wire transfer *** to the Concentration Account (x) all cash receipts and collections received by each Loan Party from all sources, and (y) any amounts then on deposit in its Deposit Accounts or Securities Accounts (excluding any such account to the extent transferring some or all of the funds in such account would cause a Loan Party to violate the terms of an agreement in respect of Indebtedness that constitutes Permitted Indebtedness under clauses (t), (x) or (y) of the definition thereof (the "Excluded Deposit Accounts") so long as the Agent has received prior written notice from the Loan Parties of the entry into such a Permitted Indebtedness agreement and the nature of the restrictions on transfers from the Excluded Deposit Accounts thereunder);

(ii) the Loan Parties may make withdrawals and transfers from the Concentration Account to make direct payments in the ordinary course of business so long as each of the following conditions is satisfied with respect to any such withdrawal or transfer: (A) no Event of Default has occurred and is continuing; (B) the Loan Parties hold not less than *** in the aggregate on deposit in the Concentration Account in accordance with Section 6.17(a); (C) the aggregate balance of all other Deposit Accounts and Securities Accounts is not greater than ***, and (D) such withdrawal or transfer has (x) been approved in writing by Agent or (y) is not expressly prohibited under this Agreement;

(iii) the funds on deposit in the Concentration Account shall at all times be Collateral securing all of the Obligations; and

(iv) in no event shall a Controlled Account Trigger Period constitute an Event of Default if the Loan Parties otherwise comply with the terms of this Section 6.17.

(c) Upon the termination of any Controlled Account Trigger Period, the Loan Parties shall be permitted to access the cash balance in the Concentration Account without any restriction under this Section 6.17, and for the avoidance of doubt, shall be permitted to transfer out of the Concentration Account all cash receipts, collections and other amounts then on deposit in the Concentration Account to such account(s) as the Loan Parties may determine in their sole discretion; provided that, and notwithstanding the foregoing, there shall be and remain at all times no less than $6,500,000 in the aggregate on deposit in the Concentration Account in compliance with Section 6.17(a).

(d) Upon the occurrence and during the continuance of a Springing Trigger Event, and provided that Agent or the Lenders have elected to initiate the exercise of control of the Concentration Account, the Concentration Account shall thereafter be under the sole dominion and control of the Agent pursuant to the Control Agreement.

6.18 Cash Management. The Loan Parties shall establish and maintain all Deposit Accounts and Securities Accounts at one or more financial institutions that are reasonably satisfactory to the Required Lenders (which for the avoidance of doubt includes each bank and financial institution utilized by the Borrower and its Subsidiaries on the Closing Date). Except for cash on deposit in an Excluded Account, the Loan Parties shall, subject to Section 6.17, deposit all other cash at the dispensaries, cultivation facilities, production facilities or from other operations in Deposit Accounts with banks in the state in which such operations occur (if any) and that are subject to a Control Agreement promptly after receipt thereof (and in any event cause such receipts to be deposited in the ordinary course of business), provided that, for the avoidance of doubt, it shall not be a violation of this Section 6.18 by a Loan Party if such Loan Party is prohibited or limited from transferring cash that would otherwise be required to be transferred to a Deposit Account subject to a Control Agreement under this Section 6.18 if such transfer is not permitted pursuant to Applicable Law or the bank or other financial institution where the applicable Loan Party has established and maintains a Deposit Account. The Loan Parties shall provide prior written notice to Agent of each new Deposit Account or Securities Account that it opens on or after the Second Amendment Subsequent Effective Date, in each case providing the current balance, the anticipated average daily balance, and the name and address of the depositary bank for each such account.

7. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, beginning (except with respect to Section 7.7(e), which shall begin on the date of this Agreement) on the Second Amendment Subsequent Effective Date and continuing until termination of all of the Commitments and payment in full of the Obligations (other than contingent obligations in respect of which no claim has been made), no Loan Party will, or permit any of its Subsidiaries, to do any of the following:

7.1 Indebtedness. Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

7.2 Liens. Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

7.3 Restrictions on Fundamental Changes.

(a) Enter into any acquisition, merger, consolidation, reorganization, or recapitalization, or reclassify its Stock (including pursuant to a "division" under Delaware law), except: (i)

for any merger or consolidation between Loan Parties, provided, that the Borrower must be the surviving entity of any such merger or consolidation to which it is a party; (ii) for any merger or consolidation between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party; (iii) any Permitted Acquisition; (iv) for acquisitions, mergers, consolidations, reorganizations, recapitalizations, or reclassifications of Stock involving solely the Stock of any Excluded Subsidiary (including without limitation Jushi Europe SA and Jushi JPTREH LDA); (v) any reorganizations, recapitalizations, or reclassifications of Stock in connection with the Borrower's or an Affiliate's listing on a public securities market in the United States, including without limitation the New York Stock Exchange or the NASDAQ; (vi) any reorganizations, recapitalizations, or reclassifications of Stock for Tax purposes that do not have an adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect; (vii) any reorganizations, recapitalizations, or reclassifications of Stock to correct any errors or make ministerial or immaterial changes to a Governing Documents of a Loan Party or (viii) in connection with any acquisition, merger, consolidation, reorganization, or recapitalization, or reclassification of Stock that would constitute a Change of Control (and for the avoidance of doubt, such Change of Control shall cause an acceleration in accordance with Section 2.1(d) herein);

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution) other than in the ordinary course of business in a manner that does not have an adverse impact on Agent's Lien in any material respect or interest as a Lender in any material respect;

(c) Suspend or cease operating a material portion of its business if such suspension or cessation is likely to cause a Material Adverse Effect.

7.4 Disposal of Assets. Other than Permitted Dispositions or transactions permitted by Section 7.3 and Section 7.11, convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any of its or their assets (any such conveyance, sale, lease, license, assignment, transfer or other disposition, a "Disposition").

7.5 Change Name. Change any Loan Party's name, organizational identification number, state of organization or organizational identity; provided, however, that any Loan Party may change its name, organizational identification number, state of organization or organizational identity upon at least ten (10) days' prior written notice to Agent of such change and so long as at the time of such written notification, such Loan Party reasonably provides any financing statements necessary to perfect and/or continue perfection of Agent's Liens.

7.6 Nature of Business. Make any material change in the nature of its or their business (including with respect to any Permitted Acquisition) as described in Schedule 7.6, to the extent not reasonably related thereto, or acquire any properties or assets that are not reasonably related to the conduct of such business activities.

7.7 Prepayments and Amendments.

(a) Optionally prepay, redeem or defease any Indebtedness of any Loan Party, other than (i) the Obligations in accordance with this Agreement; (ii) prepayments required pursuant to any contractual obligation of a Loan Party existing on the Closing Date and not created in contemplation of the transactions contemplated hereby; (iii) so long as the Borrower is in pro forma compliance with the financial covenants in Section 8, prepayments of principal and interest or the exercise of purchase options under any Permitted Purchase Money Indebtedness, including without limitation in connection with the exercise of the purchase option set forth on Schedule 7.7(a); (iv) Indebtedness with respect to any sale leaseback

transaction permitted hereunder, so long as such payment is sourced solely from the proceeds of a refinancing that constitutes Permitted Indebtedness or from a capital contribution from a non-Loan Party; or (v) so long as the Borrower is in pro forma compliance with the financial covenants in Section 8, prepayments of Indebtedness from equity capital raised by Borrower or any other Loan Party;

(b) Make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions or is not required pursuant to any contractual obligation of a Loan Party existing on the Closing Date, including without limitation any payment on account of the Subordinated Notes Indebtedness except as permitted under the Intercreditor Agreement;

(c) Directly or indirectly, amend, modify, alter, or change any of the terms or provisions of the Governing Documents of any Loan Party, in each case, in any material respect that could be materially adverse to Lenders;

(d) Amend or otherwise revise the Employee Notes to: (i) increase the principal; or (ii) extend the maturity beyond 6 months from the date set forth therein, provided that, for the avoidance of doubt, except as set forth in subsections (i) or (ii) of this Section 7.7(d), a Loan Party may take any action with respect to the Employee Notes that such Loan Party deems desirable, including without limitation forgiving any or all Indebtedness evidenced by the Employee Notes; or

(e) Amend or otherwise modify any Subordinated Notes Loan Document except for: (i) amendments or modifications that are not adverse to the Lenders in any material respect; or (ii) amendments or modifications that are undertaken in accordance with the Intercreditor Agreement.

7.8 Restricted Payments. No Loan Party shall make any Restricted Payment, other than to the extent constituting (i) Permitted Investments, (ii) a Restricted Payment for the payment of management fees or advisory fees to any Loan Party or Excluded Subsidiary, including any allocation or sharing of overhead, selling, general or administrative expenses, taxes or other shared business expenses, provided that to the extent such Restricted Payment is made to an Excluded Subsidiary, such payment shall not, in the aggregate (unless approved by Agent in writing in its sole discretion), exceed *** per fiscal year and serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6.; (iii) a Restricted Payment between Excluded Subsidiaries; (iv) a Restricted Payment between Loan Parties, (v) so long as no Default or Event of Default is in effect, a Restricted Payment to an Excluded Subsidiary in connection with a capital call made by an Excluded Subsidiary (whether or not any Loan Party had the right to cause such Excluded Subsidiary to make such capital call) provided (1) all such Restricted Payments are in an aggregate amount not to exceed *** per fiscal year and (2) such capital call serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6; and (vi) so long as no Default or Event of Default is in effect, a Restricted Payment to an Excluded Subsidiary that is wholly-owned by a Loan Party in connection with the leasing of real property provided such lease payments serve some demonstrable business justification in accordance with the nature of the Loan Parties' business as set forth on Schedule 7.6, and which shall include without limitation any lease payments made in connection with the Permitted Transaction.

7.9 [Reserved].

7.10 Accounting Methods. Without Agent's consent (such consent not to be unreasonably withheld, conditioned or delayed except as required by Applicable Law or applicable accounting rules),

modify or change its fiscal year end from December 31 or its method of accounting (other than as may be required to conform to, or as set forth in the definition of, Applicable Accounting Standards).

7.11 Investments. Except for Permitted Investments, directly or indirectly, make or acquire any Investment.

7.12 Transactions with Affiliates. Directly or indirectly, enter into or permit to exist any transaction with any Affiliate of any Loan Party or any of its Subsidiaries (including the payment any of management, advisory, consulting fees or the like), except for:

(a) transactions between a Loan Party, on the one hand, and any Affiliate of such Loan Party that is not a Loan Party, on the other hand, so long as such transactions (i) are upon fair and reasonable terms, (ii) are fully disclosed to Agent if they involve one or more payments by such Loan Party in excess of *** per fiscal year for any single transaction or series of transactions, and (iii) are no less favorable to such Loan Party than would be obtained in an arm's length transaction with a non-Affiliate;

(b) transactions permitted under Section 7.3;

(c) transactions permitted under Section 7.8;

(d) (i) the payment of compensation, severance, or employee benefit arrangements to employees, consultants, officers and outside directors of such Loan Party made: (1) in the ordinary course of business, (2) pursuant to a contractual arrangement in place prior to the Closing Date and which was not created in contemplation of avoiding the contractual obligations of the Loan Parties under the Loan Documents; or (3) approved by a majority of the independent members of such Loan Party's Board of Directors (or comparable governing body) or a committee thereof, and (ii) the payment of reasonable and customary indemnification obligations to employees, officers, and outside directors of such Loan Party in the ordinary course of business and consistent with industry practice;

(e) transactions exclusively among the Loan Parties; or

(f) transactions listed on Schedule 7.12.

7.13 Use of Proceeds.

(a) Use the proceeds of the Term Loans for any purpose other than (i) to finance Permitted Acquisitions, (ii) to pay transactional fees, costs, and expenses incurred in connection with this Agreement and the transactions contemplated hereby and (iii) for general corporate working capital purposes.

(b) No proceeds of any loan made hereunder will be used by the Loan Parties or their Subsidiaries or their respective directors, officers and employees to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

7.14 Limitation on Issuance of Stock. Except for Permitted Dispositions, Permitted Acquisitions and the issuance or sale of Qualified Stock by Borrower, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Stock. For the avoidance of doubt, Borrower shall be expressly permitted to issue *** at any time during the term hereof.

7.15 Sale and Leaseback Transactions. No Loan Party shall enter into any arrangement, directly or indirectly, with any Person whereby Borrower or any Loan Party shall sell or transfer property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except for (a) transactions in which with all property disposed of does not exceed, together with the aggregate principal amount of Indebtedness permitted under clause (z) of the definition of "Permitted Indebtedness," an aggregate value of ***, (b) the transactions set forth and described in Schedule 7.15, and (c) Excluded Property including without limitation the sale and leaseback of real property.

8. FINANCIAL COVENANTS.

Each Loan Party covenants and agrees that, beginning on the Second Amendment Subsequent Effective Date and continuing until termination of all of the Commitments and payment in full of the Obligations (other than contingent obligations with respect to which no claim has been made):

8.1 Minimum Cash Balance. The Loan Parties shall at all times maintain a sum of unrestricted cash and Cash Equivalents of at least $6,500,000, which shall be maintained in one or more Deposit Accounts of Loan Parties. The Loan Parties shall cause the minimum cash balance required to be held by Loan Parties to be held in Deposit Accounts that are subject to Control Agreements by no later than the dates set forth in Section 3(a) of the Second Amendment.

