



## Tilray® to Acquire Natura Naturals Holdings Inc. for up to C\$70 Million Subject to Performance Milestones

Jan 22, 2019

### *Acquisition increases the Company's capacity to supply branded cannabis products*

NANAIMO, British Columbia--(BUSINESS WIRE)--Jan. 22, 2019-- Tilray, Inc. ("Tilray" or "the Company") (NASDAQ:TLRY), a global leader in cannabis research, cultivation, production and distribution, today announced it has entered into a definitive agreement ("the Agreement") pursuant to which Tilray, through a wholly-owned subsidiary, will acquire all of the issued and outstanding securities of Natura Naturals Holdings Inc. ("Natura"), the parent company of a licensed cultivator of cannabis.

As a result of the acquisition, if completed, Tilray will obtain Natura's 662,000 square-foot greenhouse cultivation facility, of which 155,000 square-feet are currently licensed, and all subsequent cannabis output from this facility. Natura, through a wholly-owned subsidiary located in Leamington, Ontario, is a licensed cultivator under the *Cannabis Act* specializing in the greenhouse cultivation of cannabis.

Under the terms of the definitive agreement and subject to certain customary adjustments, Tilray will deliver C\$35 million at closing, comprised of C\$15 million in cash and C\$20 million in Tilray Class 2 common stock. Natura shareholders will receive their pro rata portion of the C\$15 million closing cash amount, after the deduction of certain transaction expenses incurred by Natura and subject to applicable withholding taxes. Upon Natura reaching certain quarterly production milestones over the following twelve-month period, up to C\$35 million of Tilray common stock may become payable resulting in a total purchase price of C\$70 million if fully achieved.

"We're very pleased to have an agreement in place that allows us to expand our capacity to supply high-quality branded cannabis products to the Canadian market," said Brendan Kennedy, Tilray President and CEO. "Through an extensive and thorough search for the right supply partner, we're pleased to have come to a mutually-beneficial agreement with Natura."

Tilray currently operates three state-of-the-art facilities in Canada and one in Portugal: Tilray Canada Ltd. ("Tilray Canada"), a Nanaimo, British Columbia-based research, cultivation and processing facility which primarily serves the Canadian and global medical cannabis market; Tilray Portugal, Unipessoal, Lda. ("Tilray Portugal"), located in Cantanhede, a research, processing, cultivation, packaging and distribution facility which will primarily serve the medical cannabis market in Europe; High Park Farms Ltd. ("High Park Farms"), an Enniskillen, Ontario-based cultivation and processing facility primarily serving the adult-use market in Canada; and the newly-licensed High Park processing facility in London, Ontario, which will exclusively serve the adult-use market in Canada. Tilray and High Park also have cannabis supply agreements in place with Licensed Producers throughout Canada and most recently signed an exclusive sale, supply, distribution and marketing agreement to deliver High Park adult-use cannabis products in Québec with ROSE LifeScience. The proximity of Natura's facility to Tilray and High Park's existing Ontario operations is expected to be valuable in the long-term collaboration of cannabis research, cultivation and processing within the Company.

Prior to signing the definitive agreement, Tilray conducted extensive due diligence on Natura's cultivation facility and cannabis products. Prior to distribution, all cannabis products produced at the Natura facility will adhere to Tilray's stringent quality assurance standards. The increased supply from Natura will allow Tilray to expand its capacity to supply the Canadian market with high-quality branded cannabis products.

The transaction will be completed by plan of arrangement under the Ontario Business Corporations Act. Completion of the transaction will be subject to customary terms and conditions, including shareholder and court approval of the arrangement. It is anticipated that the closing of the transaction will be completed within the next 30 days. Tilray looks forward to sharing more information related to the company's increasing production capacity and global growth strategy, in the coming months.

Cowen provided a fairness opinion to Tilray's board of directors in connection with the transaction.

### **About Tilray®**

Tilray is a global pioneer in the research, cultivation, production and distribution of cannabis and cannabinoids currently serving tens of thousands of patients and consumers in twelve countries spanning five continents.

### **About High Park™**

Based in Toronto and led by a team with deep experience in cannabis and global consumer brands, High Park was established to develop, produce, sell, and distribute a broad-based portfolio of adult-use cannabis brands and products. High Park is a wholly-owned subsidiary of Tilray, Inc., a global leader in cannabis cultivation, processing, and distribution. Tilray will continue to serve patients in Canada and around the world with a diverse range of pharmaceutical-grade medical cannabis products as High Park focuses on creating distinctive products for adult consumers.

### **About Natura Naturals Holdings Inc.**

Based in Leamington, Ontario, Natura Naturals Inc., the wholly-owned subsidiary of Natura Naturals Holdings Inc. is a licensed cultivator of cannabis in accordance with the Cannabis Act and Cannabis Regulations. The company's cultivation facility is capable of producing plants in a 662,000 square-foot greenhouse facility, of which 155,000 is currently licensed, under optimal growing conditions. Natura grows high-quality cannabis which can be used for various medical and recreational applications. In addition, Natura has an extensive genetics library and continues to develop innovative products for the Canadian and international marketplace.

### **Cautionary note regarding forward-looking statements:**

*This press release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of Canadian securities laws, or collectively, forward-looking statements. Forward-looking statements in this*

*press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions and include statements relating to Tilray's acquisition of Natura Naturals Holdings Inc., and the expected benefits resulting therefrom the ability of Tilray and Natura to satisfy the conditions pursuant to the arrangement and to close the transaction, or any future plans relating to High Park, Tilray or Natura, including increasing Tilray's production capacity and its global growth strategy. Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment and future approvals and permits. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking statements in this press release, and, accordingly, you should not place undue reliance on any such forward-looking statements and they are not guarantees of future results. Forward-looking statements involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements. Please see the heading "Risk Factors" in Tilray's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission and Canadian securities regulators on November 14, 2018, for a discussion of the material risk factors that could cause actual results to differ materially from the forward-looking information. Tilray does not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws.*

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