



# Strategic Acquisition of Manitoba Harvest

February 20, 2019

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# Transaction Highlights

Strategic Transaction Combining Leaders in their Respective Industries

Proposed Transaction	Tilray, Inc. to acquire FHF Holdings Ltd. (“ <b>Manitoba Harvest</b> ”) from Compass Group Diversified Holdings, LLC and the other shareholders of Manitoba Harvest, using a wholly owned subsidiary
Offer Value	Up to total of C\$419 mm consisting of: <ul style="list-style-type: none"><li>• C\$200 mm in cash</li><li>• C\$170 mm in Tilray shares</li><li>• Up to C\$49 mm in performance milestones payable in Tilray shares</li></ul>
Key Approvals Required	Approval from shareholders of Manitoba Harvest Court approved Plan of Arrangement
Timing	Expected close in March 2019



# The Power of Hemp

## Hemp is on trend



### Top 10 Food Trends for 2019<sup>(1)</sup> – Next Level Hemp

"...a new interest in the potential benefits stemming from other parts of hemp plants has many brands looking to explore the booming cannabis biz... It's clear that hemp-derived products are going mainstream, if not by wide distribution, then by word of mouth!"

**SO LEAN AND GREEN**  
**The Best Vegan Protein Powders for Your Muscle-Building Needs**  
Gain muscle, lose weight, and restore your energy the plant-based way.

**13** Manitoba Harvest Hemp Yeah! Plant Protein Blend



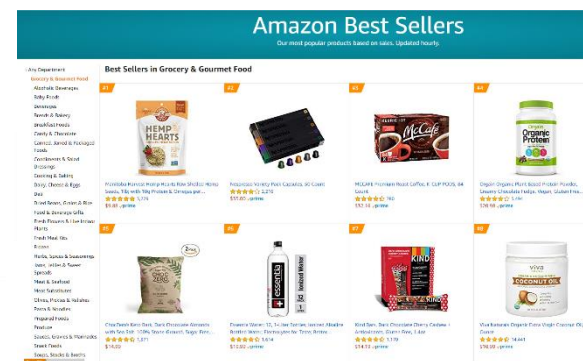
Protein source: Hemp and pea protein



VIDEOS   CONTEST



Health  
Top health food finds



WomensHealth   Breakfast Week   Health   Weight Loss   Fitness  
**3. Watermelon "Pizza"**



## Hemp is the ultimate superfood

**Nutritional Powerhouse**  
Great source of plant-based protein and healthy fats

**10 G**  
Per serving

**PLANT PROTEIN POWER**

**12 G Omegas**  
Per serving



**Fits with Every Diet**  
Allergen Free, Paleo, Keto, Whole 30 and etc.

**FREE FROM THE TOP 8 ALLERGENS**



**Delicious & Ready to Eat**  
Nutty flavor, no soaking or prep required, great across eating occasions



Breakfast



Snacking



Salads

1. <https://media.wholefoodsmarket.com/news/whole-foods-market-unveils-top-10-food-trends-for-2019>

# Manitoba Harvest at a Glance

Global Leader in Hemp Foods



- Founded in 1998
- Industry pioneers – successfully lobbied Canadian government to legalize hemp foods
- Well-recognized and trusted hemp foods brand
- Access to 30,000+ acres of hemp farm land across Canada
- Distributes to 16,000+ retail stores across North America
- Two high quality BRC certified manufacturing facilities
- Robust product innovation pipeline
- Focuses on sustainability and utilizes wind power to offset carbon footprint – awarded 2018 Canadian Health Food Association Sustainability Award
- ~C\$94 mm in Gross Sales<sup>(1)</sup>
- ~155 employees across three locations

1. Unaudited figure based on September 2018 LTM period.

# Strategic Rationale

**Portfolio of Appealing Products Supported by Extensive Distribution Capabilities**

**Platform to Accelerate Entry into the U.S. CBD Market**

**Leader in Hemp Foods with High Quality Grade AA+ Manufacturing Facilities and a Robust Supply Chain Network**

**Industry Leading and Experienced Management Team**



# Portfolio of Appealing Products Supported by Extensive Distribution Capabilities

Broad Array of Products to Address Consumer Needs...