8.2 Minimum Quarterly Revenue. The financial statements delivered to Agent pursuant to Section 6.1 for each fiscal quarter shall demonstrate to the Agent's reasonable satisfaction that the net revenues for the Loan Parties on a consolidated basis (determined in a manner consistent with the Borrower's preparation of its publicly filed financial statements) for such fiscal quarter are not less than $50,000,000.

8.3 Permitted Acquisitions.

(a) To the extent any Loan Party incurs Permitted Indebtedness in connection with any Permitted Acquisition, no payment of principal may be made in respect of any such Indebtedness (including any amount that is due and payable on the maturity of such Indebtedness) unless each of the following conditions is satisfied on a pro forma basis after giving effect to such payment as if such payment was made during the most recently concluded fiscal quarter:

(i) the Debt Service Coverage Ratio for the most recently concluded fiscal quarter shall be greater than 1.10 to 1.00; and

(ii) before and after giving effect to such payment, no Default or Event of Default shall exist.

(b) Notwithstanding the foregoing Section 8.3(a), the Loan Parties may make payments in respect of Permitted Indebtedness incurred in connection with a Permitted Acquisition if, before and after giving effect to such payment (x) no Default or Event of Default shall exist and (y) either:

(i) such payments are funded solely from: (1) equity capital contributed by the public after the Closing Date, (2) equity capital contributed by non-Loan Party Affiliates of the Loan Parties after the Closing Date, or (3) proceeds of other Permitted Indebtedness; or

(ii) the Loan Parties shall maintain a sum of unrestricted cash and Cash Equivalents of at least 10% of the total amount of Term Loans funded plus $10,000,000.

(c) Notwithstanding anything to the contrary herein, the Loan Parties shall not make any principal payment in respect of any Exempted Permitted Acquisition Indebtedness other than principal or contracted payments in an aggregate amount (across all Exempted Permitted Acquisition Indebtedness) not to exceed $1,000,000 per calendar year.

(d) Notwithstanding anything to the contrary herein, the Loan Parties shall not make any payments in respect of the Specified Joint Venture Agreement unless (i) the Agent has received prior written notice of the milestone under the Specified Joint Venture Agreement giving rise to such payment and the date such payment shall become due and payable, in each case promptly after any Loan Party has actual knowledge thereof; (ii) on a pro forma basis after giving effect to such payment, the Loan Parties shall maintain a sum of unrestricted cash and Cash Equivalents of at least ***, which shall be maintained in one or more Deposit Accounts of Loan Parties; (iii) such payment, together with all prior payments made by the Loan Parties in respect of the Specified Joint Venture Agreement does not exceed $7,500,000 in the aggregate; and (iv) prior to making any such payments which (taken together with all other payments made by the Loan Parties in respect of the Specified Joint Venture Agreement) exceed *** in the aggregate, all Stock of Sublimation Consulting, LLC owned by any Loan Party shall be subject to a First Priority Lien of the Agent for the benefit of the Lender Group.

9. EVENTS OF DEFAULT.

9.1 Events of Default. Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

(a) Payments. If any Loan Party fails to pay when due and payable, or when declared due and payable, all or any portion of the Obligations consisting of (i) principal or (ii) interest, Make-Whole Premium, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding) and such required payment under this clause (ii) is not made within five (5) Business Days of its due date; or

(b) Covenants. If any Loan Party or any of its Subsidiaries:

(i) fails to perform or observe any covenant or other agreement contained in any of Sections 3.7 (Conditions Subsequent), Section 6.17, Section 7 or Section 8;

(ii) fails to perform or observe any covenant or other agreement contained in any of 6.8 (Compliance with Laws), 6.11 (Formation or Acquisition of Subsidiaries), and 6.13 (Further Assurances), and, in each case, such failure continues for a period of ten (10) calendar days after the earlier of (A) the date on which such failure shall first become known to any senior officer of any Loan Party and (B) the date on which notice thereof is given to the Borrower by Agent or any Lender;

(iii) fails to perform or observe any covenant or other agreement contained in any of Section 6.2 (Collateral Reporting), Sections 6.3 (Existence), 6.4 (Inspection; Appraisals), 6.5 (Maintenance of Properties), 6.6 (Taxes), 6.7 (Insurance), 6.9 (Environmental), 6.10 (Disclosure Updates), 6.12 (Additional Real Property) 6.14 (Lender Meetings), and 6.15 (Material Contracts) of this Agreement

and such failure continues for a period of thirty (30) days after the earlier of (A) the date on which such failure shall first become known to any officer of any Loan Party and (B) the date on which notice thereof is given to the Borrower by Agent or any Lender; or

(iv) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 9.1 (in which event such other provision of this Section 9.1 shall govern), and such failure continues for a period of thirty (30) calendar days after the earlier of (i) the date on which such failure shall first become known to any officer of any Loan Party and (ii) the date on which notice thereof is given to the Borrower by Agent; or

(c) Assets. If any material portion of any Loan Parties' assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person and the same is not discharged before the earlier of thirty (30) days after the date it first arises or five (5) days prior to the date on which such property or asset is subject to forfeiture by such Loan Party; or

(d) Voluntary Bankruptcy. If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries; or

(e) Involuntary Bankruptcy. If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within sixty (60) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein; or

(f) Business Affairs. If any Loan Party is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs which would, individually or in the aggregate, reasonably be expected to adversely impact Agent's Lien in any material respect or interest as a Lender in any material respect.

(g) Judgments. If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of *** or more (exclusive of amounts fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer accepted liability therefor in writing) is entered or filed against any Loan Party, or with respect to any of their respective assets, and either (a) there is a period of sixty (60) consecutive days at any time after the entry of any such judgment, order, or award during which (x) the same is not discharged, satisfied, stayed, vacated, or bonded pending appeal, or (y) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award; or

(h) Default Under Other Agreements. If there is a default in one or more material debt financing agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness (excluding any default set forth on Schedule 9.1(h)) involving an aggregate amount of $2,500,000 or more, and such default (i) continues beyond any applicable grace or cure period, (ii) occurs at the final maturity of the obligations thereunder or (iii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's obligations thereunder; provided that any default under any such agreement for which a

Loan Party can provide to Agent written evidence from such Loan Party's unaffiliated legal counsel (in form and substance reasonably satisfactory to Agent) determining that the counterparty to such agreement has, or may have, materially breached its obligations thereunder, shall not be considered a default hereunder; or

(i) Representations, etc. If any warranty, representation, certificate or statement made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof; or

(j) Guaranty; Subordination. If (i) the obligation of any Guarantor under the Guaranty is limited or terminated by operation of law or by such Guarantor (except where such Guarantor's Guaranty is terminated because such Guarantor constitutes an Excluded Subsidiary hereunder and is released as a Loan Party) and Borrower has not provided a new Guarantor of equal or greater credit that is acceptable to Agent in its sole discretion within ten (10) Business Days, or (ii) any Indebtedness that is required to be subordinated to the Obligations fails to be subordinated to the Obligations upon terms satisfactory to Agent; or

(k) Security Documents. If any Guaranty and Security Agreement, any Mortgage or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected, and first priority Lien on the Collateral covered thereby, subject to Permitted Priority Liens; or

(l) Loan Documents. The validity or enforceability of any Loan Document shall at any time for any reason be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document; or

(m) [Reserved];

(n) Jushi Europe Proceeding. Beginning on the First Amendment Effective Date, if the Loan Parties shall incur any liabilities in connection with the Jushi Europe Proceeding which in the aggregate are in excess of *** (excluding up to *** of expenses relating to the Jushi Europe Proceeding); or

(o) ERISA Event. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Loan Party to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan; a Loan Party or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan, which would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

10. THE LENDER GROUP'S RIGHTS AND REMEDIES.

10.1 Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default and in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by Applicable Law, Agent may, and, at the direction of the Required Lenders, shall, do any one or more of the following:

(a) declare all or any portion of the principal of, and any and all accrued and unpaid interest and fees with respect to, the Loans and all other Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and the Borrower shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by the Borrower;

(b) declare the Commitments terminated, whereupon the Commitments shall immediately be terminated;

(c) terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of the Lender Group, but without affecting any of Agent's Liens in the Collateral and without affecting the Obligations; and

(d) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under Applicable Law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 9.1(d) or Section 9.1(e), in addition to the remedies set forth above, without any notice to the Borrower or any other Person or any act by the Lender Group, the Term Loan Commitment shall automatically terminate and the Obligations, inclusive of the principal of, and any and all accrued and unpaid interest and fees with respect to the Loans and all other Obligations, whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and the Borrower shall automatically be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice or other requirement of any kind, all of which are expressly waived by the Borrower.

Agent shall not be required to take any action pursuant to this Section 10.1 unless so directed in writing by the Required Lenders and in Agent's good faith determination, taking such enforcement action is permitted under the terms of the Loan Documents and Applicable Law, and taking such enforcement action will not result in any liability of Agent to any Loan Party or any other Person for which Agent has not been indemnified for under the Loan Documents.

10.2 Remedies Cumulative. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

11. TAXES AND EXPENSES.

Upon the occurrence and during the continuance of an Event of Default, to the extent that any Loan Party fails to pay any monies (whether Taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Agent, in its sole discretion and without prior notice to any Loan Party, may do any or all of the following: (a) make payment of the same or any part thereof, or (b) in the case of the failure to comply with Section 6.7 hereof, obtain and maintain insurance policies of the type described in Section 6.7 and take any reasonable action with respect to such policies as Agent deems prudent. Any such amounts paid by Agent shall constitute Lender Group Expenses and any such payments shall not constitute an agreement by the Lender Group to make similar payments in the future or a waiver by the Lender Group of any Event of Default under this Agreement. Agent need not inquire as to, or contest the validity of, any such expense, Tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

12. WAIVERS; INDEMNIFICATION.

12.1 Demand; Protest; etc. Each Loan Party waives demand, protest, notice of protest, notice of default, acceleration or intent to accelerate, dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Loan Party may in any way be liable.

12.2 **The Lender Group's Liability for Collateral**. Each Loan Party hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Loan Parties.

12.3 Indemnification. Each Loan Party shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, brokers or consultants and all other costs and expenses actually and reasonably incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering, amending, waiving or otherwise modifying the Loan Documents (to the extent covered by the indemnification rights and obligations under this Section 12.3), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of the Loan Parties' and its Subsidiaries' compliance with the terms of the Loan Documents and (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or

properties owned, leased or operated by any Loan Party or any Environmental Actions, Environmental Liabilities and costs or Remedial Actions related in any way to any such assets or properties of any Loan Party or any of their Subsidiaries' (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 12.3 with respect to any Indemnified Liability that a court of competent jurisdiction determines pursuant to a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person or any Agent-Related Person or any Lender-Related Person thereof. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Loan Parties with respect thereto.

13. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at the email addresses as a party may designate in accordance herewith). In the case of notices or demands to the Borrower, Agent or the Lenders, as the case may be, they shall be sent to the respective address set forth below:

If to the Borrower:	Jushi Holdings Inc. 301 Yamato Road, Suite 3250 Boca Raton, Florida 33431 Attention: *** Email: ***
with copies to:	Feuerstein Kulick LLP 810 Seventh Avenue, 34th Floor New York, NY 10019 Attention: *** Email: ***
	and
	Kramer Levin Naftalis & Frankel LLP 1177 6th Avenue New York, NY 10036 Attention: *** Email: ***
If to Agent:	Roxbury, LP c/o Sunstream Bancorp Inc. 1900 Dome Tower, 333 – 7th Avenue S.W. Calgary, Alberta T2P2Z1 Attention: *** Email: ***
with copies to:	O'Melveny & Myers LLP 1999 Avenue of the Stars, 8th Floor Los Angeles, CA 90067 Attention: *** Email: ***
If to a Lender:	As set forth on such Lender's signature page

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 13, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided that (a) notices sent by overnight courier service shall be deemed to have been given the next day and (b) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

14. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT WITH RESPECT TO SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION,

INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

(b) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVES THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, SITTING IN THE COUNTY OF WESTCHESTER OR COUNTY OF NEW YORK, AT THE LENDER'S DISCRETION, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(d) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES WITH RESPECT TO ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH PARTY HERETO HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

15. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

15.1 Assignments and Participations.

(a) Assignments. Any Lender may, with the consent of Agent and the Borrower (provided, that the consent of the Borrower (A) shall not be unreasonably withheld or delayed (provided further that if such consent is not granted, it shall not be considered unreasonably withheld or delayed if the proposed assignment is to a Person who is a Competitor, or a lender to or an affiliate of a Competitor, of the Borrower or any Loan Party) and (B) shall not be required if an Event of Default exists or such assignment is to a Permitted Assignee), at any time assign to one or more Persons (other than natural persons) who is, unless an Event of Default has occurred and has not been cured (if capable of cure) within 60 days of such occurrence, not a Competitor (any such Person, an "Assignee") all or any portion of such Lender's Loans. In connection with any assignment, regardless of whether Agent or Borrower consent is required, prior to effectuating such assignment the applicable Lender(s) and Assignee(s) shall obtain all necessary governmental, regulatory, and other material consents, approvals and exemptions required to be obtained in connection therewith. Except as Agent may otherwise agree, any such assignment shall be in a minimum aggregate amount equal to one million Dollars ($1,000,000) or, if less, the remaining Commitments and Loans held by the assigning Lender. The Loan Parties and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until Agent shall have received and accepted an Assignment and Acceptance.

