Aleafia Health to Enter Israeli Cannabis Market, Bolstering International Sales Opportunity

- Three-year agreement signed with Equinox International
- Shipments expected to commence in Q1 2021, marking Aleafia's fourth country with products in market
- Israel is largest net importer of medical cannabis globally

TORONTO, Dec. 10, 2020 -- Aleafia Health Inc. (TSX: AH, OTC: ALEAF) ("**Aleafia Health**" or the "**Company**") is pleased to announce that it will commence cannabis exports to the Israeli medical cannabis market. The Company signed a binding letter of intent (the "**LOI**") with Equinox International Ltd., a licensed British medical cannabis company with operations in the Israeli market.

Under the LOI, Equinox has committed to purchasing approximately 1,400 kg of dried flower in 2021. The first shipment to Equinox is expected to occur in Q1 2021 pending receipt of necessary import and export permits and completion of Aleafia's cultivation cycle. Permit applications have already been submitted and will mark the first export of EU GACP-compliant dried flower grown at Aleafia's Niagara Greenhouse facility.

Israel, the world's fastest growing medical cannabis market, reached over 60,000 registered patients in 2020, from half that figure in 2018. It is also the largest net importer of cannabis globally, recently surpassing Germany.

Equinox International, in partnership with Aleafia Health, will establish an Israeli Land-to-Brand ecosystem covering supply, distribution, market leading brands and retail.

"Gaining market access to Israel, an incredibly dynamic country with a fast growing, highly innovative cannabis market, is something we've long aspired to," said Aleafia Health CEO Geoffrey Benic. "Doing so with Equinox, an accomplished, internationally scaled partner, marks an exciting chapter as we commercialize Aleafia Health globally."

"Equinox is delighted to form a Land-to-Brand strategic partnership with Aleafia Health," said Equinox International CEO Xan Morgan. "Equinox is firmly positioned as a British champion and in partnership with Aleafia will be a leader in the Israeli cannabis market."

The parties must now negotiate a definitive agreement concerning the supply of dried flower to Israel over a three-year term. They have agreed to negotiate the definitive agreement exclusively with one another for a period of 45 days.

The parties shall negotiate and include in the definitive agreement additional minimum purchase commitments for the second and third years of the contract. For the duration of the definitive agreement and in respect of the Israeli market, Aleafia shall be Equinox's sole supplier of cannabis products and Equinox shall be Aleafia's sole purchaser of cannabis products.

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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.

About Equinox International

Equinox is a Land to Brand British cannabis company investing in the development of licensed cannabis facilities and partnerships around the world, including proprietary formulations and genetics, as well as two British Champion brands. By combining extensive knowledge of the cannabis industry with scientific expertise and diverse business experience, Equinox aims to become a leading global cannabis supplier and a mark of quality around the world.

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 Company’s annual information form filed with Canadian securities regulators 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 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.