



Compass Diversified Holdings Receives Deferred Consideration from Sale of Manitoba Harvest

September 4, 2019

WESTPORT, Conn., Sept. 04, 2019 (GLOBE NEWSWIRE) -- Compass Diversified Holdings (NYSE: CODI) ("CODI" or the "Company"), an owner of leading middle market businesses, announced today that it has received the deferred consideration from the sale of its majority owned subsidiary, FHF Holdings Ltd. ("Manitoba Harvest"), to Tilray Inc. ("Tilray") (NASDAQ: TLRY), pursuant to an agreement it entered into on February 19, 2019.

Manitoba Harvest shareholders, including CODI, received C\$92.5 million, comprised of C\$50 million in cash and C\$42.5 million in Tilray shares. After the allocation of the sales price to non-controlling equity holders, CODI received approximately C\$64 million at the deferred date comprised of cash and Tilray shares. These proceeds are in addition to the C\$234 million CODI received at closing on February 28, 2019, bringing total proceeds from the sale of Manitoba Harvest to C\$298 million. Manitoba Harvest shareholders, including CODI, will receive an additional C\$49 million in Tilray shares upon Manitoba Harvest achieving certain performance milestones in 2019, such amount to be reduced to the extent that some or all of the milestones are not achieved.

Elias Sabo, CEO of Compass Diversified Holdings stated, "During 2019, we have taken significant steps to unlock shareholder value, as we monetized both Manitoba Harvest and Clean Earth, resulting in realized gains for shareholders of over \$325 million year-to-date and over \$1 billion since our IPO. We are pleased to receive the deferred consideration from the sale of Manitoba Harvest, which further strengthens CODI's balance sheet during a time when Compass Group Management has waived the management fee on cash balances held at CODI."

About Compass Diversified Holdings ("CODI")

CODI owns and manages a diverse family of established North American middle market businesses. Each of its current subsidiaries is a leader in its niche market.

CODI maintains controlling ownership interests in each of its subsidiaries in order to maximize its ability to impact long term cash flow generation and value. The Company provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in the long-term growth of the Company and to make cash distributions to its shareholders.

Our eight majority-owned subsidiaries are engaged in the following lines of business:

- The design and marketing of purpose-built tactical apparel and gear serving a wide range of global customers (**5.11**);
- The manufacture of quick-turn, small-run and production rigid printed circuit boards (**Advanced Circuits**);
- The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (**Arnold Magnetic Technologies**);
- The design and marketing of wearable baby carriers, strollers and related products (**Ergobaby**);
- The design and manufacture of custom molded protective foam solutions and OE components (**Foam Fabricators**);
- The design and manufacture of premium home and gun safes (**Liberty Safe**);
- The manufacture and marketing of portable food warming fuels for the hospitality and consumer markets, flameless candles and house and garden lighting for the home decor market, and wickless candle products used for home decor and fragrance systems (**The Sterno Group**); and
- The design, manufacture and marketing of airguns, archery products, optics and related accessories (**Velocity Outdoor**).

This press release may contain certain forward-looking statements, including statements with regard to the future performance of CODI. Words such as "believes," "expects," "projects," and "future" or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the SEC for the year ended December 31, 2018 and other filings with the SEC. Except as required by law, CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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