(i) From and after the date on which the conditions described above have been met, and subject to acceptance and recording of the assignment pursuant to Section 15.1(a)(iii), (x) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender hereunder and (y) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, shall be released from its rights (other than its indemnification rights) and obligations hereunder. Upon the request of the Assignee (and, as applicable, the assigning Lender) pursuant to an effective Assignment and Acceptance, Borrower shall execute and deliver to Agent for delivery to the Assignee (and, as applicable, the assigning Lender) a Note or Notes setting forth such Lender's Loans (and, as applicable, a Note or Notes in the principal amount of the Loans retained by the assigning Lender). Each such Note shall be dated the effective date of such assignment. Upon receipt by Agent of such Note(s), the assigning Lender shall return to Borrower any prior Note held by it, and such Note shall be cancelled by Borrower and of no further force or effect.

(ii) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall be made, unless an Event of Default has occurred and has not been cured (if capable of cure) within 60 days of such occurrence, to a Competitor or release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(iii) Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower,

Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(b) Any Lender may, at any time sell to one or more Persons (other than natural persons) participating interests in its Term Loans or other interests hereunder (any such Person, a "Participant"). In connection with any sale by a Lender of a participating interest in its Term Loans, prior to effectuating such sale applicable Lender(s) and each Participant shall obtain all necessary governmental, regulatory, and other material consents, approvals and exemptions required to be obtained in connection therewith. In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder shall remain unchanged for all purposes, (b) Borrower and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder and (c) all amounts payable by Borrower shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender. No Participant shall have any direct or indirect voting rights hereunder except with respect to any event described in Section 16.1 expressly requiring the unanimous vote of all Lenders or, as applicable, all Affected Lenders. Each Lender agrees to incorporate the requirements of the preceding sentence into each participation agreement which such Lender enters into with any Participant. Each Lender that sells a participation to a Participant shall, acting solely for this purpose as an agent of Borrower, maintain at one of its offices a register for the recordation of the names and addresses of each such Participant, and the Commitments of, and principal amount of and accrued interest on the Loans owing to, such Participant (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Loans, Commitments or its other obligations under any Loan Document) to any Person except to the extent that disclosure is required to establish that such a participation in a Loan or other obligation is held by a Participant who is a non-resident alien individual (within the meaning of Code Section 871) or a foreign corporation (within the meaning of Code Section 881) is in registered form (as described above). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall have the right to treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

15.2 Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided that no Loan Party may assign this Agreement or any rights or duties hereunder without the Required Lenders' prior written consent and any prohibited assignment shall be absolutely void ab initio. No consent to assignment by the Lenders shall release any Loan Party from its Obligations.

16. AMENDMENTS; WAIVERS.

16.1 Amendments and Waivers.

(a) No amendment, waiver, or other modification of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or, with respect to a Loan Document other than this Agreement, by Agent) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in

writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(ii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees, Original Issue Discount or other amounts payable hereunder or under any other Loan Document (except (x) in connection with the waiver of applicability of Section 2.5(c) (which waiver shall be effective with the written consent of the Required Lenders) or (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (ii)),

(iii) change the Pro Rata Share (i.e., the vote) that is required to take any action hereunder,

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) other than as permitted by Section 17.12, release Agent's Lien in and to all or substantially all of the Collateral,

(vi) amend, modify, or eliminate the definitions of "Required Lenders" or "Pro Rata Share",

(vii) contractually subordinate any of Agent's Liens,

(viii) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release any Loan Party from any obligation for the payment of money or consent to the assignment or transfer by any Loan Party of any of its rights or duties under this Agreement or the other Loan Documents,

(ix) amend, modify, or eliminate any of the provisions of Section 2.3(b)(i) or (ii) or Section 2.3(g), or

(x) amend, modify, or eliminate any of the provisions of Section 15.1 with respect to assignments to, or participations with, Persons who are a Loan Party or an Affiliate of a Loan Party.

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate, any provision of Section 17 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Loan Parties, and the Required Lenders.

Anything in this Section 16.1 to the contrary notwithstanding, any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender.

16.2 Replacement of Certain Lenders.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 17.11, then Agent and the Borrower, upon at least five (5) Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (including all interest, fees, and other amounts that may be due and payable in respect thereof, including the Make-Whole Premium described in Section 2.3(g)) and any costs that are incurred by a Tax Lender in connection with such replacement. If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 15.1.

16.3 No Waivers; Cumulative Remedies. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by the Loan Parties of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

17. AGENT; THE LENDER GROUP.

17.1 Appointment and Authorization of Agent. Each Lender hereby designates and appoints Roxbury, LP as its agent under this Agreement and the other Loan Documents and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents on its behalf, and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 17. The provisions of this Section 17 are solely for the benefit of Agent, and the Lenders, and no Loan Party shall have any rights as a third party beneficiary of any of the provisions contained herein. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document

notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Loan Document, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) exclusively receive, apply, and distribute the payments and proceeds of Collateral as provided in the Loan Documents, (d) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (e) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to any Loan Party, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (f) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

17.2 Delegation of Duties. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence, bad faith or willful misconduct.

17.3 Liability of Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and nonappealable judgment), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Loan Party, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Loan Party or any other party to any Loan Document to perform its obligations hereunder or thereunder (other than such filings and other actions as are necessary to perfect and maintain rights in the Collateral). No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Loan Party or any of its Subsidiaries.

17.4 Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any of the Loan Parties or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Required Lenders (or, to the extent required by Section 16.1(a), all affected Lenders). If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders (except as otherwise required by Section 16.1(a)).

17.5 Notice of Default or Event of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 17.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 10.1.

17.6 Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of any Loan Party or its Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender with any credit or other information with respect to any Loan Party, its Affiliates or any of

their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

17.7 Costs and Expenses; Indemnification. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, reasonable attorneys fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Loan Parties are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the payments or proceeds of the Collateral received by Agent to reimburse Agent for such reasonable and documented out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by any Loan Party, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's Pro Rata Share thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Loan Parties and without limiting the obligation of Loan Parties to do so) from and against any and all Indemnified Liabilities; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final and nonappealable judgment. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's Pro Rata Share of any costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice with respect to rights or responsibilities under, this Agreement, any other Loan Document, to the extent that Agent is not reimbursed for such expenses by or on behalf of Loan Parties. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

17.8 Agent in Individual Capacity. Roxbury, LP and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though Roxbury, LP were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Roxbury, LP or its Affiliates may receive information regarding the any Loan Party or its Affiliates or any other Person party to any Loan Document that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them.

17.9 Successor Agent. Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders), the Borrower (unless such notice is waived by the Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, the Required Lenders shall act as Agent until they appoint a successor Agent. If Agent has materially breached

or failed to perform any material provision of this Agreement or of Applicable Law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders; provided that, solely for purposes of this fourth sentence of Section 17.9, "Required Lenders" shall be deemed to exclude the current Agent in its capacity as a Lender and any Lender that is an Affiliate of such current Agent. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 17 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Required Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Required Lenders appoint a successor Agent as provided for above.

17.10 Lender in Individual Capacity. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Stock in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with any Loan Party or its Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding any Loan Party or its Affiliates and any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Loan Parties or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

17.11 Withholding Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of Agent timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by Borrower. Each Loan Party shall, jointly and severally, indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment

to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to such Loan Party by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that a Loan Party has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 15.1(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to the Lender from any other source against any amount due to Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by a Loan Party to a Governmental Authority pursuant to this Section, the Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and Agent, at the time or times reasonably requested by the Borrower or Agent, such properly completed and executed documentation reasonably requested by the Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or Agent as will enable the Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (f)(i)(A), (i)(B) and (i)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the IRC, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the IRC (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or Agent as may be necessary for the Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied in all material respects with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

17.12 Collateral Matters.

(a) The Lenders hereby irrevocably authorize Agent to release any Lien on any Collateral (i) upon the Commitments and payment and satisfaction in full by the Loan Parties of all of the Obligations (other than contingent obligations with respect to which no claim has been made), (ii) constituting property being sold or disposed of if a release is required or desirable in connection

therewith and if the Loan Parties certify to Agent and the Lenders that the sale or disposition is permitted under Section 7.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which the Loan Parties did not own any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to any Loan Party under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 17.12. The Loan Parties and the Lenders hereby irrevocably authorize Agent, upon the instruction of the Required Lenders, to (a) consent to the sale of, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent and the Required Lenders in accordance with Applicable Law in any judicial action or proceeding or by the exercise of any legal or equitable remedy. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not impair or unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such contingent or unliquidated claims cannot be estimated without impairing or unduly delaying the ability of Agent to credit bid at such sale or other disposition, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the Collateral that is the subject of such credit bid or purchase) and the Lenders whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the Collateral that is the subject of such credit bid or purchase (or in the Stock of the any entities that are used to consummate such credit bid or purchase), and (ii) Agent, upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Agent or the Loan Parties at any time, the Lenders will confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 17.12; provided that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of the Loan Parties with respect to) any and all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(b) Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the Collateral exists or is owned by any Loan Party or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (iv) to exercise at all or in any particular manner or under

any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that with respect to the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise expressly provided herein.

17.13 Restrictions on Actions by Lenders; Sharing of Payments.

(a) Each of the Lenders agrees that it shall not, without the express written consent of the Required Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of the Required Lenders, set off against the Obligations, any amounts owing by such Lender to any Loan Party or any deposit accounts of any Loan Party now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Required Lenders, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Loan Party or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from any Loan Party pursuant to the terms of this Agreement, or (ii) payments in excess of such Lender's Pro Rata Share of all such amounts, such Lender promptly shall (A) turn the same over to Agent or other Lenders, as applicable, in kind, and with such endorsements as may be required to negotiate the same to Agent or the other Lenders, as applicable, or in immediately available funds, as applicable, for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, however, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

17.14 Agency for Perfection. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

17.15 Payments by Agent to the Lenders. All payments to be made by Agent to the Lenders shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

17.16 Concerning the Collateral and Related Loan Documents. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

17.17 Several Obligations; No Liability. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of the Lenders to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective portion of the Term Loan Commitment, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount at such time of their respective portion of the Term Loan Commitment. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or with respect to, the business, assets, profits, losses, or liabilities of any other Lender. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided this Section 17.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Loan Party or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for it or on its behalf, nor to take any other action on its behalf hereunder or in connection with the financing contemplated herein.

18. GENERAL PROVISIONS.

18.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by the Loan Parties, Agent, and each Lender whose signature is provided for on the signature pages hereof.

18.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

18.3 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

18.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

18.5 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by electronic mail or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by electronic mail or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis.

18.6 Revival and Reinstatement of Obligations; Certain Waivers. If any member of the Lender Group repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party with respect to such liability or any Collateral securing such liability.

18.7 Confidentiality.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding the Loan Parties, their operations, assets, and existing and contemplated business plans shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group and provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 18.7, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (v) as may be agreed to in advance in writing by any Loan Party, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (vii) as to any such information that is or

becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representative), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; provided, that, such party is subject to confidentiality obligations no less protective of Borrower as those contained herein in connection therewith, (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents, and (x) in connection with the exercise of any secured creditor remedy under this Agreement or any other Loan Documents.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of the Borrower or the other Loan Parties and the Loans provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of Agent.

18.8 Debtor-Creditor Relationship. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

18.9 Public Disclosure. Each Loan Party agrees that it will not disclose any non-public information regarding Agent or any Lender or issue any press release or other public disclosure using the name of Agent, any Lender or any of their respective Affiliates or referring to this Agreement or any other Loan Document or any of the terms or provisions hereof or thereof without the prior written consent of Agent or such Lender, except (i) to the extent that a Loan Party is required to do so under Applicable Law (in which event, such Loan Party will consult with Agent or such Lender before issuing such press release or other public disclosure to the extent permitted by Applicable Law), (ii) to attorneys for and other advisors, accountants, auditors, and consultants to any member of such Loan Party and to employees, directors and officers of any member of such Loan Party (collectively, the "Loan Party Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (iii) to Subsidiaries and Affiliates of any Loan Party and provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 18.9, (iv) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (v) as may be required by statute, decision, or judicial or administrative order, rule or regulation, (vi) as may be agreed to in advance in writing by Agent or the applicable Lenders, (vii) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (viii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by any Loan Party or the Loan Party Representative) and (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents.

18.10 Survival. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties

hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid (other than contingent obligations with respect to which no claim has been made) and so long as the Commitments have not expired or been terminated.

18.11 PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Loan Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender to identify Loan Parties in accordance with the Patriot Act.

18.12 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

18.13 Joint and Several. The obligations of the Loan Parties hereunder and under the other Loan Documents are joint and several.

