

Aleafia Health Announces Closing of \$14.95 Million Bought Deal Offering, Including Full Exercise of the Over-Allotment Option

TORONTO, May 29, 2020 -- Aleafia Health Inc. (TSX: AH) (OTC: ALEAF) ("**Aleafia Health**" or the "**Company**") is pleased to announce that it has closed its previously announced bought deal offering for a total issuance today of 23,000,000 units (the "**Units**") of the Company at a price of \$0.65 per Unit for aggregate gross proceeds of \$14,950,000 (the "**Offering**"), which includes the full exercise of the over-allotment option. The Offering was led by Eight Capital on behalf of a syndicate of underwriters including Canaccord Genuity Corp., BMO Capital Markets, Leede Jones Gable Inc., Raymond James Ltd., Mackie Research Capital Corp., and PI Financial Corp. (together, the "**Underwriters**").

Each Unit consisted of one common share in the capital of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$0.80, for a period of 36 months following the closing of the Offering.

The Company has paid the Underwriters a cash fee of 6% of the aggregate gross proceeds, and an aggregate of 805,000 non-transferable compensation warrants, with each compensation warrant being exercisable into Units at a price of \$0.65 for a period of 36 months following the closing of the Offering.

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes.

In connection with the Offering, effective May 27, 2020, the Company has changed its trading symbol from "ALEF" to "AH" and it is expected that the Warrants issued in connection with the Offering will commence trading on the Toronto Stock Exchange (the "**TSX**") on the date hereof under the symbol "AH.WT.A". The Offering is subject to final acceptance of the TSX.

Gowling WLG (Canada) LLP acted as legal advisors to Aleafia Health and Cassels Brock & Blackwell LLP acted as legal advisors to the Underwriters on the Offering.

*The Units, and securities underlying the Units, have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered or sold in the United States, to or for the account or benefit of, persons in the United States or U.S. Persons (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Units or the securities underlying the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

Annual Shareholders' Meeting

The Company also announced that it has filed on SEDAR its management information circular for its upcoming annual and special meeting (the "**Meeting**") of shareholders. The meeting will be held on Tuesday, June 30, 2020 at 10:00 a.m. EDT.

Given COVID-19, the Company will be holding the Meeting as a completely virtual meeting, which will be conducted via a web interface. Shareholders will not be able to attend the Meeting in person this year and are strongly encouraged to vote in advance of the Meeting by proxy.

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Learn More

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About Aleafia Health

Aleafia Health is a vertically integrated and federally licensed Canadian cannabis company offering cannabis health and wellness services and products in Canada and in international markets. The Company operates medical clinics, education centres and production facilities for the production and sale of cannabis. Aleafia Health owns three significant licensed cannabis production facilities, including the first large-scale, legal outdoor cultivation facility in Canadian history. The Company produces a diverse portfolio of commercially proven, high-margin derivative products including oils, capsules and sprays. Aleafia Health operates the largest national network of medical cannabis clinics and education centres staffed by MDs, nurse practitioners and educators and operates internationally in three continents. Innovation, the heart of Aleafia Health's competitive advantage, has led to the Company maintaining a medical cannabis dataset with over 10 million data points to inform proprietary illness-specific product development and its highly differentiated education platform FoliEdge Academy. The Company is committed to creating sustainable shareholder value; the TSX Venture Exchange named Aleafia the 2019 top

performing company prior to its graduation to the TSX.

Forward Looking Information

This news release contains forward-looking information within the meaning of applicable Canadian and United States securities laws. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this news release. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including risks contained in the short form prospectus filed in respect of the Offering and the documents incorporated by reference therein, all of which are available on the Company’s SEDAR profile at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release, including those regarding the Offering, the intended use of proceeds and the receipt of requisite TSX and securities regulatory approvals, are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information included in this news release are made as of the date of this news release and the Company does not undertake any obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.