UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 17, 2021

Tilray, Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware	001-38594	82-4310622
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1100 Maughan Rd., Nanaimo, BC, Canada	V9X 1J2
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (844) 845-7291

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class 2 Common Stock, $0.0001 par value per share	**TLRY**	**The Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On February 17, 2021, Tilray, Inc. ("Tilray") issued a press release announcing financial results for its fourth quarter and year ended December 31, 2020. A copy of the press release is furnished herewith as Exhibit 99.1.

The information in this current report on Form 8-K, including the press release attached as Exhibit 99.1 hereto, is being furnished, but shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Tilray, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release of Tilray, Inc., dated February 17, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		Tilray, Inc.
Date: February 17, 2021	By:	/s/ Brendan Kennedy
		Brendan Kennedy
		President and Chief Executive Officer

PRESS RELEASE

February 17, 2021

Tilray, Inc. Reports 2020 Full Fiscal Year and Fourth Quarter Results

Revenue Increased 26% to $210.5 Million in 2020 Compared to Prior Year

Net Loss $(3.0) Million in Q4 2020 Versus Net Loss $(219.8) Million in Q4 2019

Achieved Adjusted EBITDA Goal With $2.2 Million in Q4 2020

Combination with Aphria Inc. Expected to Close in Q2 2021 to Create the World's Largest Cannabis Company Based On Pro Forma Revenue

$189.7 Million Cash at December 31,2020 and $261.3 Million Cash as of February 16, 2021

NANAIMO, BRITISH COLUMBIA – Tilray, Inc. ("Tilray" or the "Company") (Nasdaq: TLRY), a global pioneer in cannabis research, cultivation, production and distribution, today reported financial results for the full fiscal year and fourth quarter ended December 31, 2020. All financial information in this press release is reported in U.S. dollars, unless otherwise indicated.

Brendan Kennedy, Tilray's Chief Executive Officer, stated, "Over the course of 2020, and despite COVID-19 related challenges, we transformed and strengthened Tilray, delivered solid full year results, significantly reduced net loss, and achieved our stated goal of delivering break even or positive Adjusted EBITDA in Q4 2020. We did so by generating meaningful revenue growth across our core businesses, particularly international medical and Canadian adult-use in Q4, and reducing costs by $57 million on an annualized basis compared to Q4 of 2019. As a result, we now operate with a more focused, efficient and competitive cost structure. We also strengthened our balance sheet and positioned Tilray for growth and success in the future in combination with Aphria. These results required hard work and dedication and I sincerely appreciate everything the Tilray team has done to transform our business during 2020. We now look forward to the beginning of the next chapter in our corporate journey."

Mr. Kennedy continued, "Amid an acceleration of regulatory changes and an increasingly-favorable political environment, our proposed merger with Aphria will position the combined company as a global leader with lowest cost of production, leading brands, a well-developed distribution network, and unique partnerships. Finally, and as previously stated, the 'new' Tilray will achieve over C$100 million in anticipated pre-tax synergies. The aggregate impact of these value drivers provides confidence that the 'new' Tilray will generate significant value for stockholders."

As announced on December 16, 2020, Tilray will combine businesses with Aphria Inc. and create the world's largest global cannabis company based on pro forma revenue. Following the close of this transaction, which is expected in the second quarter of 2021, the combined company will operate under the Tilray corporate name with shares trading on Nasdaq under ticker symbol "TLRY". Completion of the business combination is subject to regulatory and court approvals and other customary closing conditions, including the approval of Tilray and Aphria stockholders.

Fourth Quarter 2020 Financial Highlights

- Total revenue increased to $56.6 (C$74.4) million, up 20.5% compared to the fourth quarter of 2019. Cannabis segment revenue increased 46% to $41.2 million (C$53.6 million), mainly driven by acceleration of International Medical sales (+191%) and Canadian Adult-Use sales (+49%). Canadian medical sales grew 26% and there were no bulk sales to other license producers. Hemp segment revenue decreased 18% to $15.3 million (C$20.5 million) primarily due to a shift to private label product with a large customer and the impact of COVID-related changes to consumer shopping patterns.
- Total revenue increased 10% compared to the third quarter of 2020. Cannabis segment revenue increased 31%, driven by a 44% increase in International Medical sales, 27% increase in Adult-Use sales, and a 24% increase in Canada Medical sales which was partly offset by a 23% decline in Hemp sales.

