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PRESENTATION

Operator

Good morning, everyone. Welcome to the Aurora Cannabis' Fourth Quarter and Year-end Results Conference Call for its Fiscal Year ending June 30, 2018.

Listeners are reminded that certain matters discussed in today's conference call or answers that may be given to questions asked could constitute forward-looking statements that are subject to risks and uncertainties relating to Aurora's future financial or business performance. Actual results could differ materially from those anticipated in these forward-looking statements. The risk factors that may affect results are detailed in Aurora's annual information form and other periodic filings and registration statements. These documents may be accessed at SEDAR's database found on -- at sedar.com. I'd like to remind everyone that this call is being recorded today, Tuesday, September 25, 2018.

I would now like to introduce Mr. Cam Battley, Chief Corporate Officer of Aurora Cannabis. Please go ahead, Mr. Battley.

Cameron Battley *- Aurora Cannabis Inc. - Chief Corporate Officer*

Thank you, Matthew. Good morning, everyone, and thank you for joining us for today's call. It's a beautiful day in Edmonton, not a cloud in the sky, and we're smiling in the room. It's been a good quarter. With me today are Terry Booth, our Chief Executive Officer; Glen Ibbott, our Chief Financial Officer; and our Chairman, Michael Singer.

Before moving on to the formal comments, I'd like to touch on a few bullet points and highlights to sum up what we see as a very strong year-and quarter and in many ways transformative. We've become very rapidly a much bigger company with global operations.

A key takeaway from these results is that we've been executing rapidly and well on our business strategy and that strategy is working. We've had in excess of 200% year-over-year growth, as we'll discuss a little bit later. Our pro forma revenues including MedReleaf exceeded $31 million. We've seen rising gross margins. We've seen an accelerating shift to higher-margin derivative products. And this rising production that we've seen in the past several months subsequent to the quarter has now taken us from 2 producing facilities to 8 facilities in production. We've got rising inventory ahead of consumer legalization, and that inventory is fresh. It's not stale. It will be attractive to consumers. We're exactly where we need to be with exactly the right capabilities at exactly the right time.

And now onto the more formal comments. So we released our fiscal 2018 fourth quarter and year-end results after market close yesterday. You can access our news release as well as our complete audited financial statements and management discussion and analysis on our website. Our news release, financial statements and MD&A were also filed on SEDAR this morning.

On today's call, we'll discuss Aurora's operational and financial results for the 3- and 12-month periods ended June 30, 2018, and provide a general business update. We'll then open up for questions.

Fiscal 2018 was the most significant year in our history, as we made dramatic progress toward our goal of building the preeminent global leader in the cannabis industry. This leadership is reflected in our consolidated revenues. While we completed the MedReleaf acquisition only in late July after the year-end, had it been included in the quarter under review, our consolidated pro forma revenues would have come in at over $33.1 million, giving you an indication of the scale of this company compared to the rest of the industry.

Looking back just 1 year, we had 1 fully licensed facility, 2 under construction and funded capacity of 108,000 kilograms of cannabis per year, and were present in 3 countries. Today, we have 8 facilities licensed for production and 5 sales licenses. Soon, we'll have 11 facilities and funded capacity of over 500,000 kilograms or 500 million grams per year. We have operations and sales in 18 countries across 5 continents and have become Europe's largest distributor of medical cannabis.

But more than just achieving increased size and reach, we've created a platform for continued growth that we can build on to further secure our leadership position. Today, we are fully vertical and -- fully vertically and horizontally integrated. Beyond simple fee to sale, Aurora has established a deep presence in every aspect of the cannabis industry value chain. This includes plant genetics and industry-leading research, facility design, extraction and formulation right through to consumer engagement and point of sale. No other company has demonstrated this scope of penetration into the industry, and this provides us with a significant advantage in addressing market trends and taking advantage of additional opportunities.

For example, through the acquisition and integration of CanniMed, MedReleaf and Anandia Labs, Aurora now has one of the largest R&D teams in the industry, with approximately 40 CHDs and MSD researchers. This allows us to innovate on several fronts, on plant science, cannabinoid and terpene research, preclinical and clinical studies. And in conjunction with our vertically integrated structure, this allows us to act on intelligence we gather in the market to identify opportunities and develop new high-margin products.

In fiscal 2018, this team helped launch innovations such as Aurora Frost, hard and soft shell capsules and new oil types. This complements the strategic investments we made in companies to provide Aurora with innovative extraction technology, low-cost CBD products and new drug delivery methods such as softgel and sublingual wafers.

