



Tilray® Announces Optimization Plan for Adult-Use Facilities in Canada

May 26, 2020

Company to close High Park Gardens, licensed cannabis greenhouse located in Leamington, Ontario

Facility closure expected to yield \$7.5 million in annualized net savings as part of global cost-efficiency and restructuring measures to achieve profitability and grow revenues

High Park Farms and High Park London remain core to Company's growth strategy in the adult-use market in Canada

NANAIMO, British Columbia--(BUSINESS WIRE)--May 26, 2020-- Tilray, Inc. ("Tilray" or "the Company") (NASDAQ: TLRY), a global pioneer in cannabis research, cultivation, production and distribution, today announced its wholly-owned subsidiary High Park Gardens ("Natura Naturals Inc.") will close its doors over the course of the next six weeks. As a result of the closure, the Company expects to realize annualized net savings of approximately \$7.5 million (current production costs net of future 3rd party purchases and ongoing depreciation) and avoid significant ongoing capital expenditures.

In 2019, Tilray acquired Natura Naturals Inc., which has since operated as High Park Gardens. The High Park Gardens facility contains 406,000 square feet of Health Canada licensed space for cannabis cultivation and manufacturing. High Park Gardens has worked collaboratively with Tilray's existing operational sites to primarily serve the adult-use market in Canada.

"We are continuously evaluating the evolving needs of our business, against a challenging industry backdrop, to ensure we're in the best position to produce world-class products and deliver positive results for our stakeholders," says Brendan Kennedy, Tilray CEO. "The decision to close a facility is never easy but we are confident that this will immediately put Tilray in a better position to achieve our goals of driving revenues across our core businesses and working towards positive adjusted EBITDA by the end of 2020. We are very confident our existing operations team will continue to serve our valued patients and customers with no interruption. On behalf of myself, the rest of our executive team and our colleagues across the organization, I'd like to extend my sincere gratitude to the team at High Park Gardens for their contributions to Tilray and High Park."

In April 2018, the Company began operating High Park Farms Ltd. ("High Park Farms"), a cultivation and processing facility located in Enniskillen, Ontario. The facility holds Health Canada cultivation, processing and sales licenses. In April 2018, High Park also began building out High Park Holdings Ltd. ("High Park London"), located in London, Ontario, which is a Health Canada licensed processing, manufacturing and R&D space that produces the bulk of High Park's "Cannabis 2.0" adult-use products including vapes, edibles and beverages. The Company will continue to utilize its existing facilities in Ontario to serve the adult-use market in Canada and leverage the large footprint to collaborate with Tilray Nanaimo and Tilray Portugal to serve the international medical market as needed.

High Park and its affiliates are currently serving Canadian consumers with a broad portfolio of adult-use brands and products.

About Tilray®

Tilray is a global pioneer in the research, cultivation, production and distribution of cannabis and cannabinoids currently serving tens of thousands of patients and consumers in 15 countries spanning five continents.

Cautionary note regarding forward-looking statements:

This press release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of Canadian securities laws, or collectively, forward-looking statements. Forward-looking statements in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, including statements relating to the optimization of Tilray's facilities, estimated net savings as well as Tilray's goal of achieving positive EBITDA by the end of 2020. Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment and future approvals and permits. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking statements in this press release, and, accordingly, you should not place undue reliance on any such forward-looking statements and they are not guarantees of future results. 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 May 11, 2020, and subsequent periodic reports, for a discussion of the material risk factors that could cause actual results to differ materially from the forward-looking information. Tilray does not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws.

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