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Curaleaf to Acquire Grassroots, Creating the World's Largest Cannabis Company

Highly Complementary Acquisition of Grassroots Expands
Curaleaf's Presence from 12 to 19 States

Creates Unmatched National Platform and Economies of Scale,
Combining Best Practices and Leading Operations Teams

July 17, 2019 – PRNewswire Curaleaf Holdings, Inc. (CSE: CURA)
(OTCQX: CURLF) ("Curaleaf"), a leading vertically integrated

cannabis operator in the United States, today announced it has signed a definitive agreement to acquire GR Companies, Inc. ("Grassroots"), the largest private vertically-integrated multi-state operator, in a cash and stock deal valued at approximately \$875 million. This transaction solidifies Curaleaf's position as the world's largest cannabis company by revenue and the largest in the U.S. across key operating metrics.

The highly complementary acquisition brings together the largest public and largest private multi-state operators in the U.S. to offer a full range of products to consumers in states across the country. As a market leader throughout the Midwest, Grassroots has a portfolio of 61 dispensary licenses, with 20 operating today, and 17 cultivation and processing licenses that will substantially accelerate Curaleaf's continued expansion across the nation.

Grassroots has a leading presence in large markets in which Curaleaf presently does not operate, including Illinois, which in June became the 11th state to legalize adult-use cannabis, and Pennsylvania, the fifth most populous state in the U.S. The proposed transaction will expand Curaleaf's presence from 12 to 19 states, and the combined company will have 131 dispensary licenses, 68 operational locations, 20 cultivation sites and 26 processing facilities¹. With the acquisition, Curaleaf will also add new markets in Arkansas, Michigan, North Dakota, Oklahoma, and Vermont, and build on its existing businesses in Connecticut, Maryland, Nevada and Ohio. Upon completion of the proposed transaction, Curaleaf will be the largest medical and adult-use cannabis company with access to a total population of approximately 177 million people.

"With the acquisition of Grassroots and the pending acquisition of Select, Curaleaf is the world's largest cannabis company by both revenue and operating presence," said Joseph Lusardi, CEO of Curaleaf. "With a combined 68 open dispensaries, this transaction significantly accelerates our expansion strategy and strengthens our reach across the medical and adult-use markets. In addition, it enhances the depth of our retail and wholesale platform across the country.

By leveraging our scale, as well as our market leading capabilities and expertise, we will continue to deliver value for our shareholders."

Mitch Kahn, co-founder and CEO of Grassroots, said, "Today's announcement is a testament to the hard work of the many employees that helped make Grassroots the leading cannabis company in the Midwest. This acquisition will enable us to give our patients and retail partners greater access to products that adhere to the highest standards of quality and reliability, and our employees the opportunity to be part of a best-in-class operator."

This transaction builds on the numerous strategic transactions announced to date in 2019 which expanded Curaleaf's footprint in Arizona, California, Nevada and Ohio, continuing to differentiate the company as the most accessible cannabis brand across the U.S. The combined entity's geographic reach, purchasing power, economies of scale and joint best practices solidifies its top position amongst U.S. multi-state operators.

Transaction Terms and Approvals

Curaleaf will acquire Grassroots for total consideration of approximately \$875 million, composed of \$75 million in cash, 102.8 million subordinate voting shares of Curaleaf², and \$40 million in Curaleaf shares priced at the 10-day volume-weighted average price prior to closing of the transaction. At closing, securityholders in Grassroots will have approximately 16% pro forma ownership of Curaleaf on a fully-diluted basis after giving effect for the Select acquisition.

The proposed transaction is expected to close in early 2020, subject to customary closing conditions, Grassroots' stockholders' approval and regulatory approvals. The transaction has been unanimously approved by the Boards of Directors at both companies.

Management and Board

The Grassroots management team brings deep experience in the Midwest market, elevating the combined entity's expertise in retail, real estate, legal and licensing, finance, marketing, brand development, sales and logistics.

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

Additionally, co-founders Matt Darin and Steve Weisman will join Curaleaf's senior management team. Darin, Chief Operating Officer of Grassroots, has more than 15 years of experience as an entrepreneur and executive in the cannabis and commercial real estate industries. Weisman, Chief Strategy Officer of Grassroots, has extensive entrepreneurial and corporate governance experience as an attorney at Kirkland & Ellis in Chicago.

About Curaleaf Holdings

Curaleaf Holdings, Inc. is the leading vertically integrated multi-state cannabis operator in the United States. It is a high-growth cannabis company with a national brand known for quality, trust and reliability. The company is positioned in highly populated, limited-license states, and currently operates in 12 states with 48 dispensaries, 13 cultivation sites and 12 processing sites. Curaleaf has the executive expertise and research and development capabilities to provide leading service, selection, and accessibility across the medical and adult-use markets, as well as in the CBD category through its Curaleaf Hemp brand and Bido brand for pets. On May 1, 2019, Curaleaf announced the acquisition of the Select brand from Cura Partners for \$948 million.

About Grassroots

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

Grassroots has built its portfolio at an unprecedented pace, with facilities in highly competitive markets, including

Illinois, Nevada, Pennsylvania, Michigan, Maryland, Oklahoma, Ohio, Vermont, North Dakota, Arkansas and Connecticut. The executive management team is composed of a group of highly skilled business leaders united by a common belief: Cannabis inspires us to live deeply. For more information, visit grassrootscannabis.com

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