...Available Online and in 13,000 Stores in the USA and 3,600 Stores in Canada

Hemp Hearts



Protein Powder



Hemp Oil



Granola and Bars



Coming Soon<sup>(1)</sup>



1. Product packaging not final.

# Platform to Accelerate Entry into the U.S. CBD Market

## Premium CBD Products from the Leader in Hemp Foods...







Products to include tinctures, sprays and soft gels<sup>(1)</sup>

## ...with the Same Relentless Commitment to Quality...

Sourcing / Cultivating	Extraction / Production	Packaging Product
<ul style="list-style-type: none"><li>✓ Organically grown in the US</li><li>✓ <b>Non-GMO</b></li><li>✓ Full Traceability</li><li>✓ Overhead Irrigation</li></ul>	<ul style="list-style-type: none"><li>✓ CO2 Extracted</li><li>✓ Solvent Free Process</li><li>✓ <b>Non-detectable THC</b></li><li>✓ Organic Compliant</li></ul>	<ul style="list-style-type: none"><li>✓ cGMP Facility</li><li>✓ Formulated with Organic Hemp Seed Oil and / or Organic MCT Oil</li><li>✓ <b>Scalable</b></li></ul>

## ...Supported by a Highly Focused Marketing and Launch Strategy

Marketing to Drive Awareness & Trial	Leverage Existing Retailer Relationships to Scale Quickly	Direct to Consumer Sales via Webstore
<ul style="list-style-type: none"><li>• Content, Event &amp; Influencer Partnerships</li><li>• Sampling</li><li>• Social engagement via brand ambassadors</li><li>• Expo West preview</li><li>• Summer 2019 launch</li></ul> <div></div>	<div><p>Natural &amp; Conventional Retail Grocery</p></div> <div><p>E-Commerce Grocery</p></div>	<div><p>Buy Now</p></div> <p>Full-service Webstore</p>

1. Product packaging not final.



# Leader in Hemp Foods with High Quality Grade AA+ Manufacturing Facilities and a Robust Supply Chain Network

## High Quality Manufacturing Facilities

- Two large scale vertically integrated facilities with in-house quality control facilities
- First hemp company to achieve Generally Recognized As Safe<sup>(1)</sup>
- Only hemp foods manufacturer to achieve British Retail Consortium (“BRC”) - Global Food Safety Initiative certifications
  - Received a Grade AA+ rating



## Extensive Network of Contract Farmers

- Over 30,000 acres of contracted farmland in 2018
- Deep access to organic hemp farmlands across Canada
  - In process of developing relationships in the US with organic farmers



