

**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): November 20, 2020

Tilray, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38594
(Commission
File Number)

82-4310622
(IRS Employer
Identification No.)

**1100 Maughan Rd.,
Nanaimo, BC, Canada**
(Address of Principal Executive Offices)

V9X 1J2
(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 1.01. Entry into a Material Definitive Agreement.

On November 20, 2020, Tilray, Inc. (“Tilray”) entered into privately negotiated exchange agreements (the “Exchange Agreements”) with certain holders of Tilray’s 5.00% Convertible Senior Notes due 2023 (the “Notes”). Under the terms of the Exchange Agreements, the holders agreed to exchange an aggregate principal amount of approximately \$124.3 million of Notes plus accrued interest held by them in exchange for an aggregate of 10,932,222 shares of Tilray’s Class 2 common stock (“Shares”). Effectively, Tilray agreed to repurchase a portion of its Notes at a 36% discount to their face value, using shares issued at Tilray’s most recent closing market price on November 20, 2020 (which is equivalent to a conversion price of \$7.36 per share). These exchange transactions closed on November 24, 2020.

On November 23, 2020, Tilray entered into additional Exchange Agreements with certain holders of the Notes. Under the terms of the Exchange Agreements, the holders agreed to exchange an aggregate principal amount of approximately \$72.9 million of Notes plus accrued interest held by them in exchange for an aggregate of 6,407,355 shares. Effectively, Tilray agreed to repurchase a portion of its Notes at a 42% discount to their face value, using shares issued at Tilray’s most recent closing market price on November 23, 2020 (which is equivalent to a conversion price of \$6.68 per share). These exchange transactions are expected to close on or about November 25, 2020, subject to customary closing conditions.

Immediately following the exchange of the Notes contemplated by the Exchange Agreements, approximately \$277.9 million in aggregate principal amount of the Notes will remain outstanding.

The foregoing description of the Exchange Agreements is qualified in its entirety by reference to the form of Exchange Agreement attached as Exhibit 99.1 hereto.

On November 23, 2020 and November 24, 2020, Tilray issued press releases announcing the Exchange Agreements, copies of which are attached hereto as Exhibit 99.2 and 99.3, respectively, and incorporated herein by reference.

This Current Report does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure under Item 1.01 above is incorporated by reference herein. The issuance of the Shares under the Exchange Agreements is being made pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), only to investors that qualified as “qualified institutional buyers” (as such term is defined under the Securities Act) or large institutional investors.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Form of Exchange Agreement Related to 5.00% Convertible Senior Notes
99.2	Press release of Tilray, Inc., dated November 23, 2020
99.3	Press release of Tilray, Inc., dated November 24, 2020
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: November 24, 2020

By: _____ /s/ Brendan Kennedy
Brendan Kennedy
President and Chief Executive Officer

Form of Exchange Agreement

November [], 2020

Tilray, Inc.
1100 Maughan Rd.
Nanaimo, BC, Canada V9X 1J2

Re: Exchange of 5.00% Convertible Senior Notes due 2023 for Class 2 Common Stock

Ladies and Gentlemen:

This Exchange Agreement and the Terms and Conditions for Exchange of Securities, attached hereto as Exhibit A (the “**Terms and Conditions**” and, together with this Exchange Agreement, the “**Agreement**”), is made as of the date hereof between Tilray, Inc. (the “**Company**”) and the Investor (as defined below).

WHEREAS, the Company and the Investor desire to exchange (the “**Exchange**”) certain 5.00% Convertible Senior Notes due 2023, CUSIP 88688T AB6 (the “**Notes**”) issued by the Company and held by the Investor for shares of the Company’s Class 2 Common Stock, par value \$0.0001 per share (the “**Common Stock**”); and

WHEREAS, the Company desires to repurchase from each Exchanging Investor, and each Exchanging Investors desire to sell to the Company, the Notes for a purchase price equal to []% of the principal amount thereof plus accrued and unpaid interest and in respect thereof, the Company desires to issue to each Exchanging Investor, Shares (as defined below) valued at \$[] per share based on the Company’s closing stock price on The Nasdaq Global Select Market on November [], 2020.

The undersigned investor (the “**Investor**”), for itself and on behalf of the beneficial owners listed on Exhibit B.1 hereto (“**Accounts**”) for whom the Investor holds contractual and investment authority (each, including the Investor if it is a party exchanging Notes, an “**Exchanging Investor**”), hereby agrees to exchange, with Tilray, Inc. (the “**Company**”), certain Notes for shares of the Company’s Common Stock. The Investor understands that the Exchange is being made without registration of the offer or sale of the Shares under the Securities Act of 1933, as amended (the “**Securities Act**”), or any securities laws of any state of the United States or of any other jurisdiction and that the Shares are being offered only to institutional “accredited investors” within the meaning of Rule 501 of Regulation D under the Securities Act that are also “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act, pursuant to a private placement exemption from registration under Section 4(a)(2) of the Securities Act. The Company intends for the shares of Common Stock to be issued in the Exchange will not be “restricted securities” under Rule 144 under the Securities Act.