18.14 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

18.15 Schedules. Information furnished in any particular schedule attached hereto or any subsection thereof shall be deemed to have been disclosed with respect to every other schedule attached hereto or any subsection thereof to the extent the relevance of such information to other schedules or subsections thereof is readily apparent regardless of whether specific cross-reference is made.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

BORROWER:

JUSHI HOLDINGS INC., as Borrower

By: _____
Name:
Title:

AGENT:

ROXBURY, LP, as Agent

By:_____
Name:
Title:

LENDER:

ROXBURY, LP, as a Lender

By:_____
Name:
Title:

EXHIBIT B

FORM OF WARRANT

[attached]

EXHIBIT C

TRUST INDENTURE

[attached]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is effective later of May 1, 2019 or the date the Executive signs the Agreement (the "Effective Date"), by and between JGMT, LLC, a Florida limited liability company (the "Company"), and Tobi Lebowitz (the "Executive"). (Company and Executive are sometimes individually referred to herein as a "Party" and collectively as the "Parties.").

WHEREAS, the Executive and the Company entered into an Employment Agreement effective on January 4, 2019 (the "Original Agreement");

WHEREAS, the Executive agrees to continue to provide services for the benefit of the Company for the additional period provided herein, and the Company wishes to procure such services as provided herein; and

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall become effective as of the Effective Date and Executive's employment with the Company shall continue in accordance with the terms of this Agreement until such employment is terminated pursuant to Section 4 hereof (the "Term"). Executive's Original Agreement is hereby terminated.

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Term, Executive shall serve as Executive Vice President, Co-Head Legal Affairs, reporting directly to the Company's Chief Executive Officer (the "CEO"), or the CEO's designee (such designation to be made in writing), and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the CEO, or the CEO's designee, including duties and responsibilities for the Company, its current parent, Jushi Inc ("Parent"), any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the "Company Group"). Executive acknowledges that Executive's duties and responsibilities for Company Group shall include, but shall not be limited to, co-managing the legal affairs of the Company Group and engaging in operational and strategic business planning. Executive agrees to devote Executive's full business time and attention exclusively to the performance of Executive's duties hereunder and in furtherance of the business of Company Group. Executive also acknowledges that Executive's position, title, duties and/or responsibilities may change from time to time as needed and determined by the CEO and such change(s) shall not constitute a termination by the Company. During the Employment term, Executive shall (i) perform Executive's duties and responsibilities hereunder faithfully and to the best of Executive's abilities in a diligent manner and in accordance with the Company Group's policies and applicable law, (ii) use Executive's commercially reasonable best efforts to promote the success of the Company Group, (iii) not do anything, or permit anything to be done at Executive's direction, that is intended to be inconsistent with Executive's duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case,

subject to applicable law, and (iv) not be or become an officer, director, manager, employee, advisor, or consultant of any business other than that of the Company Group without prior written authorization from the CEO. Notwithstanding the foregoing, Executive may engage in religious, charitable or other community activities as long as such services and activities do not interfere with Executive's performance of Executive's duties to Company Group.

(b) Principal Office. Executive's principal office will be located in Boca Raton but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits.

(a) Base Salary. During the Employment Term, the Company shall pay to Executive an annual base salary of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (as the same may be increased from time to time, the "Base Salary"), which shall be payable in regular installments in accordance with the Company's customary payroll practices and procedures or, at the Company's election, in cash, but in no event less frequently than monthly, and prorated for any partial year worked.

(b) Anniversary Bonus. During the Employment Term, the Company shall pay to Executive a bonus of Fifty Thousand and No/100 Dollars ($50,000.00) following each continuous year of employment with the Company measured from the Executive's date of hire ("Anniversary Date"), such bonus is the "Anniversary Bonus". As a condition of receipt of the Anniversary Bonus, the Executive must be employed by the Company in a full-time and continuous manner through the Anniversary Date.

(c) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, employee life, group life and accidental death insurance plans and programs) maintained by the Company or its affiliates for Executives of the Company, subject in each instance to the terms and conditions of such plans, practices, policies and programs.

(d) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of the Company applicable to employees of the Company, as in effect from time to time. To the extent that any reimbursement of expenses under this Section 3(e) constitutes "deferred compensation" under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the "Code" and such section of the Code, "Code Section 409A"), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for

reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(e) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, in accordance with the plans, policies, programs and practices of the Company applicable to its employees, and, in each case, subject to the consent of the CEO or the CEO's designee.

(f) Equity Compensation. Executive shall be eligible to receive such equity-based compensation awards from the Parent at such time, in such amounts and subject to such terms and conditions as the Parent's board of directors (or the compensation committee of such board of directors) may decide.

(g) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation.

4. Termination. This Agreement and Executive's employment with the Company may be terminated in accordance with any of the following provisions.

(a) Termination by the Company Without Cause. The Company may terminate Executive's employment and this Agreement without Cause (as defined in Section 4(g)) by providing written notice to the Executive at least fourteen (14) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. In the event Company terminates Executive's employment and this Agreement without Cause and Executive executes a general release of all claims ("Release") in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then (x) the Company shall pay Executive a one-time lump sum payment equal to six (6) months of Executive's Base Salary (the "Severance Payment") and (y) if such termination of employment occurs upon a Change of Control (as defined in Section 4(g)) or during the one (1) year period following a Change of Control (as defined in Section 4(g)) then all of Executive's then outstanding equity-based compensation shall be fully vested, exercisable and nonforfeitable (the "Equity Acceleration"). The Severance Payment will be paid to Executive within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed. If applicable, the Equity Acceleration will become effective upon expiration of the applicable revocation period with respect to the Release.

(b) Termination by Executive for Good Reason Upon a Change in Control. Upon a Change in Control (as defined in Section 4(g)) and during the one (1) year period following a Change in Control (as defined in Section 4(g)), the Executive may terminate her employment and this Agreement for Good Reason (as defined in Section 4(g)) if (i) not later than ninety (90) days after the occurrence of any act or omission that constitutes Good Reason, the Executive provides the Company with a written notice setting forth in reasonable detail the acts or omissions that constitute Good Reason, (ii) the Company fails to correct or cure the acts or omissions within thirty (30) days after it receives such written notice, and (iii) Executive terminates her employment with the Company after the expiration of such cure period but not later than sixty (60) days after the expiration of such cure period. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. In the event Executive terminates her employment and this Agreement for Good Reason upon a Change in Control (as defined in Section 4(g)) and during the one (1) year period following a Change in Control (as defined in Section 4(g)), and Executive executes a general release of all claims ("Release") in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then (x) the Company shall pay Executive a one-time lump sum payment equal to six (6) months of Executive's Base Salary (the "Severance Payment") and, (y) all of Executive's then outstanding equity-based compensation shall be fully vested, exercisable and nonforfeitable (the "Equity Acceleration"). The Severance Payment will be paid to Executive within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed. The Equity Acceleration will become effective upon expiration of the applicable revocation period with respect to the Release.

(c) Termination by Executive Without Good Reason. Executive may terminate her employment and this Agreement without Good Reason by providing written notice to the Company at least thirty (30) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period.

(d) Termination By the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination, subject to any cure period as required within the definition of Cause.

(e) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death.

(f) Disability of Executive This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 4(g)).

(g) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Executive, one or more of the following: (i) commission of a felony or other crime involving moral turpitude, including crimes related to compliance with applicable laws related to cannabis; provided, that for the sake of clarity, no action or inaction by Executive that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause, nor shall such action or inaction be a violation of this Agreement for any reason; (ii) the commission of any act or omission involving moral turpitude, misappropriation, embezzlement, dishonesty, or fraud; (iii) the commission of any act or omission which is significantly injurious to the Company Group, monetarily; (iv) reporting to work under the influence of alcohol or illegal drugs, or other conduct causing the Company Group public disgrace or disrepute or significant economic harm, whether such conduct occurred in conjunction with the performance of Executive's duties for the Company Group, or otherwise; (v) failure to perform material duties as reasonably directed by the CEO (other than as a result of illness or injury); (vi) any act or omission aiding or abetting a competitor, supplier or customer of the Company Group to the disadvantage or detriment of the Company Group; (vii) breach of any applicable fiduciary duty with respect to the Company Group, or gross negligence or willful misconduct; (viii) any other material breach of this Agreement or (ix) material failure to comply with the Company's material policies governing business ethics or code of conduct. The Company shall provide twenty-one (21) days' notice prior to terminating for Cause under clause (iii), (v), (viii) or (ix) of this paragraph to provide the Executive with an opportunity to cure any act or omission constituting Cause pursuant to such subsections (iii), (v), (viii) or (ix) of this paragraph, to the extent such act or omission is curable. In no event shall the Executive have more than one cure opportunity with respect to the recurrence of the same or similar actions or inactions constituting Cause.

(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction

(each, a "Business Combination") other than a Business Combination in which all or substantially all of the persons who were the beneficial owners of the Parent's voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent's voting securities immediately prior to such Business Combination; or

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period.

Notwithstanding the forgoing, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section 1.409A- 3(i)(5)(v) or a change in ownership of a substantial portion of the assets of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vii).

(iii) "Disability" means (i) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive's duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (ii) such total incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive's life.

(iv) "Good Reason" means, unless the Executive has consented in writing thereto, the occurrence of any of the following:

(A) the assignment to the Executive of any duties materially inconsistent with the Executive's position, including any change in status, title, authority, duties or responsibilities or other action which results in a material diminution in such status, title, authority, duties or responsibilities;

(B) a material reduction in the Executive's Base Salary by the Company;

(C) the relocation of the Executive's principal office to a location more than 50 miles from his then current principal;

5. Payments of Accrued Obligations Upon Termination. In the event that Executive's employment with the Company terminates for any reason, the Company's obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any payments Executive is entitled to receive pursuant to Section 4, or (iii) any rights or payments that

are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive's business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the "Accrued Obligations"). The Company shall pay to Executive (or to Executive's estate in the event of Executive's death), the Accrued Obligations (other than the Severance Payments described in Section 4(a) and (b)) within thirty (30) days after the date of termination of Executive's employment with the Company.

6. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive's employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, "Confidential Information" shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of employees that is private and confidential; any information related to the compensation of employees, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 9 hereof; and information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, or (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive.

(i) During the course of Executive's employment with Company, Executive agrees to use Executive's commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group's sole property during and after Executive's employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group's premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit).

(iii) Other than as contemplated in Section 6(a)(iv) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 6(a)(iii) to permit a particular disclosure, Executive will furnish only that portion of the Confidential Information which Executive is legally required to disclose.

(iv) Executive agrees to execute and abide by the terms of the Company's Proprietary Rights Agreement, attached as Appendix A

(v) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(b) Restrictions On Use And Disclosure Of Confidential Information. At all times during Executive's employment with the Company and after Executive's employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; and (iii) to promptly and fully

advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Confidential Information or disclosure of the Confidential Information to any unauthorized person about which Executive becomes aware. The restrictions contained in this Section 6(b) also apply to Confidential Information developed by Executive during Executive's employment with the Company, which are related to the Company Group or to the Company Group's successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

(c) Third Party Information. Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Third Party Information or disclosure of the Third Party Information to any unauthorized person about which Executive becomes aware.

(d) Return of Confidential Information and Property. Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group.

7. Non-Competition; Non-Solicitation.

(a) Non-Competition. Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information, the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payment pursuant to Section 4(a) or (b) and other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for six (6) months from the date of termination of Executive's

employment with Company for any reason (the "Restricted Period"), Executive will not engage, directly or indirectly, as a principal, officer, agent, employee, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined),. For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company Group conducts the Restricted Business as of the date of termination of Executive's employment with Company or conducted the Restricted Business within the one-year period prior to the date of termination of Executive's employment with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

(b) Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company Group; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company Group); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company Group; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 7(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company.

(c) Non-Solicitation of Employees, Consultants, and Independent Contractors. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any employees, consultants, or independent contractors of the Company Group to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any employee, consultant, or independent contractor of the Company Group (other than for the Company Group).

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients

throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate the restrictive covenants of this Section 7 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 7 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 7 from any location anywhere in the Restricted Area. The Parties acknowledge and agree that the scope of the restrictive covenants in this Section 7 shall not prevent Executive from engaging in the practice of law in the Restricted Business or otherwise.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

(f) Tolling of Restrictive Period. The time period during which Executive is to refrain from the activities described in Section 7 of this Agreement will be extended by any length of time during which Executive is in breach of any provision of this Agreement. The Executive acknowledges that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of the restriction from the date of termination of Executive's employment where the Executive failed to honor the restrictive covenant until required to do so by court order.

8. Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, employees, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. However, nothing in this Agreement shall prohibit Executive from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation.

9. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and

otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

10. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement.

11. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid, illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent

compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or employee thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are independent of any of the Company Group's obligations to the Executive.

12. Remedies for Breach. Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 6, 7, 8 or 9 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

13. Attorneys' Fees and Costs. In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

14. Assignment; Third-Party Beneficiaries. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 14 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 6, 7, 8, 9, and 10 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 6, 7, 8, 9, and 10 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

16. Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 23 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

17. **Mutual Waiver of Jury Trial.** EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

18. Waiver. No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

19. Survival. Executive's post-termination obligations and the Company Group's post-termination rights under Sections 6 through 19 of this Agreement shall survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination, including upon expiration of the Employment Term; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

20. **Independent Advice. Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being**

placed on Executive pursuant to Sections 6-13 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.

