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Ayr Strategies Inc. Grants Additional Exercise Rights to Warrantheolders

Management to Hold Corporate Update Call Today at 8:30 a.m. ET

Toronto, Ontario, July 12, 2019 – Ayr Strategies Inc. (“**Ayr**” or the “**Company**”) announced today that it has amended the warrant agency agreement dated as of December 21, 2017, as amended (the “**Warrant Agency Agreement**”), between Ayr and Odyssey Trust Company, as warrant agent (the “**Warrant Agent**”), to, *inter alia*, provide holders (the “**Warrantheolders**”) of warrants of Ayr (the “**Warrants**”) with an additional exercise right.

Prior to this amendment, which is reflected in a second supplement to the Warrant Agency Agreement (a copy of which has been filed under Ayr’s profile on www.sedar.com), the Warrants would only become exercisable commencing on July 29, 2019 (the first trading day following the date which is 65 days following the closing of Ayr’s recent qualifying transaction on May 24, 2019), at which time they will be exercisable on either a cash basis (pursuant to which each Warrant will entitle the holder on due exercise to acquire one (1) subordinate voting share of Ayr (each, a “**Subordinate Voting Share**”) in exchange for the exercise price of C\$11.50) or a cashless basis, as provided in the Warrant Agency Agreement.

However, the amendment will now grant Warrantheolders the additional right to exercise, for cash only, their Warrants at any time commencing on July 15, 2019 until 5:00 p.m. (Toronto time) on July 26, 2019 (the “**Early Exercise Period**”). For each Warrant duly exercised during the Early Exercise Period, Ayr will pay a commitment fee of C\$0.50, which shall be set-off against the payment of the applicable exercise price, resulting in a net payment of C\$11.00 required to exercise a Warrant during the Early Exercise Period. Cashless exercises are not included as part of this additional right. Warrantheolders who duly exercise their Warrants through CDS Clearing and Depository Services Inc. (“**CDS**”) are expected to receive their corresponding Subordinate Voting Shares at the completion of the Early Exercise Period, and are therefore advised to withdraw their Warrants from CDS and exercise through the Warrant Agent should they wish to receive the Subordinate Voting Shares prior to the end of the Early Exercise Period.

“The cannabis market in which we operate today is very different than it was just one year ago,” said Jonathan Sandelman, CEO of Ayr. “Last year, there were record amounts of capital being raised by MSOs and an equally impressive amount of consolidation in the space. Today, due to this consolidation and a more challenging external environment for equity financing, now is the right time to add cash to our balance sheet to be in an even stronger position to execute Ayr’s disciplined acquisition strategy.

In a show of confidence, our company’s sponsor, Mercer Park, is participating by converting five percent of its warrants to provide additional funding. If all warrantheolders participate, this would bring approximately C\$150 million of cash onto our balance sheet.”

Mercer Park CB, L.P. (“**Mercer Park**”), Ayr’s sponsor, has indicated that it intends to exercise approximately 5% of its Warrants, or approximately 144,703 Warrants, during the Early Exercise Period, representing approximately 0.88% of the total issued and outstanding Warrants.

To exercise Warrants during the Early Exercise Period, Warrantheolders should contact their brokers well in advance of such deadline, in order to allow for sufficient time to properly exercise the Warrants. Warrantheolders that are U.S. persons would be subject to resale restrictions under applicable U.S. securities laws, and may be required to withdraw the Warrants from the Canadian Depository for Securities (CDS) and satisfy other procedures, including the provision of legal opinions, in order to exercise them. Registered Warrantheolders who wish to exercise their Warrants during the Early Exercise Period should refer to the “Notice of Early Exercise of Warrants” that has been filed under Ayr’s profile on www.sedar.com on the date hereof.

Ayr further announced that given that the market price of its Subordinate Voting Shares has met the condition set out in the Warrant Agency Agreement (which requires that the closing price equals or exceeds C\$18.00 for any 20 trading days within a 30-trading day period), it intends to give notice of the early expiry of the Warrants. The Company intends to give notice on or about July 30, 2019 (the earliest possible date), and in accordance with the applicable provisions of the Warrant Agency Agreement, the expiry date of the Warrants would become August 29, 2019.

Conference Call

Ayr management will hold a conference call today at 8:30 a.m. Eastern time to provide a corporate update, followed by a question and answer period.

Conference Call Date: Friday, July 12, 2019

Time: 8:30 a.m. Eastern time

Toll-free dial-in number: (877) 282-0546

International dial-in number: (270) 215-9898

Conference ID: 7696377

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gateway Investor Relations at (949) 574-3860.

The conference call will be broadcast live and available for replay [here](#).

A telephonic replay of the conference call will also be available after 11:30 a.m. Eastern time on the same day through August 12, 2019.

Toll-free replay number: (855) 859-2056

International replay number: (404) 537-3406

Replay ID: 7696377

About Ayr Strategies Inc.

Ayr is a vertically-integrated multi-state operator in the U.S. cannabis sector, with an initial anchor portfolio in Massachusetts and Nevada. Through its five operating companies, Ayr is a leading cultivator, manufacturer and retailer of cannabis products and branded cannabis packaged goods. Ayr seeks to create regional clusters in core geographies for future expansion, while pursuing strong organic growth within its existing portfolio.

About Mercer Park CB, L.P.

Mercer Park CB, L.P. is a limited partnership formed under the laws of Delaware that is indirectly controlled by Mercer Park, L.P., which is a privately-held family office based in New York, New York that is controlled by Jonathan Sandelman.

About Mercer Park, L.P.

Mercer Park, L.P., a privately held family-office, is one of the leading investment firms focused on the cannabis sector with extensive experience in identifying and executing acquisitions in the space. Through its extensive relationships—both inside and outside the cannabis industry—Mercer Park, L.P. finds and partners with best-in-class operators to maximize value for its investors. To date Mercer Park, L.P., through its investment vehicles, has raised over \$500 million of capital for investments in cultivation, manufacturing and production, as well as retail, and brands and IP.

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”, “estimate”, “goal”, “intend”, “plan”, “seek”, “will”, “may” 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 and its intent to give a notice of early termination of its Warrants. 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 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 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,

that all required regulatory approvals will be obtained on satisfactory terms, and that it will be able to raise additional capital as required on reasonable terms.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state of the United States ("State") securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable State securities laws or an exemption from such registration is available.

FOR FURTHER INFORMATION PLEASE CONTACT:

Investor Contact:

Cody Slach & Sean Mansouri, CFA

Gateway Investor Relations

T: (949) 574-3860

Email: AYR@gatewayir.com

Media Contact:

Desiree Rosa

MULTIPLY

E: desiree.rosa@wearemultip.ly

P: 202.292.4566