Subject to the terms and conditions of this Agreement, the Investor hereby agrees to exchange, and cause the other Exchanging Investors to exchange, an aggregate principal amount of the Notes set forth on Exhibit B.1 hereto (the “**Exchanged Notes**”) for (a) a number of shares per \$1,000 principal amount of such Exchanged Notes equal to the product of []% of \$1,000 divided by \$[] (such number of shares of Common Stock in respect of all Exchanged Notes for each Exchanging Investor, the “**Exchange Shares**”) and (b) a number of shares of Common Stock in respect of accrued and unpaid interest equal to the product of accrued and unpaid interest on the Exchanged Notes to, but excluding, the Closing Date (as defined below), divided by \$[] (the “**Accrued Interest Shares**” and, together with the Exchange Shares, the “**Shares**”), and the Company agrees to deliver the Shares on the Closing Date to each Exchanging Investor in exchange for such Exchanged Notes.

At or prior to the times set forth in Exhibit B.2 hereto (the “**Exchange Procedures**”), the Investor shall cause the Exchanged Notes to be delivered by book entry transfer through the facilities of The Depository Trust Company (“**DTC**”) to GLAS Trust Company LLC, in its capacity as trustee of the Notes (in such capacity, the “**Trustee**”), for the account/benefit of the Company for cancellation as instructed in the Exchange Procedures and on the Closing Date, subject to satisfaction of the conditions precedent specified in Section 5 of the Terms and Conditions and the prior receipt by the Trustee from the Investor of the Exchanged Notes, the Company shall deliver the Shares to the DTC account to the account specified by the Investor for each relevant Exchanging Investor in Exhibit B.1 as set forth in the Terms and Conditions.

Subject to the terms and conditions of this Agreement, the Investor hereby, for itself and on behalf of its Accounts, (a) waives any and all other rights with respect to such Exchanged Notes and (b) releases and discharges the Company from any and all claims the undersigned and its Accounts may now have, or may have in the future, arising out of, or related to, such Exchanged Notes.

Each of the provisions of the Terms and Conditions is incorporated herein by reference in its entirety, and shall be deemed to be a part of this Exchange Agreement to the same extent as if such provisions had been set forth in full herein; and each of the representations, warranties, and agreements set forth therein shall be deemed to have been made at and as of the date of this Exchange Agreement. Unless otherwise defined herein, terms defined in the Terms and Conditions are used herein as therein defined.

This Agreement constitutes the entire agreement between the Company and the Investor with respect to the subject matters hereof. This Exchange Agreement may be executed by one or more of the parties hereto in any number of separate counterparts (including by facsimile or other electronic means, including telecopy, email or otherwise), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Exchange Agreement by facsimile or other transmission (*e.g.*, “pdf” or “tif” format) shall be effective as delivery of a manually executed counterpart hereof.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth your understanding as to the matters set forth herein, please indicate your acceptance thereof in the space provided below for that purpose and deliver a copy to the undersigned, whereupon this Agreement shall constitute a binding agreement between the Company and the Investor.

Very truly yours,

Tilray, Inc.

By _____
Name:
Title:

Please confirm that the foregoing correctly sets forth the agreement between the Company and the Investor by signing in the space provided below for that purpose.

AGREED AND ACCEPTED:

Investor:

[_____],

in its capacity as described in the first paragraph hereof

By _____

Name:

Title:

Terms and Conditions for Exchange of Securities

Each of Tilray, Inc. a Delaware corporation (the “**Company**”), and the undersigned (the “**Investor**”), for itself and on behalf of the beneficial owners listed on Exhibit B.1 to the Exchange Agreement for whom the Investor holds contractual and investment authority (together with the Investor, the “**Exchanging Investors**”), hereby confirms its agreement pursuant to that certain exchange agreement, dated as of the date hereof (the “**Exchange Agreement**”), to which these Terms and Conditions for Exchange of Securities (the “**Terms and Conditions**”) are attached as Exhibit A, as set forth in these Terms and Conditions and in the Exchange Agreement (together, this “**Agreement**”) relating to the exchange of the Exchanged Notes for the Shares as set forth in this Agreement. Capitalized terms used but not defined in the Terms and Conditions have the meanings set forth in the Exchange Agreement.

1. Exchange Consideration; Exchange. On the basis of the representations, warranties and agreements herein contained and subject to the terms and conditions herein set forth, the Investor hereby agrees to exchange, and to cause the other Exchanging Investors to exchange an aggregate principal amount of the Notes set forth on Exhibit B.1 to the Exchange Agreement (the “**Exchanged Notes**”) for the Shares, as set forth on Exhibit B.1 to the Exchange Agreement.

For the avoidance of doubt, no cash will be paid to any Exchanging Investor in respect of fractional shares.

The Exchange shall occur in accordance with the Exchange Procedures; provided that each of the Company and the Investor acknowledges that the delivery of the Exchanged Notes for withdrawal through the Deposits and Withdrawal at Custodian (“**DWAC**”) program through the DTC or the delivery of the Shares to any Exchanging Investor may be delayed due to procedures and mechanics within the system of the DTC or The Nasdaq Global Select Market (“**NASDAQ**”) (including the procedures and mechanics regarding the listing of the Shares on NASDAQ) and that such a delay will not be a default under this Agreement so long as (i) the Investor and/or the Company, as the case may be, is using its reasonable best efforts to effect such delivery, and (ii) such delay is no longer than three business days; provided, further, that no delivery of Shares will be made until such Exchanged Notes have been properly submitted for withdrawal through the DWAC program in accordance with this Agreement, and no accrued interest will be payable by reason of any delay in making such delivery; provided, further, that for the avoidance of doubt, the Company shall deliver the Shares upon confirmation by the Investor to the Company that it has submitted the DWAC withdrawal for the Exchanged Notes.

The cancellation of the Exchanged Notes shall be effected through the DWAC program in accordance with the customary procedures of the Trustee.

