



Aura Announces Signing of Definitive Share Purchase Agreement to Acquire Licenced Medical Cannabis Distributor in Germany

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TORONTO, Feb. 28, 2019 -- Aura Health Inc. (the “**Company**” or “**Aura**”) (**CSE:BUZZ**) is pleased to announce that the Company has entered into a definitive share purchase agreement dated February 27, 2019 (the “SPA”) to acquire an 80% equity interest in Pharmadrug Production GmbH (“Pharmadrug”). The SPA supersedes and replaces the previously announced binding letter of intent dated January 24, 2019. The total purchase price for the acquisition is EUR 4,600,000. In addition, Aura will advance EUR 400,000 to Pharmadrug as a shareholder loan to assist Pharmadrug to maintain appropriate levels of working capital.

The vendor of the Pharmadrug equity interest is Anquor Pharmaceuticals U.G. (“Anquor”). The SPA provides that Anquor will be entitled to receive an earn-out payment of EUR 400,000 if the total revenues of the pharmaceutical tender business of Pharmadrug for the 2019 financial year are 90% or more of the total revenues of that business segment for the 2018 financial year. The earn-out, if any, will be due and payable to Anquor on March 1, 2020.

Aura has, to date, paid EUR 2,000,000 of the total purchase price by advance instalments of EUR 1,000,000 on each of January 31, 2019 and February 28, 2019, which instalments are fully refundable should the transaction not close, leaving EUR 2,600,000 to be paid on closing. Closing is expected to occur by May 31, 2019. Closing is subject to satisfaction of customary conditions, including receipt of all required regulatory approvals.

The purchase price for the Pharmadrug acquisition will be funded by cash on hand and Aura is currently engaged in raising a maximum of \$7,260,000 through a previously announced Subscription Receipt financing led by Mackie Research Capital Corporation, with a syndicate consisting of Haywood Securities Inc., PI Financial Corp., and Foundation Markets Inc. The first tranche was closed on February 27, 2019 and raised gross proceeds of approximately \$1.9 million, part of which was used to fund the EUR 1,000,000 instalment payment made to Anquor today.

Pharmadrug is a cash flow positive German pharmaceutical distribution company with over 20 years of operating history. Pharmadrug has a Schedule I European Union narcotics licence that allows it to distribute medical cannabis to pharmacies in Germany and the rest of the Eurozone as markets become legalized. Pharmadrug has received its first cannabis shipment and has begun deliveries to pharmacies in Germany. Anquor will retain a 20% equity ownership interest in Pharmadrug and will continue to participate in the direction of Pharmadrug from its Berlin office.

About Aura Health Inc.

Aura Health is building an international network of vertically integrated cannabis assets. Through an established product line of cannabis-infused edible products and oil extracts, Aura is dedicated to building a high margin downstream business in the medical marijuana sector. The Company holds convertible debt that converts to 54% equity of HolyCanna, a cultivation and nursery license holder in Israel. Aura has also entered into a SPA to acquire 80% of Pharmadrug, a German medical cannabis and pharmaceutical distributor, as well as an LOI to purchase 57% of CannabiSendak, the builder of a network of high-profile dispensaries in Israel. The Company also owns a 30% interest in four medical marijuana clinics in the U.S. Sun Belt.

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The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.

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