Another important area of innovation for us is in plant health and yield improvement. Here, much of our success can be evidenced through our production facilities, which consistently produce the highest-quality product at the lowest cost per gram. With our wholly owned subsidiary, Aurora Larssen projects, we are developing the world's most technologically advanced cannabis production facilities, which we call Sky Class facilities. These are massive scale, closed system hybrid indoor facilities with specialty glass roofs, a high degree of automation and full control of environmental variables. There's nothing else like it in the world.

The first of this class is Aurora Sky in Edmonton, which is now fully operational with a number of bays producing, and we expect it to be operating at full capacity and producing more than 8,000 kilograms per month by the beginning of calendar 2019.

Implementing a high degree of automation is a critical feature of all of our Sky Class facilities that helps to dramatically decrease the cost of production. For example, at Aurora Mountain, our first facility North of Calgary, we produce about 4,800 kilograms of cannabis per year with a staff of about 125 people. Aurora Sky at full capacity will produce over 100,000 kilograms of cannabis, or approximately 20x the output with just 3x the number of production staff.

Aurora Sun in Medicine Hat and Aurora Nordic in Denmark are 2 further Sky Class facilities underway, which will have a combined production capacity of 270,000 kilograms per year. We anticipate that our Sky Class facilities will have cash production costs of well below $1 per gram. This growing production profile at low cost will be very important as we strive to meet demand in all of our market segments.

In about 3 weeks from now, a significant increase in demand will initially come from the Canadian legal consumer use market. We've been building inventory in anticipation of that market and have supply arrangements with just about every province and territory in Canada to supply a broad range of dry flower and higher-margin products such as pre-rolls, oil and capsules.

We will also be participating through our strategic investment in Alcanna, Canada's largest private liquor retailer, who will be establishing a chain of Aurora-branded cannabis retail stores. They have the retail expertise and the landlord relationships to succeed in building a well-run, well-located network and are well positioned to open the maximum number of 37 stores in Alberta in year 1. They also intend to open stores in the rest of the country, where private retail will be permitted.

The opening of the Canadian market to the consumer use of cannabis is an important milestone. However, as we've said previously, the international market remains the biggest opportunity and a primary area of focus in our long-term strategy. The global medical cannabis market is estimated to grow to about 10 million kilograms per year, far more than the current funded capacity of the entire cannabis industry.

We recognized this early. As I said a year ago, we were in 3 countries. Today, we are positioned in 18 countries and counting on 5 continents. Europe is a particularly strong opportunity because of its higher level of knowledge and acceptance of medical cannabis, key to establishing our solid footprint in Europe, with the excellent acquisition of Pedanios, a leading wholesale importer, exporter and distributor of medical cannabis in the European Union based in Berlin, Germany. Through Pedanios, now called Aurora Deutschland, we have exported medical cannabis to Italy and Malta, and we're approved as the first seed-to-medical cannabis operation in Malta. We also own 2 of the 6 facilities in the world that are EU Good Manufacturing Practices, GMP, certified, which ensures our continued access to these developing and restrictive markets.

To further solidify our European opportunity, in August, we established Aurora Europe, our European headquarters based in Berlin. This encompasses Pedanios, now Aurora Deutschland, Aurora Nordic, which operates in Denmark, the newly formed Aurora Italia and a number of other local companies.

As you heard, fiscal 2018 was an exciting year for Aurora where we focused on our global expansion strategy, acted on and executed on a number of opportunities and achieved strong success on all fronts.

Glen will now provide a financial review, and I'll return to provide some outlook comments and then take your questions. Glen?

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Thanks, Cam, and good morning, everyone. The fourth quarter of fiscal 2018 continued our trend of strong quarter-to-quarter growth, with solid performance in medical dried cannabis and cannabis oil sales, while, at the same time, we are building inventory for the adult consumer use market in Canada and rapidly scaling up our production facilities. As the top priority, we remain committed to providing high-quality medicine to our many patients.

Overall, revenue increased to $19.1 million for the quarter, up 19% from Q3. Our results do not yet include those of MedReleaf, which we acquired towards the end of July. But to give you a more comprehensive picture of the scale of the company, on a pro forma basis, including MedReleaf, our revenues for the quarter would have been over $33.1 million.