2. The Closing. The closing of the Exchange (the “**Closing**”) will take place at the offices of Cooley LLP at 10 a.m., New York City time, on November [], 2020 (the “**Closing Date**”) or at such other time and place as the Company and the Investor may mutually agree.

3. Representations and Warranties and Covenants of the Company. As of the date hereof and the Closing, the Company represents and warrants to, and covenants with, the Exchanging Investors that:

(a) The Company is duly incorporated and validly existing under the laws of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets.

(b) The Company has full power and authority to enter into this Agreement and perform all obligations required to be performed by the Company hereunder.

(c) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforcement may be subject to (i) bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in equity or at law).

(d) The execution of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (i) does not require the consent, approval, authorization, order, registration or qualification of, or filing with, any governmental authority, non-governmental regulatory authorities (including NASDAQ, other than the filing with NASDAQ of a Listing of Additional Shares notification (the "LAS"), which the Company will so file prior to the issuance of Shares on the Closing Date), or court, or body or arbitrator having jurisdiction over the Company (except as may be required under the securities or Blue Sky laws of the various states); and (ii) does not and will not constitute or result in a breach, violation or default under any note, bond, mortgage, deed, indenture, lien, instrument, contract, agreement, lease or license, whether written or oral, express or implied, or with the Company's Certificate of Incorporation or by-laws, or any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of the Company or on the part of any other party thereto or cause the acceleration or termination of any obligation or right of the Company or any other party thereto.

(e) The Shares have been duly reserved for issuance and, when issued, delivered and paid for in the manner set forth in this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights, other than any rights that have been complied with or waived.

(f) (i) Assuming the accuracy of the representations and warranties of the Investor set forth in this Agreement, the issuance of the Shares pursuant to this Agreement are exempt from the registration requirements of the Securities Act and the Shares will not be subject to restrictions on transfer under the Securities Act (and will not have any restrictive legends on such certificates or book-entry notations representing such Shares).

(ii) Assuming the accuracy of the representations and warranties of the Investor set forth in this Agreement, the Exchange Notes (and the shares of Common Stock issuable upon conversion thereof) and the Accrued Interest Shares, when issued pursuant to this Agreement, will not be "restricted securities" as defined in Rule 144 under the Securities Act.

(g) (A) As of the date hereof, (x) the Company is not aware of any material non-public information regarding the Company, other than any material non-public information relating to the Exchange, and (y) all reports and other documents filed by the Company with the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended, since January 1, 2020 when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, other than, any material facts with respect to information regarding the Exchange, the Information (as defined below) or any information referred to in the wall-crossing email referenced in **Section 4(y)** below and (B) the Company hereby agrees to publicly disclose on or before 9:00 a.m., New York City time, on the first business day after the date hereof, the Exchange as contemplated by this Agreement in a press release; provided that (i) if the Exchange does not take place and (ii) the Company believes, in good faith, that there is no legal requirement to publicly disclose information about the Exchange, no press release will be required; provided, further that the Company shall provide the Investor and its counsel an opportunity to review and comment on the press release prior to its release; provided, further that if the Investor is named in such press release, such press release shall be in a form mutually agreed upon between the Company and the Investor. For the avoidance of doubt, the Company may be aware of material non-public information regarding the Company at the time of the Closing that has not been communicated to the Investor or any Exchanging Investor.

(h) The Company is responsible for paying all of its fees and expenses, the fees and expenses of its advisors, transfer agent, registrar and other representatives, if any, of the transactions contemplated by this Agreement; provided that Investor (for itself and on behalf of the Exchanging Investors) is responsible for any applicable transfer taxes.

(i) The Company will, upon request, execute and deliver any additional documents deemed by the Trustee or the transfer agent to be reasonably necessary to complete the transactions contemplated by this Agreement.

4. Representations and Warranties and Covenants of the Investor. As of the date hereof and as of the Closing, the Investor hereby, for itself and on behalf of the Exchanging Investors, represents and warrants to, and covenants with, the Company that:

(a) The Investor and each Exchanging Investor is a corporation, limited partnership, limited liability company or other entity, as the case may be, duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation.

(b) The Investor has all requisite corporate (or other applicable entity) power and authority to execute and deliver this Agreement for itself and on behalf of the Exchanging Investors and to carry out and perform its obligations under the terms hereof and the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Investor and constitutes the valid and binding obligation of the Investor and each Exchanging Investor, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors, and rules of law governing specific performance, injunctive relief or other equitable remedies. If the Investor is executing this Agreement on behalf of an Account, (i) the Investor has all requisite discretionary and contractual authority to enter into this Agreement on behalf of, and, bind, each Account, and (ii) Exhibit B.1 attached to the Exchange Agreement is a true, correct and complete list of (A) the name of each Account and (B) the principal amount of each Account’s Exchanged Notes.

(c) Each of the Exchanging Investors is the current sole legal and beneficial owner of the Exchanged Notes set forth on Exhibit B.1 attached to the Exchange Agreement. When the Exchanged Notes are exchanged, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances or adverse claims, rights or proxies of any kind (i) arising by operation of applicable law, (ii) arising by operation of any organizational documents of the Company, the Investor, each Exchanging Investor or the Notes, (iii) that is not terminated on or prior to the Closing, or (iv) created by or imposed by or on the Company. None of the Exchanging Investors has, nor prior to the Closing will have, in whole or in part, other than pledges or security interests that an Exchanging Investor may have created in favor of a prime broker under and in accordance with its prime brokerage agreement with such broker, (x) assigned, transferred, hypothecated, pledged, exchanged or otherwise disposed of any of its Exchanged Notes (other than to the Company pursuant hereto), or (y) given any person or entity any transfer order, power of attorney or other authority of any nature whatsoever with respect to its Exchanged Notes.

