



Tilray® Increases Cannabis Supply with Acquisition of Natura Naturals Holdings

Feb 19, 2019

Closing transaction of acquisition boosts Company's capacity to supply cannabis products across Canada

NANAIMO, British Columbia--(BUSINESS WIRE)--Feb. 19, 2019-- Tilray, Inc. ("Tilray" or "the Company") (NASDAQ:TLRY), a global leader in cannabis research, cultivation, production and distribution, is pleased to announce the closing of a previously announced definitive agreement ("the Agreement") to acquire all of the issued and outstanding securities of Natura Naturals Holdings Inc. ("Natura"), the parent company of a licensed cultivator of cannabis. Moving forward, the Natura facility will operate under the name High Park Gardens and serve as an additional cultivation facility to serve the medical and adult-use market in Canada.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20190219005291/en/>

As a result of the finalized acquisition, Tilray and High Park have obtained the 662,000 square-foot greenhouse cultivation facility, of which 155,000 square feet are currently licensed. There are also options to expand the facility to further increase production capacity. Natura, through a wholly-owned subsidiary located in Leamington, Ontario, is a licensed cultivator under the *Cannabis Act* specializing in the greenhouse cultivation.

Under the terms of the definitive agreement and subject to certain customary adjustments, Tilray delivered 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 add High Park Gardens to our growing global footprint" said Greg Christopher, EVP Operations. "This acquisition marks another milestone in building a strong supply chain to give Canadians safe access to quality tested cannabis medicine and products."

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 delivering cannabis products for the Canadian market; and the newly-licensed High Park processing facility in London, Ontario, which will exclusively serve the adult-use market in Canada. The Natura facility, which will operate as High Park Gardens, will cultivate cannabis products in Leamington, Ontario for the adult-use and medical market in Canada and work collaboratively with High Park's existing Ontario operations.

Tilray and High Park also have cannabis supply agreements in place with cannabis licensees 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 High Park Gardens to Tilray and High Park's existing Ontario operations will be valuable in the long-term collaboration of cannabis research, cultivation and processing within the Company.

Prior to distribution, all cannabis products cultivated at High Park Gardens will adhere to Tilray and High Park's stringent quality assurance standards. The increased supply resulting from such cultivation will allow Tilray and High Park to expand its capacity to supply the Canadian market with high-quality branded cannabis products.

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 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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