1. Generally Recognized As Safe for hemp oil, hulled hemp seeds and hemp protein powder.

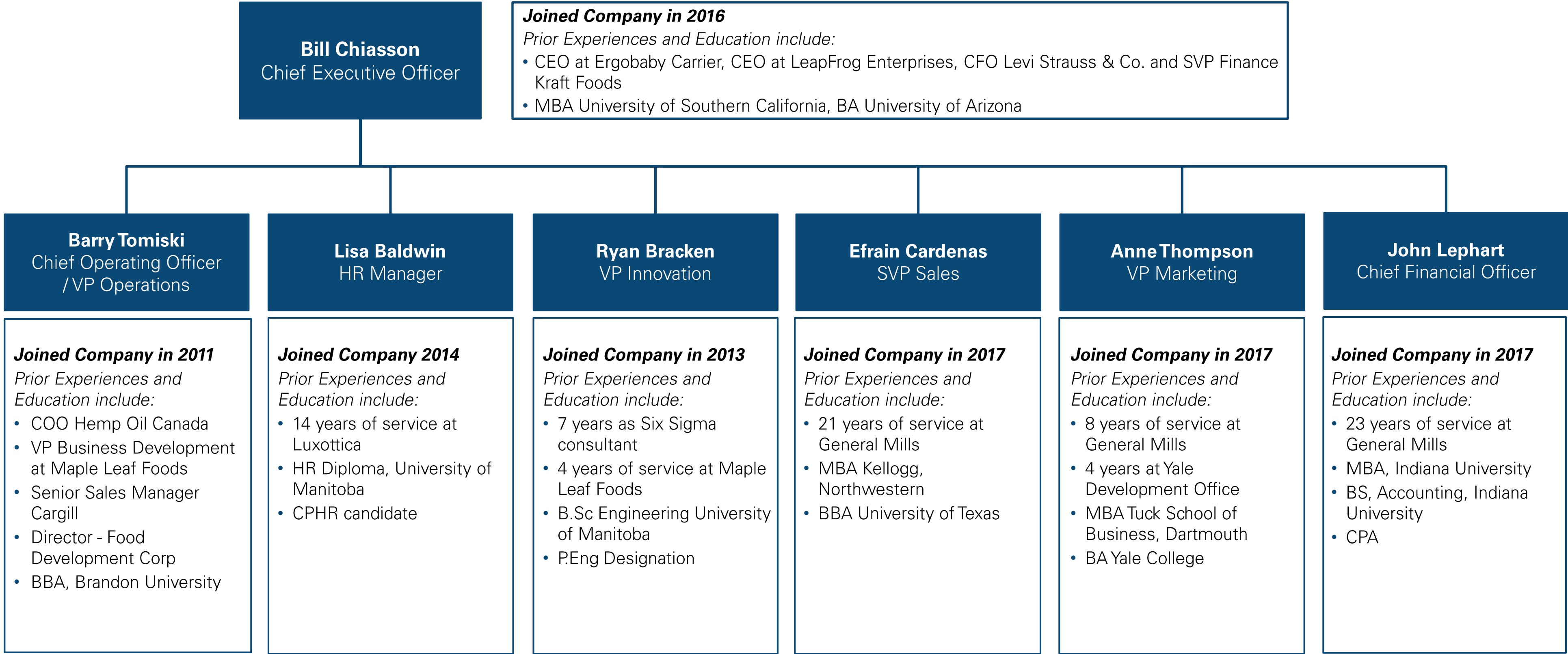
# Leader in Hemp Foods with High Quality Grade AA+ Manufacturing Facilities and a Robust Supply Chain Network (cont'd)

## Seed to Shelf Quality Control Process

Seed	<ul style="list-style-type: none"><li>Quality starts at the source</li><li>Manitoba Harvest <b>works directly with Canadian farmers</b> to influence how non-GMO seed is grown</li></ul>
Safety	<ul style="list-style-type: none"><li>Before the seeds leave the facility, they <b>undergo over 34 tests before hitting store shelves</b></li></ul>
Quality	<ul style="list-style-type: none"><li>Manitoba Harvest <b>works with each farmer from beginning to end to ensure the highest quality seed</b></li></ul>
Traceability	<ul style="list-style-type: none"><li>Manitoba Harvest tracks each seed lot as it comes in and <b>can trace every hemp product back to the field it was grown on</b></li></ul>
Package Integrity	<ul style="list-style-type: none"><li>Manitoba Harvest pays attention to each detail in the packaging</li><li><b>Use laminated nitrogen flush pouches to protect product quality</b></li></ul>
Freshness	<ul style="list-style-type: none"><li>Strong commitment to freshness throughout</li><li>Ensures each product is the <b> freshest tasting product on shelves</b></li></ul>
Sustainability	<ul style="list-style-type: none"><li>Every decision and action is influenced by its impact on the local community and the environment</li></ul>

# Industry Leading and Experienced Management Team

## Manitoba Harvest Leadership Team







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