21. Entire Agreement. This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

22. Amendment. This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

23. Notices. Any notice, request or other document required or permitted to be given under this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b) three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company, to:

JGMT, LLC
1800 NW Corporate Blvd., Suite 200
Boca Raton, FL 33431
Attn: Chief Executive Officer

24. Code Section 409A Compliance. It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

25. Excess Parachute Excise Tax. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (including any acceleration) by the Company or any member of the Company Group or any entity which effectuates a transaction described in Section 280G(b)(2)(A)(i) of the Code to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise, but determined before application of any reductions required pursuant to this Section 25) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred with respect to such excise tax by the Executive (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company will automatically reduce such Payments to the extent, but only to the extent, necessary so that no portion of the remaining Payments will be subject to the Excise Tax, unless the amount of such Payments that the Executive would retain after payment of the Excise Tax and all applicable Federal, state and local income taxes without such reduction would exceed the amount of such Payments that the Executive would retain after payment of all applicable Federal, state and local taxes after applying such reduction. Unless otherwise elected by the Executive, to the extent permitted under Code Section 409A, such reduction shall first be applied to any severance payments payable to the Executive under this Agreement, then to the accelerated vesting on any equity-based compensation awards, starting with stock options and stock appreciation rights reversing accelerated vesting of those options and stock appreciation rights with the smallest spread between fair market value and exercise price first and after reversing the accelerated vesting of all stock options and stock appreciation rights, thereafter reversing accelerated vesting of restricted stock, restricted stock units, performance shares, performance units or other similar equity awards on a pro rata basis.

All determinations required to be made under this Section 25, including the assumptions to be utilized in arriving at such determination, shall be made by the Company's independent auditors or such other certified public accounting firm of national standing reasonably acceptable to the Executive as may be designated by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by either the Company or the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion to such effect. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

26. Counterparts; Electronic Transmission; Headings. This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JGMT, LLC

By: _____

Print Name: James Cacioppo

Title: CEO & Chairman

EXECUTIVE:

_____

Tobi Lebowitz

Address:

9995 NW 25th Way

Boca Raton, FL 33496

Appendix A

PROPRIETARY RIGHTS AGREEMENT

EXHIBIT 10.29

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is effective April 1, 2022 (the "Effective Date"), by and between a subsidiary of Jushi Holding Inc. ("Jushi"), JMGT LLC (the "Company"), and Nichole Upshaw (the "Executive"). (Company and Executive are sometimes individually referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Executive agrees to continue to provide services for the benefit of the Company for the additional period provided herein, and the Company wishes to procure such services as provided herein; and;

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Employment Term. This Agreement shall become effective as of the Effective Date and Executive's employment with the Company shall continue in accordance with the terms of this Agreement until such employment is terminated pursuant to Section 4 hereof (the "Employment Term" or "Term").

2. Position and Duties; Exclusive Employment; No Conflicts.

(a) Position and Duties; Exclusive Employment. During the Employment Term, Executive shall serve as Executive Vice President of Human Resources, reporting directly to the Company's Chief Executive Officer (the "CEO"), or the CEO's designee, and shall have such duties, authority, and responsibility as shall be assigned and determined from time to time by the, or the CEO's designee, including duties and responsibilities for the Company, its current parent, Jushi Holdings Inc. ("Parent"), any future parent of the Company, and each of their current and future subsidiaries and affiliates (collectively referred to herein as the "Company Group"). Executive acknowledges that Executive's duties and responsibilities for Company Group shall include, but shall not be limited to, managing the strategy and processes related to building and retaining an exceptional team through the optimization of people-centered activities such as hiring, training, professional development, and performance management to ensure these efforts support the company's growth and bottom line. Executive agrees to devote Executive's full business time and attention exclusively to the performance of Executive's duties hereunder and in furtherance of the business of Company Group. Executive also acknowledges that Executive's position, title, duties and/or responsibilities may change from time to time as needed and determined by the CEO and such change(s) shall not constitute a termination by the Company. During the Employment term, Executive shall (i) perform Executive's duties and responsibilities hereunder faithfully and to the best of Executive's abilities in a diligent manner and in accordance with the Company Group's policies and applicable law, (ii) use Executive's commercially reasonable best efforts to promote the success of the Company Group, (iii) not do anything, or permit anything to be done at Executive's direction, that is intended to be inconsistent with Executive's duties to the Company Group or opposed to the best interests of the Company Group or which is a conflict of interest, in each case, subject to applicable law, and (iv) not be or become an officer, director, manager, Executive, advisor, or consultant of any business other than that of the Company Group without prior written authorization from the CEO. Notwithstanding the foregoing, Executive may engage in religious, charitable or other community activities as long as such services and activities do not interfere with Executive's performance of Executive's duties to Company Group.

(b) Principal Office. Executive's principal office location will located at Denver, Colorado but Executive will be expected to travel extensively on behalf of the Company.

(c) No Conflict. Executive represents and warrants to the Company that Executive has the capacity to enter into this Agreement, and that the execution, delivery and performance of this Agreement by Executive will not violate any agreement, undertaking or covenant to which Executive is party or is otherwise bound, including any obligations with respect to non-competition, non-solicitation, or proprietary or confidential information of any other person or entity.

3. Compensation; Benefits.

(a) Base Salary. During the Employment Term, the Company shall pay to Executive an annual base salary of $250,000 (as the same may be increased from time to time, the "Base Salary"), which shall be payable in regular installments in accordance with the Company's customary payroll practices and procedures or, at the Company's election, in cash, but in no event less frequently than monthly, and prorated for any partial year worked.

(b) Performance Bonus. During the Employment Term, the Executive shall be eligible for a performance bonus for similarly situated Executives of the Company with such individual target for the Executive determined in the discretion of the Company.

(c) Equity. During the Employment Term, the Executive shall be eligible for equity grants pursuant to Jushi's Equity Incentive Plan and any such equity grant will be issued at Jushi's sole discretion and subject to Jushi's Board of Director's approval.

(d) Welfare Benefit Plans. During the Employment Term, Executive shall be eligible for participation in the welfare benefit plans, practices, policies and programs (including, if applicable, medical, dental, disability, Executive life, group life and accidental death insurance plans and programs) maintained by the Company Group for similarly situated Executives of the Company Group, subject in each instance to the terms and conditions of such plans, practices, policies and programs.

(e) Expenses. During the Employment Term, Executive shall be entitled to reimbursement of all documented reasonable business expenses incurred by Executive in accordance with the policies, practices and procedures of the Company applicable to Executives of the Company, as in effect from time to time. To the extent that any reimbursement of expenses under this Section 3(e) constitutes "deferred compensation" under Section 409A of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder (as amended, the "Code" and such section of the Code, "Code Section 409A"), such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year and the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(f) Vacation. During the Employment Term, Executive shall be entitled to time off as needed, in accordance with the plans, policies, programs and practices of the Company applicable to its Executives, and, in each case, subject to the consent of the CEOor the CEO's designee.

(g) Withholding Taxes. All forms of compensation paid or payable to Executive, whether under this Agreement or otherwise, are subject to reduction to reflect applicable withholding and payroll taxes pursuant to any applicable law or regulation.

4. Termination. This Agreement and Executive's employment with the Company may be terminated in accordance with any of the following provisions.

(a) Termination by the Company Without Cause. The Company may terminate

Executive's employment and this Agreement without Cause (as defined in Section 4(g)) by providing written notice to the Executive at least fourteen (14) days prior to the effective date of termination (the "Notice Period"). During the Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period. In the event Company terminates Executive's employment and this Agreement without Cause, excluding by Notice of Non-Renewal, and Executive executes a general release of all claims ("Release") in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then (x) the Company shall pay Executive a one-time lump sum payment equal to six (6) months of Executive's Base Salary (the "Severance Payment"), and (y) if such termination of employment occurs upon a Change of Control (as defined in Section 4(g)) or during the one (1) year period following a Change of Control (as defined in Section 4(g)) then all of Executive's then outstanding equity-based compensation shall be fully vested, exercisable and nonforfeitable (the "Equity Acceleration"). The Severance Payment will be paid to Executive within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed. If applicable, the Equity Acceleration will become effective upon expiration of the applicable revocation period with respect to the Release.

(b) Termination by Executive for Good Reason Upon a Change in Control. Upon a Change in Control (as defined in Section 4(g)) and during the one (1) year period following a Change in Control (as defined in Section 4(g)), the Executive may terminate her/his employment and this Agreement for Good Reason (as defined in Section 4(g)) if (i) not later than ninety (90) days after the occurrence of any act or omission that constitutes Good Reason, the Executive provides the Company with a written notice setting forth in reasonable detail the acts or omissions that constitute Good Reason, (ii) the Company fails to correct or cure the acts or omissions within thirty (30) days after it receives such written notice, and (iii) Executive terminates her/his employment with the Company after the expiration of such cure period but not later than sixty (60) days after the expiration of such cure period. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the Notice Period and, if the Executive executes the Release in a form prescribed by the Company and such Release becomes final, binding and irrevocable no more than 55 days after Executive's termination of employment, then (x) the Company shall pay Executive the Severance Payment and (y) Equity Acceleration. The Severance Payment will be paid to Executive within five (5) business days after the expiration of the applicable revocation period with respect to such Release; provided that if Executive's employment is terminated on or after November 1 of any taxable year and prior to January 1 of the following taxable year, such Severance Payment shall not be paid to Executive until the beginning of the taxable year following the taxable year in which Executive's employment is terminated but shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the date of the Executive's termination and ending on the Severance Payment date as if no delay had been imposed. The Equity Acceleration will become effective upon expiration of the applicable revocation period

with respect to the Release.

(c) Termination by Executive Without Good Reason. Executive may terminate her/his employment and this Agreement without Good Reason by providing written notice to the Company at least thirty (30) days prior to the effective date of termination (the "30-Day Notice Period'). During the 30-Day Notice Period, Executive shall continue to perform the duties of Executive's position and the Company shall continue to compensate Executive as set forth herein. Notwithstanding the foregoing, the Company will have the option of requiring Executive to immediately vacate the Company's premises and cease performing Executive's duties hereunder. If the Company so elects this option, then the Company will be obligated to compensate the Executive for the duration of the 30-Day Notice Period.

(d) Termination By the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause, which shall be effective upon delivery by the Company of written notice to Executive of such termination, subject to any cure period as required within the definition of Cause.

(e) Death of Executive. Executive's employment and this Agreement shall terminate automatically upon the date of Executive's death.

(f) Disability of Executive This Agreement shall be terminated upon thirty (30) days' written notice by Company to Executive that Company has made a good faith determination that Executive has a Disability (as defined in Section 4(g)).

(g) Definitions. The terms set forth below have the following meanings, except where otherwise expressly indicated:

(i) "Cause" shall mean, with respect to Executive, one or more of the following: (A) commission of any act or omission, including but not limited to a crime, involving moral turpitude, misappropriation, embezzlement, dishonestly, or fraud, including related to compliance with applicable laws related to cannabis; provided, that for the sake of clarity, no action or inaction by Executive that may be considered a violation of any U.S. federal law prohibiting the sale of cannabis products shall be grounds for any termination by the Company for Cause, nor shall such action or inaction be a violation of this Agreement for any reason; (B) the commission of any act or omission which is significantly injurious to the Company Group; (C) reporting to work under the influence of alcohol or illegal drugs, or other conduct causing the Company Group public disgrace or disrepute or significant economic harm, whether such conduct occurred in conjunction with the performance of Executive's duties for the Company Group, or otherwise; (D) insubordination or inattention to Executive's duties as reasonably directed by the CEO or the CEO's designee; (E) any act or omission aiding or abetting a competitor, supplier or customer of any member of the Company Group; (F) breach of any applicable fiduciary duty with respect to any member of the Company Group, or gross negligence or willful misconduct; (G) any other material breach of this Agreement; or (H) material failure to comply with the Company's policies governing business ethics or codes of conduct. The Company shall provide Executive with twenty-one (21) days' notice prior to terminating for Cause under subsections (B), (D), (F), (G) or (H) of this Section 4(g)(i) to provide the Executive with an opportunity to cure any act or omission constituting Cause pursuant to such subsections (B), (D), (F), (G) or (H) of this Section 4(g)(i), to the extent such act or omission is curable. In no event shall the Executive have more than one cure opportunity with respect to the recurrence of the same or similar action or inaction constituting Cause.

(ii) "Change of Control" means the occurrence of any one of the following:

(A) any one person (or more than one person acting as a group) other than any trustee or other fiduciary holding securities of the Parent under an employee benefit plan of the Parent, an underwriter temporarily holding securities pursuant to an offering of such securities or any corporation owned, directly or indirectly, by the stockholders of the Parent in substantially the same proportions as their ownership of stock of the Parent, directly or indirectly acquires equity securities representing more than 50% of the combined voting power of the Parent's then outstanding equity securities;

(B) the consummation of a reorganization, merger, statutory share exchange, consolidation, amalgamation or similar corporate transaction (each, a "Business Combination") other than a Business Combination in which all or substantially all of the persons who were the beneficial owners of the Parent's voting securities immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the combined voting power of the voting securities of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of the Business Combination owns the Parent or all or substantially all of the Parent's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership of the Parent's voting securities immediately prior to such Business Combination; or

(C) any one person (or more than one person acting as a group) acquires all or substantially all of the assets of the Parent within any twelve (12) consecutive month period.

Notwithstanding the forgoing, none of the foregoing events shall constitute a Change of Control of the Parent unless such event also constitutes a change in ownership of the Parent within the meaning of Treasury Regulation Section l.409A- 3(i)(5)(v) or a change in ownership of a substantial portion of the assets of the Parent within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(vii).