	Three months ended December 31,				Twelve months ended December 31,			
	2020	2019	$ Change	% Change	2020	2019	$ Change	% Change
Cannabis								
Adult-use	$ 25,362	$ 17,005	$ 8,357	49%	$ 83,828	$ 55,763	$ 28,065	50%
Canada - medical	4,204	3,333	871	26%	15,489	12,556	2,933	23%
International - medical	11,666	4,008	7,658	191%	33,886	13,378	20,508	153%
Bulk	—	3,924	(3,924)	(100)%	402	25,450	(25,048)	(98)%
Total Cannabis revenue	$ 41,232	$ 28,270	$ 12,962	46%	$ 133,605	$ 1,07,147	$ 26,458	25%
Hemp	15,328	18,665	(3,337)	(18)%	76,877	59,832	17,045	28%
Total	$ 56,560	$ 46,935	$ 9,625	21%	$ 210,482	$ 166,979	$ 43,503	26%
Excise duties included in revenue	$ 5,818	$ 4,429	$ 1,389	31%	$ 19,143	$ 13,136	$ 6,007	46%

- Total cannabis kilogram equivalents sold decreased 54% to 6,901 kilograms from 15,039 kilograms in the prior year's fourth quarter. The decrease was due almost entirely to the reduction of bulk sales.
- Average cannabis net selling price per gram increased to $5.97(C$7.99) compared to $1.88 (C$2.52) in the fourth quarter of 2019 and decreased from $6.15 (C$8.15) in the third quarter of 2020. The increase versus 2019 was due to a continued shift in distribution channels and product mix, including growth in International Medical sales, a shift in sales to higher potency and higher priced products in the Adult-Use market, and the continued growth of Cannabis 2.0 products in Canada. The decrease from the third quarter of 2020 was due to the accelerated sales growth of cannabis flower products in the Canadian Adult-Use channel during the fourth quarter of 2020.
- Average cannabis net cost per gram increased to $3.72 (C$4.98) compared to $1.53 (C$2.05) in the fourth quarter of 2019 and decreased from $4.23 (C$5.61) in the third quarter of 2020. The year-over-year increase was the result of lower kilograms sold due to the discontinuation of bulk sales and partly due to increased sales of Cannabis 2.0 products which have higher costs than dried flower. The decrease in the fourth quarter of 2020 is attributable to additional realization of cost cutting measures and better absorption rates in Portugal.
- Gross margin increased to 29% from (121%)% in the fourth quarter of 2019 and increased from 7% in the third quarter of 2020.
- Gross margin, excluding inventory valuation adjustments, increased to 33% from 23% in the fourth quarter of 2019 and 29% in the third quarter of 2020.
    - Gross margins for Cannabis, excluding inventory valuation adjustments, was 33% in the fourth quarter of 2020 versus 16% in the fourth quarter of 2019 and 27% in the third quarter of 2020. The sequential increase in gross margin was partly due to increased International Medical sales and lower costs at our production facilities resulting from our cost cutting measures.
    - Gross margin for Hemp, excluding inventory valuation adjustments, decreased to 34% from 35% in the fourth quarter of 2019 and decreased from 43% in the third quarter of 2020. The decreases are primarily due to a shift in sales to larger size and lower margin private label products with one of our large customers.
- Net loss was $(3.0) million, or $(0.02) per share, compared to net loss of $(219.8) million, or $(2.14) per share, in the fourth quarter of 2019 and net loss of $(2.3) million, or $(0.02) per share in the third quarter of 2020.
- Adjusted EBITDA of $2.2 million was a $37.5 million improvement compared to the $(35.3) million loss in the fourth quarter of 2019 and a $3.7 million improvement versus the $(1.5) million loss in the third quarter of 2020. Increased sales combined with our significant cost reductions and operating efficiencies had a meaningful positive impact on Adjusted EBITDA.