Cannabis revenues for Aurora in the fourth quarter increased by 38% from the prior quarter to $14.8 million. The increase in cannabis revenue is a function of a full quarter of consolidated CanniMed sales as well as the continuing shift in our product mix. Sale of oils accounted for over 31% of our Q4 revenue as compared to 20% in Q3.

For the full year, overall revenue was $55.2 million, an increase of over 200%. Cannabis revenue was $42.8 million, up 169% over fiscal year 2017. In Q4, we were also preparing for the consumer use market, ending June 30, 2018, with pro forma inventory and biological assets, including MedReleaf, of over $88 million.

Since quarter-end, we're continuing to add significantly to our inventory and biological assets in preparation for this market. We are in good shape to meet our commitments to all of the provinces and territories. In the quarter, Aurora also saw a strong increase in gross margin to over 74%, due mainly to the continuing shift to higher-margin cannabis oil products.

Cash cost to produce per gram of dried cannabis sold as compared to Q3 of this financial year increased by $0.17, due to the inclusion of CanniMed's less efficient production. On a stand-alone basis, Aurora's cash cost per gram declined to $1.35 from $1.53 in the prior quarter. This is explained by the continuing increases in productivity at our Mountain facility and lower utility costs during nonwinter months.

I should remind you that our continued growth in Q4 was realized from 2 facilities only, Mountain and CanniMed. Efficiencies from automation, scale and yield expertise are now being realized, with production costs per gram expected to decrease significantly in the CanniMed facilities and other newly acquired facilities.

Additionally, with Aurora Sky coming online now, we expect our cash cost to produce 1 gram of cannabis to be well below $1 at full scale. This same metric applies to all of our Sky Class facilities. In the meanwhile, we continue to drive yield and efficiency improvement at CanniMed. And now in Q1 2019, we have increased yields of CanniMed by well over 30%.

In Q4 2018, we continued to significantly ramp up investment in the infrastructure and talent required to realize the tremendous opportunities in the Canadian and international medical cannabis markets and the upcoming Canadian consumer use market. Across the company, headcount increased from 300 at June 30, 2017, to close to 1,500 currently.

This investment in talent and capabilities along with the remarkable pace of our execution, as reflected in the number of strategic transactions completed, as well as increasing global complexity and other corporate matters resulted in an increase in G&A cost to $22.6 million in Q4 from $9.8 million in the prior quarter. Consolidation of CanniMed's G&A costs accounted for 25% of this increase. This has since been rationalized as part of our integration process.

Our investment in sales, branding and marketing talent and initiatives was reflected in the fourth quarter with a spend of $14.8 million, up from $5.9 million in Q3 2018. Investment in our overall brand strategy included increased promotional and sponsorship activities in preparation for the impending adult-use market in Canada. The inclusion of CanniMed sales and marketing costs accounted for 19% of the increase overall.

We are building a diversified and vertically integrated company capable of capitalizing on the tremendous opportunities in the global cannabis markets. To this end, we continue to invest heavily in several production facilities and a number of strategic assets and remain well funded to continue executing our growth strategy.

As at June 30, 2018, we had $89 million in cash and cash equivalents. Also in June, to support our domestic and international strategy, we secured a new $200 million debt facility with the Bank of Montreal, with the potential upside to $250 million. The new debt facility has begun to shift the capital structure of the company to include more traditional debt financing, thereby lowering our overall cost of capital.

During fiscal 2018, Aurora made a number of investments in publicly traded companies that provide a significant strategic advantage for the company. These investments include TGOD, Radient, Alcanna, the Cann Group and a number of others. For the publicly traded companies that Aurora has invested in, the public market value of the shares, warrants and options at September 21, last Friday, exceeded $700 million.

In conclusion, we are growing rapidly. We are in robust financial health, and we have the financial means to execute on our growth strategy. We are well positioned to capitalize on the once-in-a-lifetime opportunity in the global cannabis market.

I'll now pass the call back to Cam.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Thank you, Glen. As we move into fiscal 2019, we will build on our successes realized in fiscal 2018. Our key focus will be to continue integrating our key strategic acquisitions into one strong and cohesive Aurora.

To achieve that, we have built a dedicated talented internal team with strong executive leadership. A measure of our success is the integration of CanniMed, which was completed within the targeted 90-day period. We're now accelerating its patient registration, improving cultivation techniques to increase yield and furthering product development and international expansion. This same focus on execution is now being applied to the integrations of both MedReleaf and Anandia.

