# Hollister Biosciences Signs Letter of Intent to Acquire Venom Extracts With $16.4 Million In Revenue And $2.48 Million EBITDA

*Hollister Biosciences Inc., the creator of California's #1 hash-infused pre-roll HashBone, enters into Letter of Intent to acquire Venom Extracts, one of Arizona's largest producers of award-winning medical cannabis distillate and related products*

VANCOUVER, Feb. 25, 2020 /CNW/ - **Hollister Biosciences Inc.** (CSE: **HOLL**, FRANKFURT: **HOB**, OTC: **HSTRF**) (the "**Company**" or "**Hollister**") – a vertically integrated cannabis branding company with products in 220 dispensaries throughout California, is pleased to announce that the Company signed a Letter of Intent ("**LOI**") on February 20th, 2020 to acquire Venom Extracts ( "**Venom**"), one of Arizona's premier extract brands and one of the state's largest producers of award-winning medical cannabis distillate and related products.

Hollister Biosciences Inc., the creator of California's #1 hash-infused pre-roll HashBone, enters into Letter of Intent to acquire Venom Extracts, one of Arizona's largest producers of award-winning medical cannabis distillate and related products (CNW Group/Hollister Biosciences Inc.)

**HIGHLY ACCRETIVE $20,000,000 ACQUISITION**

For the year ended December 31, 2019, Venom Extracts reports having generated CDN$ 16.4 million in revenue and CDN$ 2.48 million in EBIDTA from its product line of Cannabis Concentrates, P.H.O Concentrates and Cartridges. Hollister cautions that revenue and EBITDA figures have not yet been audited and are based on reports prepared by Venom management. Though Hollister believes the figures to be highly reliable, their audit will be part of the due diligence before closing.

The all stock purchase price is anticipated to be CDN$ 20,000,000, with 70% to be paid upfront and 30% to be paid upon milestone achievements. The acquisition is expected to close by March 31, 2020 subject to normal course due diligence.

"Venom has established itself as a leading extraction operation with a prominent brand in the Arizona marketplace", said Carl Saling, Founder and CEO of Hollister Biosciences Inc. "We feel this acquisition will present a great deal of opportunity for synergy between Hollister and Venom, providing avenues for both companies into the Arizona, California and additional marketplaces for cannabis products. Venom Extracts has a highly skilled and experienced management team with a track record for operational excellence. This transaction is highly accretive and represents a fundamental part of the future growth of both companies."

**LOI TERMS**

The terms of the LOI, which will be formalized by a definitive agreement on closing, are as follows:

- The Company will acquire Venom Extracts for CDN$20,000,000 with such payment to be issued in Hollister common stock (the "**Payment Shares**")
- The stock price will be determined based on the greater of:
  - The 14-day VWAP (Volume Weighted Average Price) capped at $0.25 subsequent to announcing the transaction and $0.20
- Once the share price is established, 70% of the Payment Shares will be issued upon closing of the transaction, subject to hold periods.
- The remaining 30% of the Payment Shares will be issued when and if the following milestones have been met on or prior to December 31st, 2021:
  - 20% (of the total number of Payment Shares) will be issued when revenue of Venom Extracts reaches CDN$ 30,000,000 (calculated in accordance with IFRS from January 1, 2020).
  - 10% (of the total number of Payment Shares) will be issued when revenue of Venom Extracts reaches CDN$ 40,000,000(calculated in accordance with IFRS from January 1, 2020).

"We are very pleased to be entering into this transaction with Hollister", shared Mason Cave, CEO of Venom Extracts. "The opportunities for resource and capability sharing between the two companies are plentiful. This also represents a more expeditious avenue for us into the large and rapidly growing California marketplace. Hollister has an excellent management team in place and has established itself as a sought-after brand house of popular cannabis and hemp products in California. We feel that our contribution on the extraction side will help diversify Hollister's product offering and continue to build out the brand equity of both companies across multiple state and eventually global marketplaces"

In association with the arm's length transaction, Hollister will not be assuming any long-term debt, a new control position will be created and there is no change in Management, or the Board of Directors of Hollister being contemplated at this time.

Finder's fees will be payable in accordance with the policies of the Canadian Securities Exchange.

**About Hollister Biosciences Inc.**

Hollister Biosciences Inc. is a vertically integrated cannabis company with multiple, high-quality products now carried in 220 of Indus Holdings (CSE: **INDS**), Hollister's exclusive distribution partner's 600 dispensaries. This level of penetration is expected to grow as the Company accelerates its seed to shelf, high margin business and product development model.

Capitalizing on this success, Hollister's vision is to become the sought-after premium brand portfolio of innovative, high quality cannabis across multiple states and hemp products nationwide.

Our wholly owned California subsidiary, Hollister Cannabis Co, is the 1st state and locally licensed Cannabis Company in the City of Hollister, California, the birthplace of the "American Biker" from which we embrace the outlaw roots of Hollister to drive our Company fearlessly down the road of success.

Products from Hollister Cannabis Co. include HashBone, the brand's premier artisanal hash-infused pre-roll ranked as California's #1 hash infused pre-roll, along with solvent-free bubble hash, pre-packaged flower, pre-rolls, tinctures, vape products, and full-spectrum high CBD pet tinctures.

Website: www.hollistercannabisco.com

**About Venom Extracts**

Venom Extracts is one of Arizona's premier extract brands and one of the state's largest producers of award-winning medical cannabis distillate and related products. With an experienced management team and unparalleled reputation for quality, Venom Extracts prides itself as a differentiated extraction company by producing legal Marijuana products at a price point that allows retailers to generate higher profits. Focused on proprietary efficiencies, the Company is able to produce more product per square foot than its competition, maintaining lower costs and risks than a typical extraction company. The company's expansion strategy is centered on entering new markets/states that are approved for medical cannabis use and/or approved or have a reasonable expectation to be approved for recreational use in the near future.

Website: www.venomextracts.com

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Forward-Looking Information: This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on www.sedar.com*

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