(iii) "Disability" means (A) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive's duties (provided, however, that the Company acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); (B) such total incapacity shall have continued for a period of six (6) consecutive months; and (C) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive's life.

(ii) "Good Reason" means, unless the Executive has consented in writing thereto, the occurrence of any of the following:

(A) the assignment to the Executive of any duties materially inconsistent with the Executive's position, including any change in status, title, authority, duties or responsibilities or other action which results in a material diminution in such status, title, authority, duties or responsibilities;

(B) a material reduction in the Executive's Base Salary the Company; or

(C) the relocation of the Executive's principal office location to move more than 50 miles from Executive's then current principal office location.

5. "Payments of Accrued Obligations Upon Termination. In the event that Executive's employment with the Company terminates for any reason, the Company's obligation to compensate Executive shall in all respects cease as of the date of termination, except that the Company shall pay to Executive through the date of termination (i) any accrued but unpaid Base Salary, (ii) any payments Executive is entitled to receive pursuant to Section 4, or (iii) any rights or payments that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the date of termination of employment under any benefit plan or any other contract or agreement with the Company, which shall be payable in accordance with the terms of such benefit plan, contract or agreement, except as explicitly modified by this Agreement, including, without limitation, any of Executive's business expenses that are reimbursable, but have not been reimbursed as of the date of termination of employment (the "Accrued Obligations"). The Company shall pay to Executive (or to Executive's estate in the event of Executive's death), the Accrued Obligations (other than the Severance Payments described in Section 4(a) and (b)) within thirty (30) days after the date of termination of Executive's employment with the Company.

6. Non-Disclosure of Confidential Information.

(a) Confidential Information. Executive acknowledges that in the course of Executive's employment with the Company, Executive will be provided with, have access to, access, use, and develop Confidential Information (as defined herein) of the Company Group. For purposes of this Agreement, "Confidential Information" shall mean and include all information, whether written or oral, tangible or intangible (in any form or format), of a private, secret, proprietary or confidential nature, of or concerning the Company Group or the business or operations of the Company Group, including without limitation: any trade secrets or other confidential or proprietary information which is not publicly known or generally known in the industry; the identity, background, and preferences of any current or prospective clients, investors, distributors, suppliers, vendors, referral sources, and business affiliates; pricing and financial information; current and prospective client, investor, distributor, supplier, or vendor lists and leads; proposals with prospective clients, investors, distributors, suppliers, vendors, or business affiliates; contracts with clients, investors, distributors, suppliers, vendors or business affiliates; marketing plans; brand standards guidelines; proprietary computer software and systems; marketing materials and information; operating and business plans and strategies; research and development; policies and manuals; personnel information of Executives that is private and confidential; any information related to the compensation of Executives, consultants, agents or representatives of Company Group; sales and financial reports and forecasts; any information concerning any product, technology or procedure employed by Company Group but not generally known to its current or prospective clients, investors, distributors, suppliers, vendors or competitors, or under development by or being tested by Company Group; any inventions, innovations or improvements covered by Section 6 hereof; and information concerning planned or pending acquisitions or divestitures. Notwithstanding the foregoing, the term Confidential Information shall not include information which (A) becomes available to Executive from a source other than Company Group or from third parties with whom Company Group is not bound by a duty of confidentiality, or (B) becomes generally available or known in the industry other than as a result of its disclosure by Executive.

(i) During the course of Executive's employment with Company, Executive agrees to use Executive's commercially reasonable best efforts to maintain the confidentiality of the Confidential Information, including adopting and implementing all reasonable procedures prescribed by Company Group to prevent unauthorized use of Confidential Information or disclosure of Confidential Information to any unauthorized person.

(ii) Executive agrees that all Confidential Information shall be Company Group's sole property during and after Executive's employment with Company. Executive agrees that Executive will not remove any hard copies of Confidential Information from Company Group's premises, will not download, upload, or otherwise transfer copies of Confidential Information to any external storage media or cloud storage (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit), and will not print hard copies of any Confidential Information that Executive accesses electronically from a remote location (except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit).

(iii) Other than as contemplated in Section 6(a)(iv) below, in the event that Executive becomes legally obligated to disclose any Confidential Information to anyone other than to Company Group, Executive will provide Company with prompt written notice thereof so that Company may seek a protective order or other appropriate remedy and Executive will cooperate with and assist Company in securing such protective order or other remedy. In the event that such protective order is not obtained, or that Company waives compliance with the provisions of this Section 6(a)(iii) to permit a particular disclosure, Executive will furnish only that portion of the Confidential Information which Executive is legally required to disclose.

(iv) Executive has executed and is abiding by the terms of the Company's Proprietary Rights Agreement, attached as Appendix A.

(v) Nothing in this Agreement shall be construed to prohibit Executive from: filing a charge or participating in any investigation or proceeding conducted by any federal, state or local government agency charged with enforcement of any law; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation. Executive acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (A) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(b) Restrictions On Use And Disclosure Of Confidential Information. At all times during Executive's employment with the Company and after Executive's employment with Company terminates, regardless of the reason for termination, Executive agrees: (i) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; (ii) not to make, or cause to be made, copies (in any form or format) of the Confidential Information, except as necessary in the performance of Executive's duties for Company Group and for Company Group's sole benefit; and (iii) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Confidential Information or disclosure of the Confidential Information to any unauthorized person about which Executive becomes aware. The restrictions contained in this Section 6(b) also apply to Confidential Information developed by Executive during Executive's employment with the Company, which are related to the Company Group or to the Company Group's successor or assigns, as such information is developed for the benefit of and ownership of the Company Group and all rights and privileges to such information or derivative works, including but not limited to trademarks, patents and copyrights remain with the Company Group.

trademarks, patents and copyrights remain with the Company Group.

(c) Third Party Information. Executive acknowledges that during the course of Executive's employment with the Company, Executive may receive or have access to, confidential or proprietary information belonging to third parties ("Third Party Information"). During the Employment Term and thereafter, Executive agrees: (i) to hold the Third Party Information in the strictest confidence, take all reasonable precautions to prevent the inadvertent disclosure of the Third Party Information to any unauthorized person, and follow all of the Company's policies regarding protecting the Third Party Information; (ii) not to use, permit use of, discuss, disclose, transfer, or disseminate in any manner any Third Party Information, except as necessary in the performance of Executive's duties for Company Group; (iii) not to make, or cause to be made, copies (in any form or format) of the Third Party Information, except as necessary in the performance of Executive's duties for Company Group or as compelled by subpoena or other legal order or process; and (iv) to promptly and fully advise the Company of all facts known to Executive concerning any actual or threatened unauthorized use of the Third Party Information or disclosure of the Third Party Information to any unauthorized person about which Executive becomes aware.

(d) Return of Confidential Information and Property. Upon termination of Executive's employment with the Company, notwithstanding the reason or cause of termination, and at any other time upon written request by the Company, Executive shall promptly return to the Company all originals, copies, or duplicates, in any form or format (whether paper, electronic or other storage media), of the Confidential Information and the Third Party Information, as well as any and all other documents, computer discs, computer data, equipment, and property of the Company Group (including, but not limited to, cell phones, credit cards, and laptop computers if they have been provided to Executive), relating in any way to the business of the Company Group or in any way obtained by Executive during and in the course of Executive's employment with the Company. Executive further agrees that after termination of Executive's employment with the Company, Executive shall not knowingly retain any copies, notes, or abstracts in any form or format (whether paper, electronic or other storage media) of the Confidential Information, the Third Party Information, or other documents or property belonging to the Company Group.

7. Non-Competition; Non-Solicitation.

(a) Non-Competition. Executive acknowledges the highly competitive nature of Company Group's business and, in consideration of Executive's employment with the Company, access to the Confidential Information, the payment of the Base Salary, grant of equity-based compensation awards, eligibility for Severance Payment pursuant to Section 4(a) or (b) and other benefits by Company to Executive pursuant to the terms hereof (which Executive acknowledges is sufficient to justify the restrictions contained herein), Executive agrees that during the Employment Term and for six (6) months from the date of termination of Executive's employment with Company for any reason (the "Restricted Period"), Executive will not engage, directly or indirectly, as a principal, officer, agent, Executive, director, member, partner, stockholder (other than as the passive holder of less than five percent (5%) of the outstanding stock of a publicly-traded corporation), independent contractor, or through the investment of capital, lending of money or property, rendering of consulting services or advice, or in any other capacity, whether with or without compensation or other remunerations, in the Restricted Business (as hereinafter defined) anywhere within the anywhere within the Restricted Area (as hereinafter defined),. For purposes of this Agreement, the "Restricted Area" is any country, state, province, county, or city in which Company Group conducts the Restricted Business as of the date of termination of Executive's employment with Company or conducted the Restricted Business within the one-year period prior to the date of termination of Executive's employment with the Company. For purposes of this Agreement, "Restricted Business" shall mean the business of cultivating, manufacturing, processing, packaging, purchasing, distributing, dispensing, and selling cannabis and hemp products.

(b) Non-Solicitation of Clients, Investors, Distributors, Vendors, and Suppliers. Executive agrees that during the Employment Term and for two (2) years from the date of termination of

Executive agrees that during the Employment Term and for two (2) years from the date of termination of

Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive shall not, for Executive's own benefit or on behalf of any other person or entity (other than the Company Group), directly or indirectly through another person or entity: (i) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of encouraging, causing, or inducing the client, investor, distributor, vendor, or supplier to cease or reduce doing business with the Company Group; (ii) divert opportunities related to the Restricted Business to some person or entity engaged in any part of the Restricted Business (other than for the Company Group); (iii) contact, solicit, or communicate with any existing or prospective client, investor, distributor, vendor, or supplier of the Company Group for the purpose of providing the client, investor, distributor, vendor, or supplier with products or services competitive with those products or services provided by the Company Group; or (iv) aid or assist any other person, business, or entity to do any of the aforesaid prohibited acts. The restriction created by this Section 7(b) is limited to existing and prospective clients, investors, distributors, vendors, and suppliers of the Company Group with whom Executive had material contact or business dealings during Executive's employment with the Company.

(c) Non-Solicitation of Executives, Consultants, and Independent Contractors. Executive agrees that during the Employment Term and for two (2) years from the date of termination of Executive's employment with Company for any reason, including upon expiration of the Employment Term, Executive will not, directly or indirectly (in any capacity, on Executive's own behalf or on behalf of any other person or entity): (i) solicit, request, induce or encourage any Executives, consultants, or independent contractors of the Company Group to terminate their employment, to cease to be engaged by the Company Group, and/or to terminate or reduce their business relationship with the Company Group; or (ii) hire, employ, or offer to hire or employ any Executive, consultant, or independent contractor of the Company Group (other than for the Company Group).

(d) Scope of Restrictive Covenants. Company and Executive recognize and agree that the Company Group conducts business operations and generates revenues from clients throughout the Restricted Area. Executive acknowledges that the Company Group would be greatly damaged if Executive took action that would violate the restrictive covenants of this Section 7 anywhere in the Restricted Area. Accordingly, Company and Executive agree that the restrictive covenant provisions contained in this Section 7 are applicable to the Restricted Area, and Executive shall be prohibited from violating the terms of this Section 7 from any location anywhere in the Restricted Area.

(e) Reasonableness of Restrictive Covenants. Executive agrees and acknowledges that to assure the Company that the Company Group will retain the value of its operations, it is necessary that the Executive abide by the restrictions set forth in this Agreement. Executive further agrees and acknowledges that during the Employment Term, Executive will be engaged in, obtain Confidential Information about, and have operational duties and responsibilities in connection with, all aspects of the Restricted Business. Executive further agrees that the promises made in this Agreement are reasonable and necessary for protection of the Company Group's legitimate business interests including, but not limited to: the Confidential Information; client good will associated with the specific marketing and trade area in which the Company Group conducts its business; the Company Group's substantial relationships with prospective and existing clients, investors, distributors, vendors, and suppliers; and a productive and competent and undisrupted workforce. Executive agrees that the restrictive covenants in this Agreement will not prevent Executive from earning a livelihood in Executive's chosen business, they do not impose an undue hardship on Executive, and that they will not injure the public.

(f) Tolling of Restrictive Period. The time period during which Executive is to refrain from the activities described in Section 7 of this Agreement will be extended by any length of time during which Executive is in breach of any provision of this Agreement. The Executive acknowledges that the purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of

purposes and intended effects of the restrictive covenants would be frustrated by measuring the period of

the restriction from the date of termination of Executive's employment where the Executive failed to honor the restrictive covenant until required to do so by court order.

8. Non-Disparagement. Executive agrees that at all times during and after the Employment Term, Executive will not engage in any conduct that is injurious to the reputation or interests of the Company Group, including, but not limited to, making disparaging comments (or inducing or encouraging others to make disparaging comments) about the Company Group, any of the shareholders, members, directors, officers, Executives, investors, or agents of the Company Group, or the Company Group's operations, financial condition, prospects, products or services. However, nothing in this Agreement shall prohibit Executive from: exercising protected rights under Section 7 of the National Labor Relations Act; filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer any law, rule, or regulation; testifying truthfully in any forum or before any government agency responsible for enforcing any law, rule, or regulation; reporting possible violations of any law, rule or regulation to any governmental agency or entity charged with enforcement of any law, rule or regulation; or making other disclosures that are protected under whistleblower provisions of any law, rule or regulation.