Transactions like these enable us to capture margin throughout the value chain with an unparalleled ability to access new and previously restrictive markets, with a growing portfolio of innovative high-margin products and services. Also, given the rapid pace of our growth and our increased international presence, we intend to list our securities on a senior U.S. stock exchange. In advance of such a listing, we will file a Form 40-F registration statement with the U.S. Securities and Exchange Commission.

The listing of the company's securities remain subject to exchange approval and a satisfaction of all applicable listing and regulatory requirements. A trading date will be made public once all regulatory formalities are satisfied. Listing our U.S. shares on a senior U.S. exchange reflects the level of corporate and business maturity and the high-paced execution of Aurora. This listing provides access to a broader investor audience, who gain the opportunity to participate in the company's continued success.

We are very pleased with the results of 2018. We built a vertically integrated and horizontally diversified organization across every key segment of the cannabis value chain. We did this by focusing on the critical success factors that we believed would make Aurora the preeminent cannabis company globally. We're committed to staying on this path to deliver value for all of our shareholders.

And Matthew, if you could please now open the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Matt Bottomley with Canaccord Genuity.

Matt Bottomley - *Canaccord Genuity Limited, Research Division - Analyst*

Congrats on the quarter; very impressive pro forma top line. Couple of housekeeping questions on my part and then some strategy. First, just on the gross margins in the oil. Can you give any color as to where you see that going in the next couple of quarters with MedReleaf coming on? I think you're at about 30% of revenue this quarter, just where do you see that tracking couple of quarters out and the impact on margins as well?

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

It's Glen here. So certainly, we've seen a shift to oil. And as Cam talked about a little bit earlier, with our product development, you'll continue to see a shift to higher-margin products. So they may be in softgel form, they may be in other forms, but we -- Matt, we would continue to see a move away from the dried cannabis product and into other forms and products. Certainly, we would expect also start to see that in international markets as we're licensed to export there. So while I can't give you a target number, I think you can expect to continue to see a shift towards those higher-margin products.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

I'll add to that. This is Cam, Matt. We're going where the margin is, and you can see that it's already happening, and this was as far back as the April to June quarter. So we've shifted from having about 1/5 of our revenues coming from derivative products, mainly oils, to now about 1/3 of our revenues coming from the higher-margin derivative products. And that's going to accelerate. For one thing, we have got just a huge number of hard-shell caps and softgels being produced right now. Once we start to sell those, I think you're going to see the ratio of derivative products to dried flower change considerably more.

Matt Bottomley - *Canaccord Genuity Limited, Research Division - Analyst*

Okay, perfect. And then maybe just switching to the expenses. So the G&A line this quarter, obviously, you guys are investing in the growth that's going industry-wide, both in Canada and internationally. What's the best way to look at that line in the next quarter, especially with MedReleaf coming on? If we look at their historical spend, is there any savings that we should be modeling in or synergies? Obviously, you got a lot of consolidation, integration happening in the next quarter. So what's the best way for us to look at that G&A line?

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Well, clearly, I mean, we're going to have savings. There's 2 large public companies that we're scaling up to be global operators. We're going to have savings in G&A. We certainly expect to employ every single talented person at MedReleaf within the expanded organization, but we will have synergies when it comes to public company costs. So if you looked at the recent MedReleaf results, they were doing the same thing we were. They were preparing for a very large complex global organization and spending the money externally to do that with consultants and certainly, all the audit costs and those sorts of things. So, Matt, I expect some of those costs will be rationalized away. The people costs will stay there. We have already got positions for all of those people and continue to hire to support the complexity that this business is rapidly becoming.

Matt Bottomley - *Canaccord Genuity Limited, Research Division - Analyst*

Okay. And maybe just quickly if I've another minute here, switching more on the strategy side. One thing I wouldn't mind getting some color on is just your view on sort of the Hemp industry here and CBD derived from hemp plants. Can you give any color on -- with your acquisition of Agropro? Maybe what market do you think are the most attractive for near-term optionality into sort of the nutraceutical side of the industry?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Matt, it's Terry Booth. Good question. I think the hemp industry, I tell a lot of the people here that I think it's going to be as big or bigger than the cannabis industry. Not only on the CBD products that we can derive from hemp, the chaff of the hemp but the seed. The seeds are high in protein and an excellent source of your omegas. Acquisition of the Agropro in Lithuania as well as the acquisition of ICC in Uruguay are both plays that include a significant amount of hemp. Agropro is an organic supplier, the largest supplier in Europe of hemp. And they were not collecting their chaff off the fields because of corporate reasons. We are now collecting that. Even this year, we're going to be harvesting it. And the European market, CBD is through the roof. And as you've seen in news, there are some major companies in the world that are looking at the benefits of CBD, the nonpsychoactive component of cannabis. So we're looking forward to it. It's an exciting new industry. We've had Hempco for some time now. I think we were a little bit of visionaries there, and certainly, the deal with RGI on mass extraction was a very key component, and we look forward to working with those partners in developing a leading hemp CBD protein company.