- Cash and cash equivalents totaled $189.7 million at the end of the fourth quarter of 2020.

2020 Financial Highlights

- Total revenue increased 26% to $210.5 (C$281.9) million during 2020 from $167.0 million in 2019. The increase was driven by $26.5 million or 25% growth in the Cannabis segment, and $17.0 million or 28% growth in the Hemp segment. The Hemp segment increase was partially due to the timing of the Manitoba Harvest acquisition in 2019 which resulted in 10 months of sales in 2019 compared to 12 months in 2020.
- Total kilogram equivalents of cannabis sold decreased 17% during 2020 compared to 2019 generally due to a reduction in bulk sales which was partially offset by increases in other product channels. We expect continued increases in kilogram equivalents grams sold as we generate sales growth in our key cannabis product channels, Canadian Adult-Use and International Medical. Going forward, we will pursue opportunistic bulk sales as we manage our product mix and optimize margins.
- The average net selling price per gram increased by 51% in 2020 to $4.57 (C$6.12) compared to $3.01 (C$3.99) in 2019 due to an increase in International Medical Sales and Cannabis 2.0 products accompanied by a reduction in Bulk sales. International medical markets sales generally command a higher price per gram than Adult-Use and Medical sales in Canada. The proportion of International Medical sales during the 2020 increased to 23% versus 12% in 2019. Additionally, higher-priced Cannabis 2.0 products, which did not exist in the comparable period in 2019, continued to grow as a percentage of our Adult-Use business.
- The average cost per gram sold increased to $3.24 (C$4.34) representing a 37% increase during 2020 compared to $2.36 (C$3.12) in 2019 partially due to fewer kilograms sold as a result of reduced bulk sales, increased sales of Cannabis 2.0 products that have higher costs than dried flower, and partially due to limited absorption of costs at our facility in Portugal as we brought new growing capacity on line.
- Gross margin increased to 12% from (14%) in 2019 primarily due to reduced inventory valuation adjustments and overall improvements in our cost of production related to our cost cutting efforts.
    - Gross margin for Cannabis, excluding inventory valuation adjustments, was 23% in 2020 and 20% in 2019. The improvement resulted from increased sales in International Medical markets, the introduction of 2.0 products in the Adult-Use market, and the realization of cost reduction measures implemented throughout the year.

    - Gross margin for Hemp of 37% in 2020 increased from 31% in 2019 due to reduced inventory adjustments. Gross margin for Hemp, excluding inventory valuation adjustments and purchase accounting value step-up, was 42% in 2020 and 43% in 2019. The decrease in gross margin was primarily due to a sales mix shift to larger and lower margin package sizes and lower absorption rates in our facilities towards the end of the year.
- Net loss for the year decreased to $(271.1) million, or $(2.15) per share, compared to $(321.2) million or $(3.20) per share in 2019 largely due to the cost optimization measures undertaken during 2020. In 2020, we recorded non-cash impairment charges of $61.1 million and $38.4 million of inventory valuation adjustments, as well as a non-cash charge of $100.3 million related to warrant valuations, partially offset by non-cash gains on debt conversion of $(61.1) million. In 2019, we recorded non-cash charges of $112.1 million related to the impairment of the Authentic Brands Group LLC ("ABG") agreement as well as $68.6 million in inventory valuation adjustments.
- Adjusted EBITDA for the year improved to a loss of $(30.3) million compared to a loss of $(89.8) million in the prior year primarily due to cost reduction measures undertaken during 2020, and our ability to leverage sales growth with a reduced cost structure.

