

## **urban-gro, Inc. to Acquire Emerald Construction Management, Inc., Adding In- House Design-Build Solutions to its Global Indoor CEA Service Offerings**

*March 14, 2022*

urban-gro, Inc. (Nasdaq: UGRO) (“urban-gro” or the “Company”), a fully integrated architectural, engineering and cultivation systems integration company focused on the indoor Controlled Environment Agriculture (“CEA”) market, today announced that it has signed a definitive agreement to acquire Emerald Construction Management Inc. (“Emerald C.M.”), a 37-year old Colorado-based construction management firm providing comprehensive construction and supervisory services, from initial design through final build-out. Emerald C.M. expects 2021 revenues of \$26.5 million and adjusted EBITDA of \$1.2 million. The total purchase price for the transaction, inclusive of a maximum \$2.0 million contingent earnout, is \$7.0 million. urban-gro will fund the transaction with a combination of \$2.5 million in cash and up to \$4.5 million in equity. The transaction is expected to close within 60 days, pending successful completion of due diligence, and the Company expects the acquisition to be immediately accretive to earnings in 2022.

Bradley Nattrass, Chairman and CEO of urban-gro, commented, “The Emerald C.M. acquisition represents an important step in our strategy to supply the global indoor CEA market with turn-key design-built facilities. The market for mid-sized turn-key cultivation facilities and vertical farms is underserved, providing urban-gro a unique opportunity to bring the expertise and experience that is needed to deliver high-performance facilities. This acquisition enables us to get our clients to market more quickly while maintaining elite service levels.”

Nattrass continued, “Beyond completing our turn-key strategy, the addition of Emerald C.M.’s contracts and project pipeline provides us with incremental opportunities to generate significant waterfall revenue by providing our current services and equipment solutions to Emerald C.M.’s existing clients. Coupled with our strong balance sheet and positive cash flow, we are in an ideal position to build upon our momentum in the global CEA industry while simultaneously enhancing shareholder value.”

Jim Denny, President and COO of urban-gro, added, “Today, many controlled environment agriculture companies are served by a variety of providers, many of which lack the depth in human resources, systems maturity, and financial stability to satisfy the requirements that are inherent in large and complex construction projects. The acquisition of Emerald C.M. not only strengthens our capabilities and services offerings, but also enables us to provide our clients with a single point of accountability to manage their project needs.”

*Link to original press release:*

<https://www.urban-gro.com/news/urban-gro-to-acquire-emerald-construction-management>