Matt Bottomley - *Canaccord Genuity Limited, Research Division - Analyst*

Okay. And just the last question and I'll jump back in queue. Just any color on what you're seeing in the Alberta retail tendering as well as if Ontario has had any other communication since announcing their pivot to private sector?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

I'll give you 2 parts. I'm going to answer the first part. And I'll pass it to Cam for Ontario because he's been quite involved, but the Ontario -- I'm sorry, the Alberta system, in my opinion, and I know I'm going to have it to bore you, but I think it's the best one in the country. I think that they've done a very good job of screening and it continues to be screened. There's going to be more stores than anywhere else, 150 to begin with and there is lots of talk of an extra 100 being added. Our partners, of course, Alcanna, have done a great job in securing locations. It's been a bit crazy with the municipalities' different systems of getting those licenses, but most of that is in place now and I think Alberta is ahead of the curve. And when Ontario were looking for advice, they look to Aurora as well, and I think Cam will weigh in a bit on Ontario's vision.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Yes, what we're hearing from Ontario is a few things. First of all, we believe that the market there -- the system will look very much like Alberta's. Ontario is not reinventing the wheel. Something else though; they really are looking for leadership and responsibility from those that moved into the retail market, and they want to make sure that the municipalities are comfortable that this is a fairly smooth system and a smooth transition. I think that's part of the reason why you're seeing that they're starting with online sales and committing to April to actually open up bricks and mortar, but we're very, very bullish on the retail system in Ontario. Certainly, from our perspective, it's a huge, huge improvement over the prior system that was envisioned, the government-only -- the government monopoly system.

Operator

Our next question comes from the line of Martin Landry with GMP Securities.

Martin Landry - *GMP Securities L.P., Research Division - MD Equity Research & Equity Research Analyst*

Cam, at the Investor Day in July, you seemed confident that you would have all rooms in production at Aurora Sky by September, October. And now, it looks like it's going to be more like December. So I'm wondering if you can give us a little bit more color as to what's causing the delays there.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

I don't think we're seeing delays in our plan. We do have to work with our regulator, and we have to abide by what Health Canada allows us to do. But I think we said back then that we anticipated being at full capacity toward the -- at the end of calendar 2018 or the beginning of calendar 2019, and we're very much on track with that, and that's what matters. So we're intending to be at full capacity at that point, churning out 8,000-plus kilograms a month.

Martin Landry - *GMP Securities L.P., Research Division - MD Equity Research & Equity Research Analyst*

Okay. Okay. And can you talk to a little bit, your views on when you expect to get your sales license, and if there's any hurdles there?

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Actually, we believe that's imminent. We never want to speak for the regulator, but we're ready. We've had our harvest. We've invited them in. It's a, as far as we can tell, imminent subject to Health Canada, of course. And like I say, we don't want to speak for them, but absolutely, everything is ready. We're ready to go.

Martin Landry - *GMP Securities L.P., Research Division - MD Equity Research & Equity Research Analyst*

Okay. Okay. And it would be very interesting for us if you can share where your inventory stands right now today in terms of kilos, inclusive of MedReleaf? Is that something you can give us some color on?

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

We can't be -- well, we can, but we're not going to be precise. You have to remember, we're reporting our September quarter in the beginning of November. I'm going to hand it off to Glen and maybe add some comments after.