Recent Business Developments Reflect Strong, Ongoing Global Growth and Opportunity

Progress on Expanding International Medical Business and Canadian Adult-Use Product Line

- On February 9, 2021, we announced a new agreement with Grow Pharma to import and distribute Tilray medical cannabis products in the United Kingdom. This new agreement gives doctors and patients access to a sustainable supply of Tilray's full range of pharmaceutical-grade medical cannabis products.
- On February 4, 2021, we announced our partnership with Worldpharma Biotech and our first export of medical cannabis from Portugal to Spain. Worldpharma will produce the first medical cannabis products for clinical trials in Spain with Tilray GMP-certified medical cannabis. Spain marks the 17th country where Tilray medical cannabis is available.
- On February 1, 2021, we announced that we had received the necessary approvals and market authorization in accordance with the Portuguese legislation to offer Tilray medical cannabis products in Portugal from our GMP-certified EU facility in Cantanhede, Portugal. This is the first time a full quality dossier was required and delivered to obtain market authorization in Europe for a medical cannabis product.
- On January 26, 2021, we announced that we have been selected by the French National Agency for the Safety of Medicines and Health Products (ANSM) to supply Good Manufacturing Processes (GMP) certified medical cannabis products for experimentation in France. We will supply GMP-produced medical cannabis products to serve patients in need for the duration of the French experiment (18-24 months), due to begin in the first quarter of 2021.

- On December 2, 2020, we announced that we had signed a cooperation agreement with Hormosan for the promotion of medical cannabis extracts in Germany. Hormosan is primarily focused on pain therapy and neurology and is part of the Lupin Group, an international entity that sells innovative drugs and generics. Through this strategic partnership, the expertise of both Tilray and Hormosan are now being leveraged to expand Tilray's presence in the German market.
- On October 5, 2020, our wholly-owned subsidiary, High Park Holdings Ltd., announced the newest addition to its cannabis-infused edible product line: Chowie Wowie Gummies. Chowie Wowie Gummies are handcrafted using clean and simple ingredients, are vegan and gluten free, and feature a delicious taste profile.

Progress on Strengthening Balance Sheet and Improving Financial Condition

- Through February 15, 2021, warrant holders have exercised warrants to purchase approximately 12.7 million shares of Class 2 common stock at a price of $5.95 per share. The exercises resulted in proceeds of approximately $75.4 million and a reduction of our warrant liability of approximately $80.0 million.
- On November 23 and 24, 2020, we announced that we had entered into privately negotiated exchange agreements with certain holders of its 5.00% Convertible Senior Notes due 2023 (the "Notes"). Pursuant to the exchange agreements, we exchanged approximately $197.2 million in aggregate principal amount of Notes plus accrued interest, for approximately 17.3 million shares of our Class 2 common stock. Following the exchange transactions, approximately $277.9 million in aggregate principal amount of the Notes remained outstanding. The purpose of the transaction was to reduce our debt and eliminate approximately $9.2 million in annual cash interest costs.

Conference Call

Tilray will host a conference call to discuss these results today at 5:00 p.m. ET. Investors interested in participating in the live call can dial 877-407-0792 from the U.S. and 201-689-8263 internationally.

There will also be a simultaneous, live webcast available on the Investors section of the Company's website at www.tilray.com. The webcast will also be archived after the call concludes.

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 17 countries spanning five continents.

Forward Looking Statements

This press release contains “forward-looking statements”, which 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, including statements regarding Aphria’s and Tilray’s strategic business combination and the expected terms, timing and closing of the combination, estimates of pro-forma financial information of the combined company, estimates of future cost reductions, synergies including pre-tax synergies, savings and efficiencies, value for stockholders, our growth potential, the sustainability of growth, the optimization of our facilities and estimated net savings, demand for our products and the medical and Adult-Use cannabis markets, anticipated plans for strategic partnerships and acquisitions, and future sales of our common stock. 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. 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 on November 9, 2020, 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.

Use of Non-U.S. GAAP Financial Measures

To supplement its financial statements, the Company provides investors with information related to Adjusted EBITDA and gross margin, excluding inventory valuation adjustments, both of which are financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”).

