

HIKU

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DOJA Cannabis & Tokyo Smoke Close Merger and Launch Hiku Brands

Hiku becomes Canada's first retail & brand-focused licensed cannabis producer. Fully vertically integrated operations positions Hiku for superior margins in Canadian adult-use recreational market.

FOR IMMEDIATE RELEASE: (KELOWNA, BC and TORONTO, ON), January 30, 2018 – Hiku Brands Company Ltd. (“**Hiku**” or the “**Company**”) today announced the successful completion of the merger between DOJA Cannabis Company Limited (“**DOJA**”) and TS Brandco Holdings Inc. (“**Tokyo Smoke**”) (the “**Merger**”), creating Hiku, Canada's first premium cannabis brand house with vertically integrated operations.

Hiku is differentiated as the only Canadian craft cannabis producer with a significant national retail footprint and a growing portfolio of premium cannabis lifestyle brands - [DOJA](#), [Tokyo Smoke](#) and [Van der Pop](#). It is anticipated that Hiku's common shares (the “**Hiku Shares**”) will commence trading on the Canadian Stock Exchange (the “**Exchange**”) under the ticker symbol **HIKU** on or about January 31, 2018.

“Today, I am proud to stand with a team of incredibly talented and thoughtful business partners as we launch Hiku and create the first great cannabis brand house.” said Alan Gertner, Chief Executive Officer of Hiku. *“A brand house, because cannabis is a consumer product, one that we believe can change the world. At Hiku, we look forward to playing a major role in driving this incredible industry forward.”*

Highlights of Hiku

- **Portfolio of iconic cannabis brands:** Hiku's brand portfolio contains three of the most recognized, engaging and authentic cannabis brands in Canada: DOJA, Tokyo Smoke and Van der Pop. It is anticipated that a tailored assortment of adult-use, premium cannabis products will be retailed under each brand across Canada
- **National retail footprint:** Hiku operates six Tokyo Smoke cafés and one DOJA café in Ontario, Alberta and British Columbia (collectively “**Brand Stores**”). Brand Stores sell coffee, legal cannabis accessories and clothing, creating a unique retail experience optimized to build brand awareness, develop community, educate consumers and serve potentially as consumption lounges in locations where permitted
- **Retail dispensing stores:** Hiku will prioritize retail expansion in provinces allowing private cannabis retail (“**Dispensing Stores**”), with plans to open Dispensing Stores in 2018. Vertically

integrated operations will allow Hiku to better control in-store customer experience, offering consistent, high quality, and exclusive products and enable higher margins

- **Handcrafted cannabis production:** Hiku's premium cannabis is grown in BC's Okanagan Valley. Hiku prides itself on taking a handcrafted artisanal approach to trimming and curing, aimed at producing the finest cannabis. Annual licensed production capacity of 660 kgs per year expected to increase organically to over 5,000 kgs per year by the end 2018
- **Secured supply agreements:** Ground-breaking supply partnerships with Aphria Inc. ("**Aphria**") (TSX: APH) (OTCQB: APHQF) and WeedMD Inc. (TSXV: WMD) ("**WeedMD**") ensure Hiku's brands will be able to scale in 2018 and beyond. These partnerships bring unparalleled experience in cannabis production and ensure secured supply for what is expected to be a supply-constrained market at the onset of legalization
- **Strong financial position:** A strategic financing of \$12.5 million led by Aphria bolsters Hiku's cash position to approximately \$32.6 million
- **Robust pipeline of growth opportunities:** Hiku will look to make strategic investments and acquisitions to grow its brand portfolio, retail footprint, and scale production capacity
- **Industry leading management team:** Hiku is led by visionaries Alan Gertner, CEO of Hiku, and Trent Kitsch, President of Hiku. Hiku's management team has breadth and depth of expertise, with a proven track record of building and scaling businesses, including SAXX Underwear and a \$100 million+ business at Google. The supporting team brings expertise from retail, cannabis, finance, design, marketing and creative fields

For more information on Hiku please visit our website at www.hiku.com.

Transaction Summary

The Merger was effected by way of a three-cornered amalgamation whereby DOJA's wholly-owned subsidiary amalgamated with Tokyo Smoke and DOJA acquired all of the issued and outstanding securities of Tokyo Smoke. As part of the Merger, holders of Tokyo Smoke shares received 13 common Hiku Shares for each Tokyo Smoke share held and outstanding Tokyo Smoke convertible securities were exchanged, subject to adjustment, into substantially similar convertible securities of Hiku. In connection with the completion of the Merger, DOJA changed its name to "Hiku Brands Company Ltd."