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Yes, Martin, we're prepared for the demand from the provinces, from the territories. We're going to meet the initial POs. What we're focused on and why I don't want to get into specific those 2, how much we've got, is I think what's more important is which products do you have and how quickly are they going to move. For instance, as Cam's mentioned, you're well aware of this, we've made a significant investment in preparing for pre-rolls. And we've got a massive inventory of pre-rolls, which we think are going to be a high demand product. But to measure that in terms of kilograms sitting there isn't really instructive. So I don't want to get into that right now other than to say we will meet all of the commitments we've made in the provinces, the Canadian medical system and be able to export to Germany. But I know over the next few months, we'll be getting a lot more clarity after we see which products the provinces are going to reorder and what that sort of demand is. So trying to sort of see how many kilograms we've got right now, and how long that might last us is -- I think it's a little bit of a -- it's a little misleading to our investors to focus on that too much other than to say we're prepared.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Yes. And I'd say I want to underline that. I mean, if I'm reading between the lines you're asking whether we're ready for consumer legalization. Unequivocally, yes. We've got significantly more inventory than we had at June 30, and we had a reasonable amount then. We've got a heck of a lot more now, and we've got all of our product categories ready. So we're more than ready for consumer legalization. And more than that, our ramp up in production is happening at exactly the right time. We're not going to be dumping old stockpiled stale product on to the market. It's all going to be fresh high-quality product.

Martin Landry - *GMP Securities L.P., Research Division - MD Equity Research & Equity Research Analyst*

Okay. And does that mean that you're not going to need to bridge any of your inventory buying from third-party suppliers?

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

No. If you take a look at historically, we've never wholesaled in more than a bit between like 4% to 7% of what we've sold, and we have no need to do that now. We're fine.

Operator

And our next question comes from the line of Graeme Kreindler with Eight Capital.

Graeme Kreindler - *Eight Capital, Research Division - Research Analyst*

Just a question here to expand on the upcoming retail environment, specifically, in Ontario. With the first 6 months being online only, I was just wondering if you could elaborate a bit on the company strategy, in terms of creating consumer awareness and brand recognition. And what's going to differentiate Aurora's products on the webpage as opposed to having the benefit of going in, in a brick and mortar store?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Well, I think you know and most on this call should know that Aurora were the first one with an app. We're still the only one with a full-scale app where you can order medical cannabis and have it delivered in many cities same day. We've done deals with distribution companies in Ontario, where I can't really speak to which ones just yet, but it was also in preparation for the medical market and Shoppers Drug Mart and what not. So that's all been in place. The brand recognition is the work that we've been doing over the last 4 years and certainly, we stepped it up as Glen reiterated on that in the last quarter. There's been -- we've had the concert series. There's been an ability to do a little bit of brand and advertising over this last quarter. And I think Aurora knocked it out of the park. The team has worked tirelessly at getting the name out there and certainly, the quality of the product and the product line will speak for itself. There's more products coming online for Aurora in the not too distant future and I think they'll be pretty impressive for the market.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

I want to reiterate what Terry just said about quality because I think that's a critical consideration that not everybody is thinking of top of mind. It's not just about being on the list, it's about the consumer experience. And the consumer experience is going to determine whether we have reorders, right. So of all of the arrangements the companies have made with provinces, none of these things are guaranteed, if you don't deliver, if the consumer experience is not good. And that's one of the areas where Aurora shines, the quality of our products, and it's actually one of the rationale for coming together with MedReleaf. We believe that Aurora and MedReleaf were the 2 highest quality large LPs in the country in terms of the quality of our product. And then the other thing is I think with respect to brand awareness. I'm really quite amazed at how broad awareness of Aurora is across the country, especially in an environment that is very highly restrictive on a regulatory basis. The name Aurora is recognized coast to coast. So I think we're exceedingly well positioned and with significant advantages over most of our peers.

Graeme Kreindler - *Eight Capital, Research Division - Research Analyst*

Okay. And then my other question is, I think there's a lot of investor excitement about the possibility of companies and outsider industries coming in, entering the space, looking to partner with an LP. I was just wondering, do you think having a U.S. listing, does that change the conversation at all for Aurora? And how does Aurora think of itself in terms of perhaps being a partner of choice? Or would it be open or leaning more towards having someone come in and participating in that -- clearly, upside of the company? Or is it more looking to retain flexibility through various joint partnerships?