9. Intellectual Property.

(a) Work Product Owned By Company. Executive agrees that the Company or the applicable member of the Company Group (each individually the "Assigned Party") is and will be the sole and exclusive owner of all ideas, inventions, discoveries, improvements, designs, plans, methods, works of authorship, deliverables, writings, brochures, manuals, know-how, method of conducting its business, policies, procedures, products, processes, software, or any enhancements, or documentation of or to the same and any other work product in any form or media that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of Executive's employment for the Assigned Party and with the use of the Assigned Party's time, materials or facilities, and is in any way related or pertaining to or connected with the present or anticipated business, products or services of the Assigned Party whether produced during normal business hours or on personal time (collectively, "Work Products").

(b) Definition of Intellectual Property. "Intellectual Property" means any and all (i) copyrights and other rights associated with works of authorship, (ii) trade secrets and other confidential information, (iii) patents, patent disclosures and all rights in inventions (whether patentable or not), (iv) trademarks, trade names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (v) all other intellectual and industrial property rights of every kind and nature throughout the world and however designated, whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in effect.

(c) Assignment. Executive acknowledges Executive's work and services provided for the Assigned Party and all results and proceeds thereof, including, the Work Products, are works done under Company Group's direction and control and have been specially ordered or commissioned by the Company Group. To the extent the Work Products are copyrightable subject matter, they shall constitute "works made for hire" for the Company Group within the meaning of the Copyright Act of 1976, as amended, and shall be the exclusive property of the Assigned Party. Should any Work Product be held by a court of competent jurisdiction to not be a "work made for hire," and for any other rights, Executive hereby assigns and transfers to Assigned Party, to the fullest extent permitted by applicable law, all right, title, and interest in and to the Work Products, including but not limited to all Intellectual Property pertaining thereto, and in and to all works based upon, derived from, or incorporating such Work Products, and in and to all income

and to all works based upon, derived from, or incorporating such Work Products, and in and to all income,

royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement. Executive hereby waives and further agrees not to assert Executive's rights known in various jurisdictions as moral rights and grants the Company Group the right to make changes, as the Company Group deems necessary, in the Work Products.

(d) License of Intellectual Property Not Assigned. Notwithstanding the above, should Executive be deemed to own or have any Intellectual Property that is used, embodied, or reflected in the Work Products, Executive hereby grants to the Company Group, its successors and assigns, the non-exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicenses, to use, reproduce, publish, create derivative works of, market, advertise, distribute, sell, publicly perform and publicly display and otherwise exploit by all means now known or later developed the Work Products and Intellectual Property.

(e) Maintenance; Disclosure; Execution; Attorney-In-Fact. Executive will, at the request and cost of the Assigned Party, sign, execute, make and do all such deeds, documents, acts and things as the Assigned Party and their duly authorized agents may reasonably require to apply for, obtain and vest in the name of the Assigned Party alone (unless the Assigned Party otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same. In the event the Assigned Party is unable, after reasonable effort, to secure Executive's signature on any letters patent, copyright or other analogous protection relating to a Work Product, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Assigned Party and its duly authorized officers and agents as Executive's agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive Executive's death or incapacity), to act for and in Executive's behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, copyright or other analogous protection thereon with the same legal force and effect as if executed by Executive.

(f) Executive's Representations Regarding Work Products. Executive represents and warrants that all Work Products that Executive makes, works on, conceives, or reduces to practice, individually or jointly with others, in the course of performing Executive's duties for Assigned Party under this Agreement are (i) original or an improvement of the Assigned Party's prior Work Products and (ii) do not include, copy, use, or infringe any Intellectual Property rights of a third party.

10. Cooperation. During the Employment Term and thereafter, Executive will cooperate with all reasonable requests by the Company Group for assistance in connection with any investigations or legal proceedings involving the Company Group, including by providing truthful testimony in person in any such legal proceedings without having to be subpoenaed; provided, however, that the foregoing shall not apply to any investigation or legal proceeding involving disputes between Executive and the Company Group arising under this Agreement or any other agreement.

11. Severability; Independent Covenants. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain enforceable and the invalid, illegal or unenforceable provisions shall be modified so as to be valid and enforceable and shall be enforced as modified; provided, that no severance shall be effective if it materially changes the economic benefit of this Agreement to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate, in good faith, a legal, valid and enforceable substitute provision which most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid

most nearly effects, to the extent possible, the same economic, business or other purposes of the invalid,

illegal or unenforceable provision. If, moreover, any part of this Agreement is for any reason held too excessively broad as to time, duration, geographic scope, activity, or subject, it is the intent of the parties that this Agreement shall be judicially modified by limiting or reducing it so as to be enforceable to the extent compatible with the applicable law. Except as otherwise provided in this Agreement, the existence of any claim or cause of action of Executive against the Company Group (or against any member, shareholder, director, officer, or Executive thereof), whether arising out of the Agreement or otherwise, shall not constitute a defense to: (i) the enforcement by the Company Group of any of the restrictive covenants contemplated by this Agreement; or (ii) the Company Group's entitlement to remedies hereunder. Executive's obligations under this Agreement are independent of any of the Company Group's obligations to the Executive.

12. Remedies for Breach. Executive acknowledges and agrees that it would be difficult to measure the damages to the Company Group from any breach or threatened breach by Executive of this Agreement, including but not limited to Sections 6, 7, 8 or 9 hereof; that injury to the Company Group from any such breach would be irreparable; and that money damages would therefore be an inadequate remedy for any such breach. Accordingly, Executive agrees that if Executive breaches or threatens to breach any of the promises contained in this Agreement, the Company Group shall, in addition to all other remedies it may have (including monetary remedies), be entitled to seek an injunction and/or equitable relief, on a temporary or permanent basis, to restrain any such breach or threatened breach without showing or proving any actual damage to the Company Group. Nothing herein shall be construed as a waiver of any right the Company Group may have or hereafter acquire to pursue any other remedies available to it for such breach or threatened breach, including recovery of damages from Executive.

13. Attorneys' Fees and Costs. In any action brought to enforce or otherwise interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party to the action or proceeding, including through settlement, judgment and/or appeal.

14. Assignment; Third-Party Beneficiaries. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to (i) any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly, acquires all or substantially all of the Company's stock or assets, or (ii) any affiliate or future affiliate of the Company, and such assignment by Company pursuant to this Section 14 shall automatically, and without any further action required by the Parties, relieve the assignor Company (and discharge and release the assignor Company) from all obligations and liabilities under or related to this Agreement (all such obligations and/or automatically liabilities assumed by the assignee Company). This Agreement shall be binding upon and inure to the benefit of any successor or assigns of Company. Executive may not assign this Agreement without the written consent of the Company. Executive agrees that each member of the Company Group is an express third-party beneficiary of this Agreement, and this Agreement, including the restrictive covenants and other obligations set forth in Sections 6, 7, 8, 9, and 10 hereof, are for each such member's benefit. Executive expressly agrees and consents to the enforcement of this Agreement, including but not limited to the restrictive covenants and other obligations in Sections 6, 7, 8, 9, and 10 hereof, by any member of the Company Group as well as by the Company Group's future affiliates, successors and/or assigns.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Florida.

16. Jurisdiction; Venue. The Parties hereto irrevocably and unconditionally submit to the

exclusive jurisdiction of any state or federal court sitting in Palm Beach County, Florida over any suit, action

or proceeding arising out of or relating to this Agreement. Service of any process, summons, notice or document by U.S. registered mail sent to the address of any Party for receipt of notices hereunder as provided in Section 23 hereof shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. The Parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any suit, action or proceeding brought in any such court shall be conclusive and binding upon the Parties and may be enforced in any other courts to whose jurisdiction a Party is or may be subject, by suit upon such judgment.

17. **Mutual Waiver of Jury Trial.** EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND A TRIAL BY JURY FOR ANY CAUSE OF ACTION, CLAIM, RIGHT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING BUT NOT LIMITED TO THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF ANY STATE, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATION. EACH PARTY HEREBY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING THE RIGHT TO DEMAND TRIAL BY JURY.

18. Waiver. No waiver of any breach or other rights under this Agreement shall be deemed a waiver unless the acknowledgment of the waiver is in writing executed by the Party committing the waiver. No waiver shall be deemed to be a waiver of any subsequent breach or rights. All rights are cumulative under this Agreement. The failure or delay of the Company at any time or times to require performance of, or to exercise any of its powers, rights or remedies with respect to any term or provision of this Agreement or any other aspect of Executive's conduct or employment in no manner (except as otherwise expressly provided herein) shall affect the Company's right at a later time to enforce any such term or provision.

19. Survival. Executive's post-termination obligations and the Company Group's post-termination rights under Sections 6-17 of this Agreement shall survive the termination of this Agreement and the termination of Executive's employment with the Company regardless of the reason for termination, including upon expiration of the Employment Term; shall continue in full force and effect in accordance with their terms; and shall continue to be binding on the parties.

20. **Independent Advice. Executive acknowledges that the Company has provided Executive with a reasonable opportunity to obtain independent legal advice with respect to this Agreement and, particularly, to understand and acknowledge the restrictions being placed on Executive pursuant to Sections 6-17 of this Agreement, and that Executive has had such independent legal advice prior to executing this Agreement.**

21. Entire Agreement. This Agreement constitutes the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof except previously issued equity incentive grants to the Executive.

22. Amendment. This Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the Party or Parties against whom enforcement of such amendment, supplement, or modification is sought.

23. Notices. Any notice, request or other document required or permitted to be given under

this Agreement shall be in writing and shall be deemed given: (a) upon delivery, if delivered by hand; (b)

three business (3) days after the date of deposit in the mail, postage prepaid, if mailed by certified U.S. mail; or (c) on the next business day, if sent by prepaid overnight courier service or e-mailed. If not personally delivered by hand, notice shall be sent using the addresses set forth below or to such other address as either party may designate by written notice to the other:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the Company, to:

JGMT, LLC
301 Yamato Road, Suite 3250
Boca Raton, FL 33431
Attn: Tobi Lebowitz, EVP & Co-Head of Legal Affairs
Legal@jushico.com

24. Code Section 409A Compliance. It is intended that the provisions of this Agreement are either exempt from or comply with the terms and conditions of Code Section 409A, and to the extent that the requirements of Code Section 409A are applicable thereto, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Code Section 409A. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Section does not constitute a "deferral of compensation" within the meaning of Code Section 409A and the regulations and other guidance thereunder: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

25. Excess Parachute Excise Tax. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (including any acceleration) by the Company or any member of the Company Group or any entity which effectuates a transaction described in Section 280G(b)(2)(A)(i) of the Code to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise, but determined before application of any reductions required pursuant to this Section 25) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred with respect to such excise tax by the Executive (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company will automatically reduce such Payments to the extent, but only to the extent, necessary so that no portion of the remaining Payments will be subject to the Excise Tax, unless the amount of such Payments that the Executive would retain after payment of the Excise Tax and all applicable Federal, state and local income taxes without such reduction would exceed the amount of such Payments that the Executive would retain after payment of all applicable Federal, state and local taxes after applying such reduction. Unless otherwise elected by the Executive, to the extent permitted under Code Section 409A, such reduction shall first be applied to any severance payments payable to the Executive under this Agreement, then to the accelerated vesting on any equity-based compensation awards, starting with stock options and stock appreciation rights reversing accelerated vesting of those options and stock appreciation rights with the smallest spread between fair market value and exercise price first and after reversing the accelerated vesting of all stock options and stock appreciation rights, thereafter reversing accelerated vesting

accelerated vesting of all stock options and stock appreciation rights, thereafter reversing accelerated vesting

of restricted stock, restricted stock units, performance shares, performance units or other similar equity awards on a pro rata basis.

All determinations required to be made under this Section 25, including the assumptions to be utilized in arriving at such determination, shall be made by the Company's independent auditors or such other certified public accounting firm of national standing reasonably acceptable to the Executive as may be designated by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by either the Company or the Executive. All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion to such effect. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

26. Counterparts; Electronic Transmission; Headings. This Agreement may be executed in counterparts, each of which shall be deemed an original, including an electronic copy or facsimile, but both of which taken together shall constitute one and the same instrument. The headings used herein are for ease of reference only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

JMGT LLC

JMGT LLC

DocuSigned by:
Jon Barack
C66934968412 4D3...

By: _____ 6/27/2022 | 9:20 AM PDT

Print Name: Jon Barack

Title: Authorized Representative

EXECUTIVE:

DocuSigned by:
07D4223E04F34A5...