In connection with the completion of the Merger, an aggregate of 55,971,058 Hiku Shares were issued to holders of Tokyo Smoke shares.

Hiku Management

In connection with the completion of the Merger, Hiku welcomes three new members to its board of directors. Alan Gertner, Chief Executive Officer of Hiku will join Hiku's board along with co-founder of Tokyo Smoke, Lorne Gertner and Charles Broderick.

Each of Jeff Barber, Stewart Thornhill and Patrick Brauckmann have resigned as directors of the Company and Hiku thanks them for their service.

In addition, Trent Kitsch and Ryan Foreman resigned as the Company's Chief Executive Officer and President, respectively. Going forward, Mr. Kitsch will serve as Hiku's President. Alan Gertner has been appointed Hiku's Chief Executive Officer.

Supply Agreement and Strategic Financing

Hiku anticipates entering into a supply agreement with Aphria (the "**Supply Agreement**") to secure cannabis concentrate supply for Hiku's premium brand portfolio. As partial consideration for entering in the Supply Agreement and fulfilling its obligations thereunder, Hiku will issue 799,361 Units (as defined below) to Aphria.

Upon entering into the Supply Agreement, 8,992,807 subscription receipts previously issued by the Company (see press release of January 9, 2018) automatically converted into units of the Company (the "**Units**"). Each Unit being comprised of one Hiku Share and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire one additional Hiku Share until January 30, 2020 at an exercise price of \$2.10 per share; provided, however, that if the volume weighted average price of the Hiku Shares on the Exchange is equal to or greater than \$3.05 for any twenty (20) consecutive trading days, Hiku may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

Financial and Legal Advisors

Stoic Advisory Inc. and INFOR Financial Inc. acted as financial advisors and Wildeboer Dellelce LLP acted as legal advisor to Tokyo Smoke.

Pushor Mitchell LLP acted as legal advisor to DOJA.

About Hiku

Hiku is focused on handcrafted cannabis production, immersive retail experiences, and building a portfolio of iconic, engaging cannabis lifestyle brands. Hiku is differentiated as the only Canadian craft cannabis producer with a significant national retail footprint and a growing brand house including premium cannabis lifestyle brands DOJA, Tokyo Smoke, and Van der Pop.

Hiku's wholly owned subsidiary, DOJA Cannabis Ltd., is a federally licensed producer pursuant to the ACMPR, owning two production facilities in the heart of British Columbia's Okanagan Valley. The company operates a network of retail stores selling coffee, clothing and curated accessories, across British Columbia, Alberta and Ontario.

For more information, please visit www.hiku.com

About Aphria

Aphria Inc., one of Canada's lowest cost producers, produces, supplies and sells medical cannabis. Located in Leamington, Ontario, the greenhouse capital of Canada. Aphria is truly powered by sunlight, allowing for the most natural growing conditions available. We are committed to providing pharma-grade medical cannabis, superior patient care while balancing patient economics and returns to shareholders.

About WeedMD

WeedMD Inc. is the publicly-traded parent company of WeedMD Rx Inc., a federally-licensed producer and distributor of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR). The Company operates a 26,000 sq. ft. indoor facility in Aylmer, Ontario, and is awaiting its second-site cultivation license for its greenhouse facility located in Strathroy, Ontario, representing 610,000 sq. ft. or 14 acres under glass. WeedMD has entered into supply agreements in addition to strategic relationships with established cannabis brands. The Company is focused on providing medical cannabis to the long-term care, assisted living and seniors' markets in Canada through its specialized and comprehensive platform. It is dedicated to educating healthcare practitioners and furthering public understanding of the role that medical cannabis plays – including as it pertains to regulatory requirements, indications and potential side effects.

Early Warning Disclosure Pursuant to National Instrument 62-103

In connection with the Merger, 2441124 Ontario Inc. (a corporation jointly owned and controlled by Alan Gertner and Lorne Gertner), Alan Gertner and Lorne Gertner acquired ownership, control or direction over securities of Hiku requiring disclosure pursuant to the early warning requirements of applicable securities laws. Immediately prior to completion of the Merger, neither 2441124 Ontario Inc. nor Lorne Gertner had ownership of, or exercised control or direction over, any voting or equity securities of Hiku. Prior to the completion of the Merger, Alan Gertner held options to purchase 100,000 Hiku Shares at a price of \$0.95 per Hiku Share ("**Alan's Existing Options**"), representing approximately 0.15% of the issued and outstanding Hiku Shares on a partially diluted basis (i.e. assuming the exercise of only Alan's Existing Options).