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

There is an awful lot to unpack in that question, Graeme. Okay, so I'll say a couple of things off the top and then I want to hand over to Terry. First thing is for companies that are interested in mature industries, that are interested in moving into cannabis space, I think they're looking for a few things. I believe that we have checked off those boxes. We've established scale, quality, efficient production. We've got innovation and science that I don't think anybody else in the sector can touch, and we've got a global footprint that's expanding by the day. So are we well positioned to partner with potential new companies moving into this sector? Yes, but there are things that we're looking for as well. Remember that we intend to be around in 10 and 20 and 50 years. And so there are certain things that we're looking for as well to expand our capabilities. The U.S. listing, I don't think that, that affects things immediately either way. I think the primary effect of our establishing a U.S. listing is simply to broaden the universe of potential investors and to continue to raise the global profile of Aurora. Terry, you want to add to that?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Sure. This whole notion of large companies getting into this space validates the space on a global basis. These companies 3 years, 4 years ago, they wouldn't even have a sniff of what cannabis is about and now, they're seeing the effects of the properties of cannabis and the demand for cannabis, not only in a medical space but also in the liquor space and in the beverage space and in the pharma space. And there's not any product in the world that you could say that about. To try and put those 4 industries on any other product, pretty difficult besides making aluminum cans perhaps. So it's exciting, but we're not in the mood to be selling out any time soon. We want to prove what we've built, and we're going to continue to build it. And when you start to see the revenues that this company is going to generate on a global basis then you'll see even more attraction to coming onboard from these larger companies, and it's only growing. We always say, today is the smallest the cannabis space will ever be. So when we take that and we see what we've done with 1,500 employees now, starting to knock it out of the park and our global footprint, look out, we're a machine, we're tuned and we're ready for the job.

Operator

Our next question comes from the line of Fayassir Haqna with PI Financial.

Fayassir Haqna *- PI Financial Corp., Research Division - Equity Research Associate*

My first question would be can you provide an update on the retail application process with Alcanna? And how many stores should we see -- should we expect to see by the end of 2018?

Terry Booth *- Aurora Cannabis Inc. - Founder, CEO & Director*

Is that stores on a national level?

Fayassir Haqna *- PI Financial Corp., Research Division - Equity Research Associate*

No. Just in Alberta?

Terry Booth *- Aurora Cannabis Inc. - Founder, CEO & Director*

Just in Alberta. I think Alcanna are predicting that by April of 2018 that they'll have a full 37 open, and that's all been allocated. They've done a great job of actually leasing additional spaces in anticipation of more coming online and being available. So we'll be the frontrunner in Alberta, without a doubt. You've got other retailers in this space that didn't get the locations that they were granted. All the locations aren't signed yet, and there's guys out there building out these stores. And that's going to hit their pocketbooks. That's going to hit their financials, and Alcanna is a publicly traded company. They're being responsible, but they've done a good job of getting the stores that they need in the proper locations. And at the end of the year, I don't know what that number is. I think it's supposed to be close to 20. I'll leave that to them to answer.

Fayassir Haqna *- PI Financial Corp., Research Division - Equity Research Associate*

Great. My other question would be can you provide more color on the integration process with MedReleaf and Anandia Labs?

Cameron Battley *- Aurora Cannabis Inc. - Chief Corporate Officer*

Yes, I'll take the first crack at that and maybe hand it off to both Terry and Glen, if they want to chime in after that. It's going remarkably well, and one of the things that we've been making clear is that we made integration a core capability at Aurora. It's not necessarily a core capability at every company in every industry, but it's critical to us because of our pace of acquisition and because of the number of strategic partnerships we've established. So like we said, we completed the integration of CanniMed in the prescribed 90 days. We're going to do the same thing with MedReleaf. One of the stars of the Aurora Universe is Andre Jerome, who is our Senior VP of Integration, and he has just been doing amazing work. And ironically enough, we got Andre via the acquisition of one of our companies, H2 Biopharma, which is now our Aurora Eau facility in Lachute, Quebec. And so he's established an amazing team, and he is managing the integration, not just MedReleaf, but also of Anandia and doing an incredible job. Terry, do you want to add to that?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Sure. The 2 different integrations for sure, MedReleaf is another licensed producer, who have excellent facilities. I guess they're now our facilities, and we're happy to take them on. It has an amazing grow team, amazing science team and excellent management team. So that acquisition was certainly our star acquisition. When we went into CanniMed, as you know, it was a hostile takeover. I wasn't impressed, but I wasn't disappointed either, going into MedReleaf and meeting those people working in those facilities I was definitely impressed. With Anandia, what we've brought on there is the top -- are going to be the top scientists in the world with respect to cannabis and Dr. Jon Page and his cohort, Dr. Coleman. Those 2 guys have built a great business. They led the country in the analytical testing for licensed producers. We knew there was going to be a bottleneck in testing under this adult usage system. So we could either have built out a lab and done it internally or bring in the experts. They certainly are the experts. They've proven that with their discovery of pesticides and products with their standards of testing. They use the Colorado standard. I think it's over 100 pesticides they test where they're not even required to do that. We like that. The certificate of analysis was their brainchild along with Aurora. So that's a science deal and a production deal. So they're quite different. But we're quite happy to really put another piece of the puzzle in place when we brought in Anandia.