(d) The execution, delivery and performance of this Agreement by the Investor and compliance by each Exchanging Investor with all provisions hereof and the consummation of the transactions contemplated hereby, will not (i) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except as may be required under the securities or Blue Sky laws of the various states), (ii) constitute a breach or violation of any of the terms or provisions of, or result in a default under, (x) the organizational documents of any of the Investor or any Exchanging Investor or (y) any material indenture, loan agreement, mortgage, lease or other agreement or instrument to which the Investor or any of the Exchanging Investors is a party or by which such Investor or Exchanging Investor is bound, or (iii) violate or conflict with any applicable law or any rule, regulation, judgment, decision, order or decree of any court or any governmental body or agency having jurisdiction over the Investor or any of the Exchanging Investors.

(e) The Investor and each Exchanging Investor is a resident of the jurisdiction set forth on Exhibit B.1 attached to the Exchange Agreement.

(f) The Investor and each Exchanging Investor will comply with all applicable laws and regulations in effect necessary for each Exchanging Investor to consummate the transactions contemplated hereby and obtain any consent, approval or permission required for the transactions contemplated hereby and the laws and regulations of any jurisdiction to which the Investor and each such Exchanging Investor is subject, and the Company shall have no responsibility therefor.

(g) The Investor acknowledges that no person has been authorized to give any information or to make any representation or warranty concerning the Company or the Exchange other than the information set forth herein in connection with the Investor's and each Exchanging Investor's examination of the Company and the terms of the Exchange and the Shares, and the Company does not, and Cowen and Company, LLC (the "**Financial Advisor**") does not, take any responsibility for, and neither the Company nor the Financial Advisor can provide any assurance as to the reliability of, any other information that others may provide to the Investor or any Exchanging Investor.

(h) The Investor and each Exchanging Investor has such knowledge, skill and experience in business, financial and investment matters so that it is capable of evaluating the merits and risks with respect to the Exchange and an investment in the Shares. With the assistance of each Exchanging Investor's own professional advisors, to the extent that the Exchanging Investor has deemed appropriate, such Exchanging Investor has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Shares and the consequences of the Exchange and this Agreement and the Exchanging Investor has made its own independent decision that the investment in the Shares is suitable and appropriate for the Exchanging Investor. Each Exchanging Investor has considered the suitability of the Shares as an investment in light of such Exchanging Investor's circumstances and financial condition and is able to bear the risks associated with an investment in the Shares.

(i) The Investor confirms that it and each Exchanging Investor is not relying on any communication (written or oral) of the Company, the Financial Advisor or any of their respective affiliates or representatives as investment advice or as a recommendation to purchase the Shares in the Exchange. It is understood that information provided by the Company, the Financial Advisor or any of their respective affiliates and representatives shall not be considered investment advice or a recommendation to conduct the Exchange, and that none of the Company, the Financial Advisor or any of their respective affiliates or representatives is acting or has acted as an advisor to the Investor or any Exchanging Investor in deciding to invest in the Shares. The Investor confirms that it and each Exchanging Investor is not relying and has not relied, upon any statement, advice (whether accounting, tax, financial legal or other), representation or warranty by the Company or any of its affiliates or representatives, including, without limitation, the Financial Advisor, except for the representations and warranties made by the Company in this Exchange Agreement.

(j) The Investor confirms that the Company has not (i) given any guarantee, representation or warranty as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Shares or (ii) made any representation or warranty to the Investor or any Exchanging Investor regarding the legality of an investment in the Shares under applicable legal investment or similar laws or regulations. In deciding to participate in the Exchange, the Investor is not relying on the advice or recommendations of the Company and the Investor has made its own independent decision that the investment in the Shares is suitable and appropriate for the Investor.

(k) The Investor and each Exchanging Investor is familiar with the business and financial condition and operations of the Company and the Investor and each Exchanging Investor has had the opportunity to conduct its own investigation of the Company and the Shares. The Investor and each Exchanging Investor has had access to the SEC filings of the Company and such other information concerning the Company and the Shares as it deems necessary to enable it to make an informed investment decision concerning the Exchange. The Investor and each Exchanging Investor has been offered the opportunity to ask such questions of the Company and its representatives concerning the Company, its business, operations, performance, financial condition and prospects and the terms and conditions of the Exchange and has received answers thereto, as it deems necessary to enable it to make an informed investment decision concerning the Exchange.

(l) The Investor acknowledges and understands that at the time of the Closing, the Company may be in possession of material non-public information not known to the Investor or any Exchanging Investor that may impact the value of the Notes, including the Exchanged Notes, and the Shares ("**Information**") that the Company is unable to disclose to the Investor or any Exchanging Investor. The Investor and each Exchanging Investor acknowledges that they have not relied upon the non-disclosure of any such Information for purposes of making their decision to participate in the Exchange. The Investor and each Exchanging Investor understands, based on its experience, the disadvantage to which the Investor and each Exchanging Investor is subject due to the disparity of information between the Company, on the one hand, and the Investor and each Exchanging Investor, on the other hand. Notwithstanding this, the Investor and each Exchanging Investor has deemed it appropriate to participate in the Exchange. The Investor agrees that none of the Company, the Financial Advisor or any of their respective directors, officers, employees, agents, stockholders and affiliates shall have any liability to the Investor or any Exchanging Investor or their respective beneficiaries whatsoever due to or in connection with the Company's use or non-disclosure of the Information or otherwise as a result of the Exchange contemplated hereby, and the Investor hereby irrevocably waives any claim that it or any Exchanging Investor might have based on the failure of the Company to disclose the Information.