Adjusted EBITDA is calculated as net income (loss) before inventory valuation adjustments; interest expenses, net; other expenses (income), net; deferred income tax (recoveries) expenses, current income tax expenses (benefit); foreign exchange gain (loss), net; depreciation and amortization expenses; stock-based compensation expenses; loss from equity method investments; finance income from ABG; loss on disposal of property and equipment; amortization of inventory step-up; severance costs; impairment of assets; and change in fair value of warrant liability. A reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, has been provided in the financial statement tables included below in this press release. Gross margin, excluding inventory valuation adjustments and stock-based compensation, is calculated as revenue less cost of sales adjusted to add back inventory valuation adjustments and amortization of inventory step-up, and stock-based compensation divided by revenue. A reconciliation of Gross margin, excluding inventory valuation adjustments and stock-based compensation, to gross margin, the most directly comparable GAAP measure, has been provided in the financial statement tables included below in this press release.

The Company believes these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. Management uses these non-GAAP financial measures to compare the Company's performance to that of prior periods for trend analyses and planning purposes. These non-GAAP financial measures are also presented to the Company's Board of Directors.

Non-U.S. GAAP measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with U.S. GAAP. Non-U.S. GAAP measures exclude significant expenses that are required by U.S. GAAP to be recorded in the Company's financial statements and are subject to inherent limitations.

Additional Information About the Tilray and Aphria Business Combination and Where to Find It

This news release is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. This statements in this press release in respect of the proposed transaction involving Aphria and Tilray pursuant to the terms of an arrangement agreement by and among Aphria and Tilray may be deemed to be soliciting material relating to the proposed transaction.

In connection with the proposed transaction, Aphria will file a management information circular, and Tilray will file a proxy statement on Schedule 14A containing important information about the proposed transaction and related matters. Additionally, Aphria and Tilray will file other relevant materials in connection with the proposed transaction with the applicable securities regulatory authorities. Investors and security holders of Aphria and Tilray are urged to carefully read the entire management information circular and proxy statement (including any amendments or supplements to such documents), respectively, when such documents become available before making any voting decision with respect to the proposed transaction because they will contain important information about the proposed transaction and the parties to the transaction. The Aphria management information circular and the Tilray proxy statement will be mailed to the Aphria and Tilray shareholders, respectively, as well as be accessible on the SEDAR and EDGAR profiles of the respective companies.

Investors and security holders of Tilray will be able to obtain a free copy of the proxy statement, as well as other relevant filings containing information about Tilray and the proposed transaction, including materials that will be incorporated by reference into the proxy statement, without charge, at the SEC's website (www.sec.gov) or from Tilray by contacting Tilray's Investor Relations at (203) 682-8253, by email at Raphael.Gross@icrinc.com, or by going to Tilray's Investor Relations page on its website at https://ir.tilray.com/investor-relations and clicking on the link titled "Financials."

Participants in the Tilray Solicitation

Tilray and Aphria and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of Tilray proxies in respect of the proposed transaction. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies to Tilray stockholders in connection with the proposed transaction will be set forth in the Tilray proxy statement for the proposed transaction when available. Other information regarding the participants in the Tilray proxy solicitation and a description of their direct and indirect interests in the proposed transaction, by security holdings or otherwise, will be contained in such proxy statement and other relevant materials to be filed with the SEC in connection with the proposed transaction. Copies of these documents may be obtained, free of charge, from the SEC or Tilray as described in the preceding paragraph.

For further information:

Media: Berrin Noorata, news@tilray.com
Investors: Raphael Gross, +1-203-682-8253, Raphael.Gross@icrinc.com

TILRAY, INC.
Consolidated Statements of Net Loss and Comprehensive Loss
(In thousands of United States dollars, except for share and per share data)

