



Hollister Biosciences Closes Transformational Acquisition of Rapidly Growing Venom Extracts Adding Over \$16.4 Million In 2019 Revenue and \$2.5 Million in EBITDA

This highly accretive acquisition strengthens Hollister's brand portfolio and broadens its distribution footprint across multiple states positioning Hollister to transform into an industry leader in 2020 and beyond

VANCOUVER, March 30, 2020 /CNW/ - **Hollister Biosciences Inc.** ([CSE: HOLL](#), FRANKFURT: **HOB**, OTC: **HSTRF**) (the "**Company**" or "**Hollister**"), a diversified cannabis branding company with products in 220 dispensaries throughout California, is pleased to announce that further to the signing of the definitive agreement, as amended (the "**SEA**"), the Company has now closed its transformational acquisition of Venom Extracts ("**Venom Extracts**"), a leading Arizona cannabis extract brand and one of the state's largest producers of award-winning medical cannabis distillate and related products (the "**Transaction**").

Hollister Biosciences Closes Transformational Acquisition of Venom Extracts Adding Over \$16.4 Million in 2019 Revenue and \$2.5 Million in EBITDA (CNW Group/Hollister Biosciences Inc.)

HIGHLY ACCRETIVE \$20,000,000 ACQUISITION, ADDING OVER CDN\$16.4 MILLION OF 2019 REVENUE

For the year ended December 31, 2019, management of Venom Extracts reports having generated over CDN\$16.4 million in revenue and over CDN\$2.5 million in EBITDA from its product line of cannabis concentrates and cartridges. Venom Extract's management also reports a strong start to 2020 and is anticipating record Q1 revenue.

The all-stock purchase price of approximately CDN\$20,000,000 represents a transaction multiple of 1.2x 2019 revenue, with approximately 70% of the consideration paid upfront and the approximately 30% balance to be paid upon milestone achievements related to revenue targets for Venom Extracts, or in any event, on December 31, 2021. After conducting normal course due diligence, the Transaction closed effective March 24, 2020 (the "**Closing Date**").

KEY TERMS OF THE TRANSACTION:

Pursuant to the terms of the SEA, the Company has acquired Venom Extracts for consideration of CDN\$20,000,145.20 which is to be satisfied by the issuance of

70,390,672 Hollister common shares (the "**Payment Shares**") on the Closing Date pro rata to the shareholders of Venom Extracts and an additional 29,610,054 common shares (the "**Earn-Out Shares**") to certain former shareholders of Venom Extracts on the earlier of (i) Venom Extracts reaching certain revenue milestones (detailed below), or (ii) December 31, 2021.

- The Payment Shares and the Earn-Out Shares will be issued at a deemed value of CDN\$0.20 per share;
- The Payment Shares are subject to certain voluntary hold periods with 90% of the Payment Shares being subject to hold periods as follows: 15% until May 25, 2020; and an additional 15% every six months until November 25, 2022;
- The Earn-Out Shares will be issued on the earlier of (i) December 31, 2021, or (ii) when and if the following milestones have been met:
 - 19,740,036 Earn-Out Shares will be issued when revenue of Venom Extracts reaches CDN\$30,000,000 (calculated in accordance with IFRS from January 1, 2020); and
 - An additional 9,870,018 Earn-Out 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 extremely pleased to complete this transformational and highly accretive acquisition", shared Carl Saling, Founder and CEO of Hollister Biosciences Inc. "Our acquisition of Venom Extracts bolts on substantial revenue and EBITDA to Hollister, while providing Venom Extracts the ability to expand its offering of premium branded product into the California marketplace. Likewise, our acquisition also allows Hollister to introduce its products into the Arizona and Nevada marketplaces through Venom Extracts' existing distribution channels."

"This is an exciting acquisition and we are very pleased to announce closing", shared Jacob Cohen, Founder of Venom Extracts. "This transaction represents the next step in ensuring the future growth of both Hollister and Venom Extracts. We are looking forward to increasing our geographic presence by expanding into the California marketplace through Hollister's existing platform, and exploring expansion of our existing product portfolio collectively."

In association with the acquisition, 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.

In connection with the Transaction, the Company issued 6,000,000 common shares (the "**Finder Shares**") to an arm's length third party finder at a deemed price of \$0.20 per Finder Share. The Finder Shares are subject to a statutory hold period of four months and a day from the Closing Date which expires July 25, 2020.

This press release is available on the [Company's CEO Verified Discussion Forum](#), a moderated social media platform that enables civilized discussion and Q&A between Management and Shareholders.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and any securities issued pursuant to the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and applicable exemptions under state securities laws. In addition, the securities issued under an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined under Rule 144(a)(3) of the U.S. Securities Act and will contain the appropriate restrictive legend as required under the U.S. Securities Act.

About Hollister Biosciences Inc.

Hollister Biosciences Inc. is a diversified 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

The CSE does not accept 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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