(m) The Investor and each Exchanging Investor understands that no federal, state, local or foreign agency has passed upon the merits or risks of an investment in the Shares or made any finding or determination concerning the fairness or advisability of this investment.

(n) Each Exchanging Investor is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act and it and any account (including for purposes of this **Section 4(n)**, the Accounts) for which it is acting (for which it has sole investment discretion) is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act. The Investor agrees to furnish any additional information reasonably requested by the Company or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the Exchange.

(o) The Investor and each Exchanging Investor is not, and has not been during the consecutive three month period preceding the date hereof and as of the Closing, will not be, a director, officer or “affiliate” within the meaning of Rule 144 under the Securities Act (an “**Affiliate**”) of the Company. To the Investor’s best knowledge, no Exchanging Investor acquired any of the Notes, directly or indirectly, from an Affiliate of the Company. Each Exchanging Investor and its Affiliates collectively beneficially own and will beneficially own as of the Closing Date (i) less than 10% of the outstanding Shares and (ii) less than 10% of the aggregate number of votes that may be cast by holders of those outstanding securities of the Company that entitle the holders thereof to vote generally on all matters submitted to the Company’s stockholders for a vote (the “**Voting Power**”). No Exchanging Investor is a subsidiary, affiliate or, to the Investor’s knowledge, otherwise closely-related to any director or officer of the Company or beneficial owner of 10% or more of the outstanding Shares or Voting Power (each such director, officer or beneficial owner, a “**Related Party**”). To the Investor’s knowledge, no Related Party beneficially owns 10% or more of the outstanding voting equity, or votes entitled to be cast by the outstanding voting equity, of any Exchanging Investor.

(p) Neither the Investor nor any Exchanging Investor is directly, or indirectly through one or more intermediaries, controlling or controlled by, or under direct or indirect common control with, the Company.

(q) Each Exchanging Investor is acquiring the Shares solely for its own beneficial account (or for any account (including for purposes of this **Section 4(q)**, the Accounts) for which it has sole investment discretion), for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Shares. The Investor and each Exchanging Investor understands that the offer and sale of the Shares have not been registered under the Securities Act or any state securities laws and are being issued without registration under the Securities Act by reason of specific exemption(s) under the provisions thereof which depend in part upon the investment intent of the Exchanging Investors and the accuracy of the other representations and warranties made by the Investor in this Agreement. The Investor and the Exchanging Investors understand that the Company is relying upon the representations, warranties and agreements contained in this Agreement (and any supplemental information provided to the Company by the Investor or the Exchanging Investors) for the purpose of determining whether this transaction meets the requirements for such exemption(s) and to issue the Shares without legends as set forth in Section 3(f) hereof.

(r) The Investor acknowledges that the terms of the Exchange have been mutually negotiated between the Investor and the Company. The Investor was given a meaningful opportunity to negotiate the terms of the Exchange.

(s) The Investor acknowledges that it and each Exchanging Investor had a sufficient amount of time to consider whether to participate in the Exchange and that neither the Company nor the Financial Advisor has placed any pressure on the Investor or any Exchanging Investor to respond to the opportunity to participate in the Exchange. The Investor acknowledges that neither it nor any Exchanging Investor become aware of the Exchange through any form of general solicitation or advertising within the meaning of Rule 502 under the Securities Act or otherwise through a “public offering” under Section 4(a)(2) of the Securities Act.

(t) The operations of the Investor and each Exchanging Investor have been conducted in material compliance with the applicable rules and regulations administered or conducted by the U.S. Department of Treasury Office of Foreign Assets Control (“**OFAC**”), the applicable rules and regulations of the Foreign Corrupt Practices Act (“**FCPA**”) and the applicable Anti-Money Laundering (“**AML**”) rules in the Bank Secrecy Act. The Investor has performed due diligence necessary to reasonably determine that the Exchanging Investors are not named on the lists of denied parties or blocked persons administered by OFAC, resident in or organized under the laws of a country that is the subject of comprehensive economic sanctions and embargoes administered or conducted by OFAC (“**Sanctions**”), are not otherwise the subject of Sanctions and have not been found to be in violation or under suspicion of violating OFAC, FCPA or AML rules and regulations.

(u) The Investor acknowledges it and each Exchanging Investor understands that the Company intends to pay the Financial Advisor a fee in respect of the Exchange.

(v) The Investor will, upon request, execute and deliver, for itself and on behalf of any Exchanging Investor, any additional documents deemed by the Company and the Trustee or the transfer agent to be reasonably necessary to complete the transactions contemplated by this Agreement.

(w) The Investor understands that, unless the Investor notifies the Company in writing to the contrary before the Closing, each of the Investor’s representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing.

(x) No later than one (1) business day after the date hereof, the Investor agrees to deliver to the Company settlement instructions substantially in the form of Exhibit B.1 attached to the Exchange Agreement for each of the Exchanging Investors.