Pursuant to the Merger, 2441124 Ontario Inc. acquired ownership of 19,771,713 Hiku Shares, representing approximately 16.29% of the issued and outstanding Hiku Shares. Pursuant to the Merger, Alan Gertner acquired options to purchase 363,779 Hiku Shares at a price of \$0.19 per Hiku Share (together with Alan's Existing Options, "**Alan's Options**") and Lorne Gertner acquired options to purchase 71,279 at a price of \$0.19 per Hiku Share ("**Lorne's Options**"). In connection with the Merger, Hill & Gertner Capital Corp., a corporation jointly owned and controlled by Lorne Gertner and another shareholder, acquired ownership of 318,916 Hiku Shares.

Following the completion of the Merger, Alan Gertner indirectly owns and controls 19,771,713 Hiku Shares as a result of his joint ownership and control of 2441124 Ontario Inc., representing approximately 16.29% of the issued and outstanding Hiku Shares. In addition, if Alan Gertner were to exercise all of Alan's Options, he would obtain ownership and control over an additional 463,779 Hiku Shares, which when aggregated with the other Hiku Shares indirectly owned or controlled by Alan Gertner, would total 20,235,492 Hiku Shares, representing approximately 16.6% of the issued and outstanding Hiku Shares on a partially diluted basis (i.e. assuming the exercise of only Alan's Options).

Following the completion of the Merger, Lorne Gertner indirectly owns and controls 20,090,629 Hiku Shares as a result of his joint ownership and control of each of 2441124 Ontario Inc. and Hill & Gertner Capital Corp., representing approximately 16.56% of the issued and outstanding Hiku Shares. In addition, if Lorne Gertner were to exercise all of Lorne's Options, he would obtain ownership and control over an additional 71,279 Hiku Shares, which when aggregated with the other Hiku Shares indirectly owned or controlled by Lorne Gertner, would total 20,161,908 Hiku Shares, representing approximately 16.61% of

the issued and outstanding Hiku Shares on a partially diluted basis (i.e. assuming the exercise of only Lorne's Options).

Other than Alan's Existing Options, each of 2441124 Ontario Inc., Alan Gertner and Lorne Gertner acquired their respective securities of Hiku in connection with the Merger. The Hiku Shares acquired by 2441124 Ontario Inc. and Hill & Gertner Capital Corp. are subject to a contractual hold period as negotiated between Hiku and Tokyo Smoke (the "**Hold Period**"), pursuant to which 25% of such Hiku Shares will become tradeable on each of the days that is 4.5 months, 9 months, 13.5 months and 18 months following the closing of the Merger, respectively. 2441124 Ontario Inc., Alan Gertner and Lorne Gertner each may, from time to time, take such actions in respect of their respective holdings in securities of Hiku as they may deem appropriate, in light of the circumstances then existing, including the purchase of additional Hiku Shares or other securities of Hiku or the disposition of all or a portion of the their respective securityholdings in Hiku, subject in each case to applicable securities laws, the Hold Period and the terms of such securities, as applicable.

An early warning report will be filed by 2441124 Ontario Inc., Alan Gertner and Lorne Gertner in accordance with applicable securities laws. To obtain a copy of the early warning report, please contact Alan Gertner at 647-347-6653.

Statement Regarding Forward-Looking Information

This news release contains statements that constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Hiku's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Forward-looking statements in this document include statements regarding Hiku's expectations regarding its future cash position, its plans to expand its cannabis production capacity, the change in its ticker symbol to HIKU and the date of commencement of trading under such ticker symbol, its plans to retail premium cannabis products across Canada, its plans to use Brand Stores as consumption lounges, its plans to prioritize retail expansion and to open Dispensing Stores, the expectation that Dispensing Stores will generate higher margins, its expectation that the market will be supply-constrained at the onset of legalization of recreational cannabis use, the composition of the board of directors and management team of Hiku, the expectation that Hiku will enter into the Supply Agreement, regulatory approvals and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others:

- Hiku may require financing from time to time in order to continue its operations; financing may not be available when needed or on terms and conditions acceptable to Hiku;
- new laws or regulations could adversely affect Hiku's business and results of operations;
- Hiku or its suppliers may experience crop failures which could adversely affect its business and results of operations;

- competitive forces within the cannabis industry could adversely impact Hiku's business and results of operations; and
- stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Company's securities regardless of its operating performance.

When relying on the Hiku's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and risks and other uncertainties and potential events. Hiku has assumed that the material factors referred to in the previous paragraphs will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. Hiku undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.

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