

## **urban-gro, Inc. to Acquire MJ12 Design Studio, Creating the Horticulture Industry's First Fully Integrated Architecture, Engineering and Cultivation Systems Integration Company**

*June 29, 2021*

urban-gro, Inc. (Nasdaq: UGRO) (“urban-gro” or the “Company”), a leading global horticulture company that engineers and designs commercial Controlled Environment Agriculture (“CEA”) facilities and integrates complex environmental equipment systems, today announced that it has agreed to acquire MJ12 Design Studio and parent company, 2WR+ Partners. urban-gro will fund the transaction of \$9.1 million through a combination of cash and UGRO common stock, including contingent consideration of up to \$2 million based on achievement of certain performance metrics. The company expects the transaction to be accretive to earnings in its current fiscal year.

Acquisition of the award-winning, full-service architecture firm greatly expands urban-gro’s services offering by creating the industry’s first fully-integrated architecture, engineering, and cultivation systems integration company serving the cannabis and food-focused CEA sectors.

Bradley Nattrass, Chairman and CEO of urban-gro commented, “this accretive and synergistic acquisition positions urban-gro for a strong future in the global CEA market. It will have a significant positive impact on driving incremental engineering and design services, as well as equipment system revenues. The company can now directly address more challenges faced by cultivators when expanding existing or designing new CEA facilities. Our enhanced integrated menu of service offerings affords clients the convenience of working with one company that possesses the expertise to fully understand the plant, their business, and the technical design aspects necessary to bring a high-performance cultivation facility to life. The inclusion of architecture allows us to now offer our clients complete design capabilities for their cultivation, processing, extraction, and retail facilities. Moreover, the move brings the company one step closer to our goal of delivering complete, end-to-end turn-key indoor CEA facilities.”

Upon closing, urban-gro, Inc. will acquire MJ12 Design Studios, along with its parent company 2WR+ Partners, a multi-state architectural and interior design firm. The combined 23-person firm, including Senior Principal and Partner Sam Andras, AIA, will join the urban-gro team. Mr. Andras will serve on the executive leadership team, heading urban-gro’s architecture, engineering, and design offering, which collectively now features experience in over 400 CEA facilities.

“With its focus on growth in the European market and strong capital position, urban-gro provides us with an opportunity to execute on a global scale, which has been a long-held vision for me and my team,” Andras said. “On behalf of myself, my partners, and all of our employees, we are very excited to be a part of the urban-gro team and propel the industry forward. Joining this high-growth publicly-traded company allows us to collectively bring elite, plant-focused design solutions to even more clients, in turn, facilitating the delivery of plant-based medicines and locally produced food crops across the globe.”

Nattrass concurred stating, “the rapidly growing global CEA sector for cannabis and food represents a tremendous opportunity for our firms to combine our core competencies, applying



our experience and expertise to partner with clients in achieving their goals. The acquisition presents an opportunity for urban-gro to establish customer relationships much earlier in the design process, creating a cascading effect of downstream potential to provide the company's existing service and equipment solutions on MJ12's current open projects and with new clients."

"The addition of 2WR and MJ12's high-margin business offerings serves to further strengthen urban-gro's financial performance," said Dick Akright, Chief Financial Officer of urban-gro. "I am thrilled that this acquisition not only executes along our strategic acquisition path, but it acts as a natural progression for urban-gro to expand our reach. The addition of MJ12's existing projects strengthens our portfolio and better equips us to meet the needs of our existing and future clients."

While urban-gro will acquire MJ12 for coordinated architecture, engineering, and design services in the CEA market, the company will continue to work with other architectural partners at our clients' request. Similarly, 2WR will continue to work with and develop new relationships with other engineering and design partners, as well as provide services in non-cultivation markets including education, healthcare, commercial, civic, multi-family, and hospitality.

*Link to original press release:*

<https://blog.urban-gro.com/urban-gro-acquires-mj12-design-studio>