(y) The Investor acknowledges and agrees that it and each Exchanging Investor has not disclosed, either directly or indirectly, and will not disclose, to any third party any information regarding the Exchange, and has not transacted, and will not transact, either directly or indirectly, in any securities of the Company, including, but not limited to, any hedging transactions, Short Sales (as defined below) or other derivative transactions, from the time the Investor was first contacted by the Company or the Financial Advisor with respect to the transactions contemplated by this Agreement until after the confidential information (as described in the confirmatory wall-crossing email received by the Investor from the Financial Advisor) is made public. “**Short Sales**” include, without limitation, all “short sales” as defined in Rule 200 of Regulation SHO promulgated under the Securities Exchange Act of 1934, as amended, and all types of direct and indirect stock pledges, forward sale contracts, options, puts, calls, short sales, swaps, derivatives and similar arrangements (including on a total return basis), and sales and other transactions through non-U.S. broker-dealers or foreign regulated brokers.

(z) The Investor acknowledges that the Company may issue appropriate stop-transfer instructions to its transfer agent, if any, and may make appropriate notations to the same effect in its books and records to ensure compliance with the provisions of this **Section 4**.

(aa) The Investor understands that the Company, the Financial Advisor and others will rely upon the truth and accuracy of the foregoing representations, warranties and covenants and agrees that if any of the representations and warranties deemed to have been made by it or the Exchanging Investors by its or their participation in the transactions contemplated by this Agreement and acquisition of the Shares are no longer accurate, the Investor shall promptly notify the Company and the Financial Advisor. The Investor understands that, unless the Investor notifies the Company in writing to the contrary before the Closing, each of the Investor's and the Exchanging Investors' representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing. If the Investor is exchanging any Exchanged Notes and acquiring the Shares as a fiduciary or agent for one or more accounts (including for purposes of this **Section 4(aa)**, the Accounts which are Exchanging Investors), it represents that (i) it has sole investment discretion with respect to each such account, (ii) it has full power to make the foregoing representations, warranties and covenants on behalf of such account and (iii) it has contractual authority with respect to each such account.

(bb) The Investor acknowledges and agrees that the Financial Advisor has not acted as a financial advisor or fiduciary to the Investor or any Exchanging Investor and that the Financial Advisor and its respective directors, officers, employees, representatives and controlling persons have no responsibility for making, and have not made, any independent investigation of the information contained herein or in the Company's SEC filings and make no representation or warranty to the Investor or any Exchanging Investor, express or implied, with respect to the Company, the Notes or the Shares or the accuracy, completeness or adequacy of the information provided to the Investor or any Exchanging Investor or any other publicly available information, nor shall any of the foregoing persons be liable for any loss or damages of any kind resulting from the use of the information contained therein or otherwise supplied to the Investor or any Exchanging Investor.

5. Conditions to Obligations of the Investor and the Company. The obligations of the Investor to deliver (or cause to be delivered) the Exchanged Notes and of the Company to deliver the Shares to each Exchanging Investor in accordance with this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions precedent: (a) the representations and warranties of the Company contained in **Section 3** hereof and of the Investor contained in **Section 4** hereof shall be true and correct as of the Closing in all respects with the same effect as though such representations and warranties had been made as of the Closing and (b) no provision of any applicable law or any judgment, ruling, order, writ, injunction, award or decree of any governmental authority shall be in effect prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

The obligations of the Investor to deliver (or cause to be delivered) the Exchanged Notes is subject to the following conditions: the Shares (i) shall have been approved for listing on the NASDAQ and (ii) shall not have been suspended, as of the Closing Date, by the SEC or the NASDAQ from trading on the NASDAQ.

The obligations of the Company to deliver the Shares is subject to the Investor properly submitting (or causing to be submitted) the Exchanged Notes for withdrawal through the DWAC program in accordance with the Exchange Procedures.

6. Waiver, Amendment. Neither these Terms and Conditions, the Exchange Agreement nor any provisions hereof or thereof shall be modified, changed, discharged or terminated, except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.
7. Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the Investor without the prior written consent of the other party.
8. Taxation. The Investor acknowledges that, if an Exchanging Investor is a United States person for U.S. federal income tax purposes, either (i) the Company must be provided with a correct taxpayer identification number (“**TIN**”) (generally a person’s social security or federal employer identification number) and certain other information on a properly completed and executed Internal Revenue Service (“**IRS**”) Form W-9, which is provided herein on Exhibit C attached to the Exchange Agreement, or (ii) another basis for exemption from backup withholding must be established. The Investor further acknowledges that, if an Exchanging Investor is not a United States person for U.S. federal income tax purposes, the Company must be provided the appropriate properly completed and executed IRS Form W-8, attesting to that non-U.S. Exchanging Investor’s foreign status and certain other information, including information establishing an exemption from withholding under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended. The Investor further acknowledges that any Exchanging Investor may be subject to 30% U.S. federal withholding or 28% U.S. federal backup withholding tax on certain payments made to such Exchanging Investor unless such Exchanging Investor properly establishes an exemption from, or a reduced rate of, such withholding or backup withholding.
9. Waiver of Jury Trial. EACH OF THE COMPANY AND THE INVESTOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.
10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to such state’s rules concerning conflicts of laws that might provide for any other choice of law.
11. Submission to Jurisdiction. Each of the Company and the Investor (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted exclusively in the courts of the State of Delaware; (b) waives any objection that it may now or hereafter have to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of the aforesaid courts in any such suit, action or proceeding. Each of the Company and the Investor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
12. Venue. Each of the Company and the Investor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in **Section 11**. Each of the Company and the Investor irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

13. Service of Process. Each of the Company and the Investor irrevocably consents to service of process in the manner provided for notices in **Section 14**. Nothing in this Agreement will affect the right of the Company or the Investor to serve process in any other manner permitted by law.