	Three months ended December 31, 2020	Three months ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	$ 56,560	$ 46,936	$ 210,482	$ 166,979
Cost of sales	39,918	103,943	185,827	190,475
Gross profit	16,642	(57,007)	24,655	(23,496)
General and administrative expenses	22,597	42,836	85,883	110,903
Sales and marketing expenses	6,638	22,741	54,666	63,813
Research and development expenses	928	2,450	4,411	9,172
Depreciation and amortization expenses	3,369	4,150	13,722	11,607
Impairment of assets	2,904	112,070	61,114	112,070
Acquisition-related expenses (income), net	—	(24,861)	—	(31,427)
Loss from equity method investments	1,488	2,667	5,983	4,504
Operating loss	(21,282)	(219,060)	(201,124)	(304,138)
Foreign exchange (gain) loss, net	(18,593)	(7,097)	(13,169)	(5,944)
Change in fair value of warrant liability	49,011	—	100,286	—
Gain on debt conversion	(61,118)	—	(61,118)	—
Interest expenses, net	9,072	8,685	39,219	34,690
Finance income from ABG	—	(207)	—	(764)
Other expense (income), net	5,387	3,572	10,333	(2,501)
Loss before income taxes	(5,041)	(224,013)	(276,675)	(329,619)
Deferred income tax (recoveries)	(1,363)	(4,860)	(5,376)	(8,847)
Current income tax (recoveries) expenses	(731)	(5)	(226)	397
Net loss	$ (2,947)	$ (219,148)	$ (271,073)	$ (321,169)
Net loss per share - basic and diluted	$ (0.02)	$ (2.14)	$ (2.15)	$ (3.20)
Weighted average shares used in computation of net loss per share - basic and diluted	143,819,967	102,405,607	126,041,710	100,455,677
Net loss	(2,947)	(219,148)	(271,073)	(321,169)
Foreign currency translation (loss) gain, net	5,687	7,588	(1,497)	5,174
Unrealised loss on investments	(171)	(101)	(17)	(21)
Other comprehensive income (loss)	5,516	7,487	(1,514)	5,153
Comprehensive income (loss)	$ 2,569	$ (211,661)	$ (272,587)	$ 316,016

As stated in our Form-10K, share-based compensation expenses have been reclassified to their respective functional lines in the Consolidated Statements of Net Loss and Comprehensive loss. This was adjusted retrospectively for 2018, 2019 and 2020 and applied in the fourth quarter of 2020.

TILRAY, INC.
Consolidated Balance Sheets
(In thousands of United States dollars, except for share and par value data)

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 189,702	$ 96,791
Accounts receivable, net of allowance for credit losses of $887 and provision for sales returns of $1,651 (December 31, 2019 - $615 and $1,400, respectively)	29,033	36,202
Inventory	93,645	87,861
Prepayments and other current assets	34,640	38,173
Total current assets	347,020	259,027
Property and equipment, net	199,559	184,217
Operating lease, right-of-use assets	17,985	17,514
Intangible assets, net	186,445	228,828
Goodwill	166,915	163,251
Equity method investments	9,300	11,448
Other investments	14,369	24,184
Other assets	4,356	7,861
Total assets	$ 945,949	$ 896,330
Liabilities		
Current liabilities		
Accounts payable	17,776	39,125
Accrued expenses and other current liabilities	39,946	50,829
Accrued lease obligations	2,913	2,473
Warrant liability	120,647	—
Total current liabilities	181,282	92,427
Accrued lease obligations	30,623	29,407
Deferred tax liability	49,274	53,363
Convertible notes, net of issuance costs	257,789	430,210
Senior Facility, net of transaction costs	48,470	—
Other liabilities	4,612	5,652
Total liabilities	$ 572,050	$ 611,059
Commitments and contingencies		
Stockholders' equity		
Convertible Preferred stock ($0.0001 par value, 10,000,000 shares authorized and none issued or outstanding at December 31, 2018; none authorized, issued or outstanding at December 31, 2017)	—	—
Class 1 common stock ($0.0001 par value, 233,333,333 and 250,000,000 shares authorized; 0 and 16,666,667 shares issued and outstanding)	—	2
Class 2 common stock ($0.0001 par value; 500,000,000 shares authorized; 158,456,087 and 86,114,558 shares issued and outstanding, respectively)	16	9
Class 3 common stock ($0.0001 par value, none authorized, issued or outstanding at December 31, 2018; none authorized, issued or outstanding at December 31, 2017)		
Additional paid-in capital	1,095,781	705,671
Accumulated other comprehensive income	8,205	9,719
Accumulated deficit	(730,103)	(430,130)
Total stockholders' equity	$ 373,899	$ 285,271
Total liabilities and stockholders' equity	$ 945,949	$ 896,330