_____ 6/27/2022 | 12:10 PM EDT

Nichole Upshaw

Address:
9054 Benedetta Place
Boca Raton, FL 33496

Apendix A

PROPRIETARY RIGHTS AGREEMENT

EXHIBIT 10.30

301 E. Yamato Road, Suite 3250
Boca Raton, FL 33431
Tel 561.210.1911

12/1/2022

Nichole Upshaw
NUpshaw@jushico.com

Dear Nichole,

We are pleased to promote you to the position of Chief People Officer at Jushi Holdings Inc. ("Jushi" or the "Company") effective December 1, 2022. You will continue to report to the Company's Chief Executive Officer ("CEO"), and will have such powers and duties as may from time to time be prescribed by the CEO. The details of your compensation package are as follows:

- Your promotion is contingent upon your completion of applications to and/or background checks with and, where required, approvals from certain previously identified exchanges and regulatory bodies.
- Your annual rate of base salary will be increased to $275,000, and you will continue to be paid in regular installments in accordance with the Company's customary payroll practices and procedures. Your base salary will be subject to annual review by the Compensation Committee of the Board of Directors of the Company; and, if earlier, you shall first become eligible for a base compensation adjustment at the time compensation adjustments are made for currently appointed officers or other similarly situated executives of the Company following the date hereof.
- In the event the Company files a registration statement with the SEC following the date hereof on which your Company securities are eligible for registration, then, subject to the approval of the Board in its sole discretion at the time of such filing, your Company securities will be eligible to be included on such registration statement, on such terms as determined by the Board.
- Your eligibility for the Company's Annual Incentive Program remains unchanged, and you remain eligible to earn an annual performance bonus in accordance with the terms and conditions of that program. For the 2022 year, your target bonus of 50% percent of your base salary also remains unchanged.
- The health insurance coverage for you and, if applicable and elected, your family, remains unchanged, and you will continue to be eligible to participate in and receive benefits in accordance with the standard terms of the Company's benefits policy and Paid Time Off policy ("PTO"). The Company reserves the right to modify its benefits, including subsidized health insurance coverage, at any time.

Nichole, we want to thank you for your dedication and hard work.

Acknowledgment
Please indicate below that you accept this offer of promotion. We look forward to your continued success.

/s/ Nichole Upshaw	12/5/2022
Employee Signature	Date

LIMITED WAIVER

This Limited Waiver (this "**Agreement**") is made as of April 17, 2023 (the "**Effective Date**"), by and among Jushi Holdings Inc. ("**Borrower**"), the other loan parties signatory hereto (the "**Other Loan Parties**") and Roxbury, LP ("**Lender**"). All capitalized terms used but not otherwise defined in this Agreement shall have the meaning provided in the Credit Agreement.

RECITALS

WHEREAS, Borrower, the Other Loan Parties and Lender are parties to that certain Credit Agreement, dated as of October 20, 2021 (as amended, the "**Credit Agreement**");

WHEREAS, Lender is the only lender under the Credit Agreement as of the Effective Date;

WHEREAS, pursuant to Section 16.1(a) of the Credit Agreement, no amendment, waiver or other modification of any provision of the Credit Agreement shall be effective unless the same shall be in writing and signed by Required Lenders, Borrower and the Other Loan Parties;

WHEREAS, pursuant to Section 6.1 of the Credit Agreement, the Loan Parties are required to deliver consolidated audited financial statements of the Borrower and its Subsidiaries, which audited financials will not include any qualifications;

WHEREAS, with respect to the consolidated audited financial statements of the Borrower and its Subsidiaries for fiscal year 2022 (the "**2022 Financial Statements**"), the Auditor has notified the Borrower that the 2022 Financial Statements will include a "going concern" qualification (the "**2022 Financial Statements Default**");

WHEREAS, pursuant to Section 6.17 of the Credit Agreement, the Loan Parties are required to maintain not less than $6,500,000 on deposit in the Concentration Account;

WHEREAS, due to an error by representatives of the Loan Parties, the Concentration Account contained less than $6,500,000 on deposit at the close of business on February 24, 2023, and February 27, 2023 (the "**Concentration Account Matter**", and together with the 2022 Financial Statements Default, the "**Specified Defaults**" and each a "**Specified Default**"); and

WHEREAS, the Loan Parties have requested that the Lender waive any Defaults and Events of Default arising from the Specified Defaults.

NOW, THEREFORE, based on the mutual promises provided herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

AGREEMENT

1. Limited Waiver.

a. As of the Effective Date the Lender hereby waives any Default or Event of Default resulting from each Specified Default.

b. The waiver contained in this Section 1 is a limited waiver and (i) shall not constitute nor be deemed to constitute a waiver of (x) any Default or Event of Default other than the Specified Defaults, whether or not known to the Lender and whether or not existing on the date of this Agreement, (y) any

Default or Event of Default resulting from any qualification or exception in the 2022 Financial Statements other than a "going concern" qualification, or (z) any term or condition of the Credit Agreement or any other Loan Documents, and (ii) shall not constitute nor be deemed to constitute a consent by the Lender to anything other than as expressly stated herein.

2. Condition Precedent to Effectiveness. The satisfaction (or waiver in writing by the Lender) of each of the following shall constitute conditions precedent to the effectiveness of the Agreement (such date being the "Effective Date"):

a. the Lender has received duly executed counterparts of this Agreement;

b. the representations and warranties contained in Section 3 hereof are true and correct; and

c. the Lender shall have received, in immediately available funds, the Waiver Fee referred to in Section 5 hereof.

3. Representations and Warranties. The Borrower and each Loan Party represents and warrants that:

a. Except for the Concentration Account Matter, immediately before and immediately after giving effect to this Agreement, the representations and warranties contained in the Credit Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof (except to the extent that any such representations and warranties specifically relate to an earlier date, in which case all such representations and warranties are true and correct in all material respects on and as of the applicable date);

b. Except for the Specified Defaults and except for the matter pertaining to Jushi MA, Inc. f/k/a Nature's Remedy of Massachusetts, Inc., as disclosed by Borrower to Lender in Section 3 of Schedule 2 to that certain Compliance Certificate provided by Borrower to Lender on March 31, 2023, immediately before and immediately after giving effect to this Agreement, no Default or Event of Default will have occurred and be continuing; and

c. As of the date hereof, an amount not less than $6,500,000 is on deposit in the Concentration Account.

4. Payment of Costs and Fees. Borrower shall pay to the Lender all reasonable and documented invoiced out-of-pocket expenses (including, without limitation, the reasonable fees and expenses of any attorneys retained by the Lender) in connection with the preparation, negotiation, execution and delivery of this Agreement and any documents and instruments relating hereto and all other fees, costs and expenses due and payable pursuant to the Credit Agreement.

5. Amendment Fee. On or before Effective Date, Borrower shall pay or cause to be paid to the Lender, a non-refundable amendment fee in the amount of $325,000 (the "**Waiver Fee**") in immediately available funds. Such Waiver Fee shall be fully earned, due and payable as of the Effective Date.

6. Release.

a. Effective on the date hereof, the Borrower and each other Loan Party, for itself and on behalf of its successors, assigns, and officers, directors, employees, agents and attorneys, and any Person acting for or on behalf of, or claiming through it, hereby waives, releases, remises and forever discharges Agent and each Lender, each of their respective Affiliates, and each of their respective successors in title, past, present and future officers, directors, employees, limited partners, general partners, investors, attorneys, assigns, subsidiaries, shareholders, trustees, agents and other professionals and all other persons and entities to whom any Lender would be liable if such persons or entities were found to be liable to the Borrower or any Loan Party (each a "Releasee" and collectively, the "Releasees"), from past, present and future claims, suits, liens, lawsuits, adverse consequences, amounts paid in settlement, debts, deficiencies, diminution in value, disbursements, demands, obligations, liabilities, causes of action, damages, losses, costs and expenses of any kind or character, whether based in equity, law, contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law (each a "Claim" and collectively, the "Claims"), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, matured or unmatured, foreseen or unforeseen, past or present, liquidated or unliquidated, suspected or unsuspected, which the Borrower or any other Loan Party now has, or may hereafter have against any such Releasee which relates to any acts or omissions of any such Releasee that occurred on or prior to the Effective Date with respect to the Credit Agreement or any other Loan Document or to the lender-borrower relationship prior to the Effective Date evidenced by the Loan Documents, except for the duties and obligations set forth in this Waiver; provided, that the foregoing release shall not apply to any Claim that is determined in a non-appealable judgement by a court of competent jurisdiction to result from such Releasee's gross negligence or willful misconduct.

b. The Borrower and each other Loan Party, for itself and on behalf of its successors, assigns, and officers, directors, employees, agents and attorneys, and any Person acting for or on behalf of, or claiming through it, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by such Person pursuant to the above release. The Borrower and each other Loan Party further agrees that it shall not dispute the validity or enforceability of the Credit Agreement or any of the other Loan Documents or any of its obligations thereunder, or the validity, priority, enforceability or the extent of Agent's Lien on any item of Collateral under the Credit Agreement or the other Loan Documents. If the Borrower, any other Loan Party, or any of their respective successors, assigns, or officers, directors, employees, agents or attorneys, or any Person acting for or on behalf of, or claiming through it, violate the foregoing covenant, such Person, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by such Releasee as a result of such violation, except to the extent and such damages and attorneys' fees and costs result from the applicable Releasee's own gross

negligence or willful misconduct as determined in a non-appealable judgement by a court of competent jurisdiction.

7. Miscellaneous.

a. Severability. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purposes of determining the legal enforceability of any specific provision.

b. Ratification. Except to the extent expressly modified by this Agreement, the Parties reconfirm and ratify the Credit Agreement and confirm that the Credit Agreement has remained in full force and effect, to the extent set forth therein, since the date of its execution.

c. No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

d. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

e. Loan Document. This Agreement constitutes a Loan Document. All references to the Credit Agreement in the Loan Documents shall mean the Credit Agreement as modified by this Agreement.

f. APPLICABLE LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK NOT INCLUDING CONFLICTS OF LAWS RULES.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

BORROWER:

JUSHI HOLDINGS INC.

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: President

LOAN PARTIES:

JUSHI INC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: President

JMGT, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI IP, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JREH, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEAR FLAG ASSETS, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

TGS CC VENTURES LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

MOJAVE SUNCUP HOLDINGS, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYONG HELLO IL HOLDINGS, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYONG HELLO IL, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

AGAPE TOTAL HEALTHCARE INC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PASPV HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PENNSYLVANIA MEDICAL SOLUTIONS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

NORTHEAST VENTURE HOLDINGS, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PENNSYLVANIA DISPENSARY SOLUTIONS LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

GSG SBCA, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI VA, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

DALITSO LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

PRODUCTION EXCELLENCE, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE NV LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI OH, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

OHIGROW, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE – PENN LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE OH, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - NE LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - SE LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

FRANKLIN BIOSCIENCE - SW LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

BEYOND HELLO CA, LLC

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

JUSHI MA, INC.

DocuSigned by:
By: Jon Barack
C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

MCMANN, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

VALIANT ENTERPRISES, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Authorized Representative

SF-D, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

JUSHI NV, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

JUSHI NV CLV, INC.

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: President

NULEAF RENO PRODUCTION, LLC

By: DocuSigned by: Jon Barack C669349684124D3...
Name: Jon Barack
Title: Manager

NULEAF SPARKS CULTIVATION, LLC

By: DocuSigned by: Jon Barack C6693496841240D3...
Name: Jon Barack
Title: Manager

NULEAF INCLINE DISPENSARY, LLC

By: DocuSigned by: Jon Barack C6693496841240D3...
Name: Jon Barack
Title: Manager

NULEAF CLARK DISPENSARY, LLC

By: DocuSigned by: Jon Barack C6693496841240D3...
Name: Jon Barack
Title: Manager

NULEAF CLV DISPENSARY, LLC

By: DocuSigned by: Jon Barack C6693496841240D3...
Name: Jon Barack
Title: Manager

EAGLE EYE ENLIGHTENMENT, INC.

By: DocuSigned by: Jon Barack C6693496841240D3...
Name: Jon Barack
Title: President

LENDER:

ROXBURY, LP

By: _____

Name: Ryan Dunfield

Title: CEO

EXHIBIT 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Jushi Holdings Inc. on Form S-8 **(**Registration No. 333-268565) of our report dated April 17, 2023, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, with respect to our audits of the consolidated financial statements of Jushi Holdings Inc. as of December 31, 2022 and 2021 and for each of the years in the three year period ended December 31, 2022 appearing in the Annual Report on Form 10-K of Jushi Holdings Inc. for the year ended December 31, 2022.

/s/ Marcum LLP

Marcum LLP
Chicago, Illinois
April 17, 2023

Exhibit 31.1

Certification of Chief Executive Officer
pursuant to Rule 13a-14(a) or Rule 15d-14(a)

I, James Cacioppo, certify that:

(1) I have reviewed this annual report on Form 10-K of Jushi Holdings Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 17, 2023

/s/ James Cacioppo
James Cacioppo
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Chief Financial Officer
pursuant to Rule 13a-14(a) or Rule 15d- 14(a)

I, Michelle Mosier, certify that:

(1) I have reviewed this annual report on Form 10-K of Jushi Holdings Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 17, 2023

/s/ Michelle Mosier
Michelle Mosier
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Certification of Chief Executive Officer
under Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. § 1350)

In connection with the annual report of Jushi Holdings Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Cacioppo, Chief Executive Officer of the Company, certify, to my best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 17, 2023

/s/ James Cacioppo
James Cacioppo
Chief Executive Officer
(principal executive officer)

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32.2

Certification of Chief Financial Officer
under Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. § 1350)

In connection with the annual report of Jushi Holdings Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michelle Mosier, Chief Financial Officer of the Company, certify to my best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 17, 2023

/s/ Michelle Mosier
Michelle Mosier
Chief Financial Officer
(principal financial officer)

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).