14. Agent for Service of Process. The Investor hereby irrevocably appoints and designates the Agent for Service of Process as designated in Exhibit B.1 attached to the Exchange Agreement (the “**Agent for Service of Process**”) as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Investor agrees that service of process upon such party shall constitute personal service of such process on such person. The Investor shall maintain the designation and appointment of the Agent for Service of Process at such address until all obligations under this Agreement shall have been completed in total. If the Agent for Service of Process shall cease to so act, the Investor shall reasonably promptly deliver to the Company and the Financial Advisor evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

15. Section and Other Headings. The section and other headings contained in these Terms and Conditions are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

16. Notices. All notices and other communications to the Company provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally, sent by registered or certified mail, return receipt requested, postage prepaid or sent by facsimile or other form of electronic transmission and will be deemed given on the date so delivered (or, if such day is not a business day, on the first subsequent business day) to the following addresses, or in the case of the Investor, the address provided on Exhibit B.1 attached to the Exchange Agreement (or such other address as the Company or the Investor shall have specified by notice in writing to the other):

If to the Company:

Tilray, Inc.
1100 Maughan Rd.
Nanaimo, BC, Canada V9X 1J2
Attn: Michael Kruteck
Email: michael.kruteck@tilray.com

with a copy to (which shall not constitute notice):

Cooley LLP
101 California Street, 5th Floor
San Francisco, CA 94111-5800
Attn: Mischi a Marca
Email: gmamarca@cooley.com

17. Binding Effect. The provisions of this Agreement shall be binding upon and accrue to the benefit of the Company and the Investor and their respective heirs, legal representatives, successors and permitted assigns.

18. Notification of Changes. The Investor hereby covenants and agrees to notify the Company upon the occurrence of any event prior to the Closing pursuant to this Agreement that would cause any representation, warranty or covenant of the Investor contained in this Agreement to be false or incorrect.

19. Reliance by Financial Advisor. The Financial Advisor, acting as financial advisor to the Company, may rely on each representation and warranty of the Company and the Investor made herein or pursuant to the terms hereof with the same force and effect as if such representation or warranty were made directly to the Financial Advisor. The Financial Advisor shall be a third-party beneficiary of this Agreement to the extent provided in this **Section 19.**

20. Severability. If any term or provision of this Agreement (in whole or in part) is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

21. Survival. The representations and warranties of the Company and the Investor contained in this Agreement or made by or on behalf of the Exchanging Investors pursuant to this Agreement shall survive the consummation of the transactions contemplated hereby.

22. Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned (a) by mutual agreement of the Company and the Investor or (b) by either the Company or the Investor if the conditions to such party's obligations set forth herein have not been satisfied (unless waived by the party entitled to the benefit thereof), and the Closing has not occurred on or before 5:00 p.m., New York City time, on November 30, 2020, unless otherwise mutually agreed to by the parties to this Agreement without liability of either the Company or the Investor or the other Exchanging Investors, as the case may be; provided that neither the Company nor the Investor shall be released from liability hereunder if the Agreement is terminated and the transactions abandoned by reason of the failure of the Company or the Investor or the other Exchanging Investors, as the case may be to have performed its obligations hereunder. In the event that a condition precedent to the Company's or the Investor's obligations is not satisfied, nothing contained herein shall be deemed to require the Company or the Investor, as the case may be, to terminate the Agreement, rather than to waive such condition precedent and proceed with the transactions contemplated hereby. Except as provided above, if the is terminated and the transactions contemplated hereby are not concluded as described above, the Agreement will become void and of no further force and effect.

[The remainder of this page is intentionally left blank.]

Exchanging Investor Information

<u>Exchanging Investor</u>	<u>Aggregate Principal Amount of Exchanged Notes</u>	<u>DTC Participant Name</u>	<u>DTC Participant Number</u>	<u>Number of Exchange Shares</u>	<u>Number of Interest Shares</u>	<u>Total Number of Shares</u>
----------------------------	--	---------------------------------	-----------------------------------	--	--	-----------------------------------

Agent for Service of Process:

Investor Address:

Telephone:

Country of Residence:

Taxpayer Identification Number:

Account for Notes

DTC Participant Number:

DTC Participant Name:

DTC Participant Phone Number:

DTC Participant Contact Email:

FFC Account #:

Account # at Bank/Broker:

Account for Shares (if different from Notes)

DTC Participant Number:

DTC Participant Name:

DTC Participant Phone Number:

DTC Participant Contact Email:

FFC Account #:

Account # at Bank/Broker:

Exchanging Investor Address:

Telephone:

Country of Residence:

Taxpayer Identification Number:

Exchange Procedures

NOTICE TO INVESTOR

Attached are Investor Exchange Procedures for the settlement of the exchange of 5.00% Convertible Senior Notes due 2023, CUSIP 88688T AB6 (the “**Notes**”) of Tilray, Inc. (the “**Company**”) for shares of the Company’s common stock, par value \$0.0001 per share (the “**Shares**”) pursuant to the Exchange Agreement, dated as of November [], 2020, between you and the Company which is expected to on or about November [], 2020. To ensure timely settlement, please follow the instructions for exchanging your Notes for Shares as set forth on the following page.

These instructions supersede any prior instructions you received. Your failure to comply with the attached instructions may delay your receipt of Shares for your Notes.

If you have any questions, please contact Iain Franks of Cowen and Company, LLC at iain.franks@cowen.com or (415) 646-7266.