TILRAY, INC.
Other Financial Information
(In thousands of United States dollars)

	Three months ended December 31, 2020	Three months ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
Adjusted EBITDA reconciliation:				
Net loss	$ (2,949)	$ (219,148)	$ (271,073)	$ (321,169)
Inventory valuation adjustments	2,303	67,857	38,419	68,583
Severance costs	1,288	—	4,864	—
Depreciation and amortization expenses	4,422	5,389	18,654	15,849
Stock-based compensation expenses	6,312	9,539	29,716	31,842
Other stock-based compensation related expenses	—	8,411	—	8,411
Gain on debt conversion	(61,118)	—	(61,118)	—
Impairment of assets	2,904	112,070	61,114	112,070
Loss from equity method investments	1,488	2,667	5,983	4,504
Foreign exchange (gain) loss, net	(18,593)	(7,097)	(13,169)	(5,944)
Change in fair value of warrant liability	49,011	—	100,286	—
Interest expenses, net	9,072	8,685	39,219	34,690
Finance income from ABG	—	(207)	—	(764)
Loss from disposal of property and equipment	958	2,324	1,851	2,436
Other expenses (income), net	9,244	(21,177)	20,573	(33,928)
Amortization of inventory step-up	—	—	—	2,041
Deferred income tax recoveries	(1,363)	(4,860)	(5,376)	(8,847)
Current income tax (recoveries) expenses	(731)	(5)	(226)	397
Adjusted EBITDA	$ 2,248	$ (35,552)	$ (30,283)	$ (89,829)

TILRAY, INC.
Gross Margin
(In thousands of United States dollars, except for percentage data)

	For the three months ended December 31,					
	Cannabis		Hemp		Total	
	2020	2019	2020	2019	2020	2019
Revenue	$ 41,232	$ 28,270	$15,328	$18,665	$ 56,560	$ 46,935
Cost of sales						
Product costs	26,152	23,864	9,900	12,221	36,052	36,085
Inventory valuation adjustments	2,753	62,922	(450)	4,935	2,303	67,857
Stock-based compensation expenses	1,292	—	271	—	1,563	—
Gross profit (loss)	11,035	(58,516)	5,607	1,509	16,642	(57,007)
Inventory valuation adjustments	2,753	62,922	(450)	4,935	2,303	67,857
Stock-based compensation expenses	1,292	—	271	—	1,563	—
Gross profit, excluding inventory valuation adjustments and stock-based compensation expenses	$ 15,080	$ 4,406	$ 5,428	$ 6,444	$ 20,508	$ 10,850
Gross margin, excluding inventory valuation adjustments and stock-based compensation expenses	37%	16%	35%	35%	36%	23%

	For the year ended December 31,					
	Cannabis		Hemp		Total	
	2020	2019	2020	2019	2020	2019
Revenue	$133,605	$107,147	$76,877	$59,832	$210,482	$166,979
Cost of sales						
Product costs	101,509	84,876	44,336	35,395	$ 145,845	$ 120,271
Inventory valuation adjustments	34,379	63,532	4,040	5,050	$ 38,419	$ 68,582
Stock-based compensation expenses	1,292	1,041	271	581	1,563	1,622
Gross profit (loss)	(3,575)	(42,302)	28,230	18,806	$ 24,655	$ (23,496)
Inventory valuation adjustments	34,379	63,532	4,040	5,050	$ 38,419	$ 68,582
Amortization of inventory step-up	—	—	—	2,041	$ —	$ 2,041
Stock-based compensation expenses	1,292	1,041	271	581	$ 1,563	$ 1,622
Gross profit, excluding inventory valuation adjustments and stock-based compensation expenses	$ 32,096	$ 22,271	$ 32,541	$ 26,478	$ 64,637	$ 48,749
Gross margin, excluding inventory valuation adjustments and stock-based compensation expenses	23%	20%	42%	43%	30%	28%