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Ayr Wellness Enters the Cannabis-Infused Beverage Market with Proposed Acquisition of Levia

NEW YORK, Aug. 16, 2021 (GLOBE NEWSWIRE) -- Ayr Wellness Inc. (CSE: AYR.A, OTC: AYRWF) ("Ayr" or the "Company"), a leading vertically integrated cannabis multi-state operator ("MSO"), has announced that it has entered into a binding letter of intent to acquire Cultivauna, LLC, the owner of Levia branded cannabis infused seltzers and water-soluble tinctures.

"Ayr wants something exciting to offer every cannabis consumer of today and the future cannabis customer of tomorrow. Infused beverages, done right, will be game changing to the mainstreaming of cannabis in the U.S., providing an approachable and sessionable form factor to new and existing customers. The acquisition of Levia brings Ayr into this rapidly growing segment with delicious, market-leading infused seltzer. We are excited to have Levia join Kynd premium flower and Origyn extracts in Ayr's suite of premier national brands," said Jonathan Sandelman, CEO of Ayr Wellness.

"With a formula that provides consistently great flavor and zero calories in an infused beverage experience, we believe Levia has enormous potential as an alcohol alternative. In just six months since its initial launch in Massachusetts, Levia has become the top selling THC beverage. As we finalize our updated national brand portfolio to address all segments and form factors, Levia will play a marquee role in each market where we operate," Mr. Sandelman concluded.

Ayr intends to purchase 100% of the equity interests of Cultivauna, LLC. The terms of the transaction include \$20 million in upfront consideration, made up of up to \$10 million in cash with the remainder in stock. An earn-out payment of up to an additional \$40 million will be paid in shares based on the achievement of revenue targets in 2022 and 2023.

Levia Cannabis Infused Seltzers provide for rapid onset of the effects of THC, typically 15-20 minutes, allowing for a more consistent consumption experience than many edible products. Levia is currently available in Massachusetts in three experiences and flavors:

- "Achieve" Raspberry Lime (Sativa)
- "Celebrate" Lemon Lime (Hybrid)
- "Dream" Jam Berry (Indica)

Each flavor is available in 12-ounce slim cans and contains 5 mgs of THC. Levia is also available in water soluble tinctures in the same formulations.

The acquisition is subject to customary closing conditions and regulatory approvals, as well as the execution of a binding definitive agreement. The acquisition is expected to close by the end of 2021.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “target”, “expect”, “anticipate”, “believe”, “foresee”, “could”, “would”, “estimate”, “goal”, “outlook”, “intend”, “plan”, “seek”, “will”, “may”, “tracking”, “pacing” and “should” and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, Ayr’s future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; acquisitions may not be able to be completed on satisfactory terms or at all; and Ayr may not be able to raise additional debt or equity capital. Among other things, Ayr has assumed that its businesses will operate as anticipated, that it will be able to complete acquisitions on reasonable terms, and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. There can be no assurance that the acquisition of Levia will be completed or, if it does, that it will be successful.

Estimates and assumptions involve known and unknown risks and uncertainties that may cause actual results to differ materially. While Ayr believes there is a reasonable basis for these assumptions, such estimates may not be met. These estimates represent forward-looking information. Actual results may vary and differ materially from the estimates.

About Ayr Wellness

Ayr is an expanding vertically integrated, U.S. multi-state cannabis operator, focused on delivering the highest quality cannabis products and customer experience throughout its footprint. Based on the belief that everything starts with the quality of the plant, the Company is focused on superior cultivation to grow superior branded cannabis products. Ayr strives to enrich consumers’ experience every day through the wellness and wonder of cannabis.

Ayr’s leadership team brings proven expertise in growing successful businesses through disciplined operational and financial management, and is committed to driving positive impact for customers, employees and the communities they touch. For more information, please visit www.ayrwellness.com.

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