Thank you.

Delivery of Notes

You must direct the eligible DTC participant through which you hold a beneficial interest in the Notes to post **on November [], 2020, no later than 9:00 a.m., New York City time**, one-sided withdrawal instructions through DTC via DWAC for the aggregate principal amount of Notes (CUSIP/ISIN # 88688T AB6 / US88688TAB61) set forth in Exhibit B.1 of the Exchange Agreement to be exchanged for Shares. **It is important that this instruction be submitted and the one-sided DWAC withdrawal (not a deliver vs. payment or free delivery) is posted on November [], 2020.**

To receive Shares:

You must direct your eligible DTC participant through which you wish to hold a beneficial interest in the Shares to be issued upon exchange to post **no later than 9:00 a.m., New York City time, on November [], 2020**, a one-sided deposit instruction through DTC via DWAC for a number of Shares deliverable in respect of the Exchanged Notes. **It is important that this instruction be submitted and the DWAC posted on November [], 2020.**

Closing

On November [], 2020, after the Company receives your delivery instructions as set forth above and a withdrawal request in respect of the Exchanged Notes has been posted as specified above, and subject to the satisfaction of the conditions to Closing as set forth in your Exchange Agreement, the Company will deliver your Shares in respect of your Notes exchanged in accordance with the delivery instructions above.

Under U.S. federal income tax law, a holder who exchanges Notes for Shares generally must provide such holder's correct TIN on IRS Form W-9 below or otherwise establish a basis for exemption from backup withholding. A TIN is generally an individual holder's social security number or a holder's employer identification number. If the correct TIN is not provided, the holder may be subject to a \$50 penalty imposed by the IRS under Section 6723 of the Internal Revenue Code of 1986, as amended. In addition, certain payments made to holders may be subject to U.S. backup withholding (currently set at 28% of the payment). If a holder is required to provide a TIN but does not have a TIN, the holder should consult its tax advisor regarding how to obtain a TIN. Certain holders are not subject to these backup withholding and reporting requirements. A Non-U.S. holder must establish its status as an exempt recipient from backup withholding and can do so by submitting a properly completed IRS Form W-8 (available from the Company), signed, under penalties of perjury, attesting to such holder's exempt foreign status. U.S. backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS. Holders are urged to consult their tax advisors regarding how to complete the appropriate forms and to determine whether they are exempt from backup withholding or other withholding taxes.



PRESS RELEASE

November 23, 2020

Tilray, Inc. Announces Agreement to Exchange Approximately \$124.3 Million in Principal Amount of Its 5.00% Convertible Senior Notes Due 2023 for Common Stock

NANAIMO, BRITISH COLUMBIA – Tilray, Inc. (“Tilray” or the “Company”) (Nasdaq: TLRY), a global pioneer in cannabis research, cultivation, production and distribution, today announced that it has entered into a privately negotiated exchange agreement with a certain holder of its 5.00% Convertible Senior Notes due 2023 (the “Notes”). Pursuant to the exchange agreement, the Company will exchange approximately \$124.3 million in aggregate principal amount of Notes plus accrued interest, for approximately 10.9 million shares of the Company’s Class 2 common stock. The exchange transaction is expected to be completed on or about November 24, 2020, subject to customary closing conditions. Following the exchange transaction, approximately \$350.7 million in aggregate principal amount of the Notes will remain outstanding.

Effectively, the Company agreed to repurchase a portion of its Notes at a 36% discount to their face value, using shares issued at the Company’s most recent closing market price (which is equivalent to a conversion price of \$7.36 per share).

The purpose of the transaction was to reduce the Company’s debt and eliminate \$6.2 million in annual cash interest costs.

The shares of the Company’s Class 2 common stock issuable upon the exchange have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release does not constitute an offer to sell or a solicitation to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

Tilray | www.tilray.com

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 in respect of the closing of the exchange. 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.

For further information:

Media: Tilray Media Team, +1-833-206-8161, news@tilray.com

Investors: Raphael Gross, +1-203-682-8253, Raphael.Gross@icrinc.com



PRESS RELEASE

November 24, 2020

Tilray, Inc. Announces Agreement to Exchange an Additional \$72.9 Million in Principal Amount of Its 5.00% Convertible Senior Notes Due 2023 for Common Stock

NANAIMO, BRITISH COLUMBIA – Tilray, Inc. (“Tilray” or the “Company”) (Nasdaq: TLRY), a global pioneer in cannabis research, cultivation, production and distribution, today announced that it has 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, the Company will exchange approximately \$72.9 million in aggregate principal amount of Notes plus accrued interest, for approximately 6.4 million shares of the Company’s Class 2 common stock. The exchange transactions are expected to be completed on or about November 25, 2020, subject to customary closing conditions. Following the exchange transactions, approximately \$277.9 million in aggregate principal amount of the Notes will remain outstanding.

Effectively, the Company agreed to repurchase a portion of its Notes at a 42% discount to their face value, using shares issued at the Company’s most recent closing market price (which is equivalent to a conversion price of \$6.68 per share).

The purpose of the transaction was to reduce the Company’s debt and eliminate approximately \$3.6 million in annual cash interest costs.

The shares of the Company’s Class 2 common stock issuable upon the exchanges have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release does not constitute an offer to sell or a solicitation to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

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 in respect of the closing of the exchange. 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.

For further information:

Media: Tilray Media Team, +1-833-206-8161, news@tilray.com

Investors: Raphael Gross, +1-203-682-8253, Raphael.Gross@icrinc.com