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Just going to add one thing. So Fayassir, it's Glen here. Just specifically, we know exactly what we're attempting to achieve out of each of these integration. Andre has done a great job. He's got a background of massive integration and is experienced. We go into each of these with the strategic objectives outlined what we want to get in terms of value, but we don't think we know it all. So what we're doing with MedReleaf across all the functions, so whether it's the cultivators or the finance department, we sit down and examine each other's processes and facilities and come up with best practices, so each -- in a very constructive way, critique the other functions sort of Aurora and MedReleaf and then get together and figure out what's best. So we don't go in there thinking we know everything. We're buying companies that have some incredible talent, but that's the type of process we're going through. With a real clear eye on how we're going to extract strategic value and also very open minds because we know there's lots to learn here. We're trying to bring together the best talent. So that's going exceedingly well. We march according to Andre's drum. He's got a very detailed plan. He has a full-time team, and we have leads within each of the functional areas who has their responsibility to make sure everything's being delivered. So as Cam mentioned earlier, it's a core competency and so we take it very, very seriously, and we want to extract that strategic value that we saw when we made the acquisition.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

That's a great point, Glen. There's -- across Aurora, we have this commitment to continuous improvement. I've never, in my previous career in biopharmaceuticals, seen continuous improvement evolve so quickly. So we're able to absorb lessons, and we're seeing it in real time with MedReleaf right now that are enhancing our abilities on cultivation and across other functions as well at Aurora. Something else that I do want to point out as well is that we've taken a lesson from the biopharmaceutical industry, specifically with respect to Anandia. We're not going to mess with success. So we're going to have a very light touch with Anandia. They're part of the Aurora family. They're contributing. They're complementing us across operations and partners as well, but we're not going to try and bring them into a larger corporate entity. We're going to let them continue to exercise -- or execute on their strategy with coordination with us, but we're not going to make the mistake that some big pharmaceutical companies did when they acquired small and really impressive biotech companies and then just killed them with corporate culture. We're not going to make that mistake.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Just to add to the Anandia acquisition, remember, Cam said earlier, this is a global medical market. And to have the science and scientists that Anandia brings to the table and they are also in the countries that we're in already is a very important aspect of winning the favor of the numerous health departments around the world. When we bring Jon Page and Jason Dyck and Jon Coleman and...

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Kelly Narine.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Kelly, Shane, all those are docs and they're all PhDs in their profession and they're all established. We have the plant scientists, and we have the human scientists. So it's a full favor, if you will, of scientists that are going to address a global medical need and that's research and development. And that ties into product development and it ties into innovation...

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

And intellectual property.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

And IP. And I don't think there's a team in the world that touches them. I've put maybe a couple of smaller teams in Israel in the category, but we're best in class now that CanniMed, MedReleaf and Anandia have been acquired. All 3 of those companies, very science-driven. And well, as Cam said, we're learning a lot.

Fayassir Haqna - *PI Financial Corp., Research Division - Equity Research Associate*

That's great. We're very pleased with your update. And lastly, when do you expect to close the acquisition of ICC Labs?

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Last I saw in about a month. They have a shareholder vote that they need to get through, and I'm sure that they've published a date for that. So assuming the vote goes positively, I think we're targeting about 4 weeks from now.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

And that deal, by the way, adds the only South American real science base.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Yes.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

So ta-da. Okay. It's...

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

With the lab with derivatives.

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Another checkbox.

Operator

Our last question comes from the line of [Dou Blu with Canalyst].

Unidentified Analyst

Just want to thank you guys for doing quarter-on-quarter expense breakouts. It's nice to see someone doing it sequentially. It makes my job a lot easier.

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

Cool. And that's your question?

Unidentified Analyst

You provided pro forma for sold and harvested by dollars, can you provide -- for MedReleaf? Could you provide that by grams?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

I missed the first part of your question, you broke up a bit. Can you repeat?

Unidentified Analyst

Hang on. In the pro formas, you provided dollar values for sales. I was wondering if you could provide kilogram values for sold and produced for MedReleaf?

Glen Ibbott - *Aurora Cannabis Inc. - CFO*

I'm not sure that I've got it at hand. If you'd like to follow-up, we could probably do that. You're looking for like kilograms produced at MedReleaf in Q4 basically.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

Just breaking out the way we did for Aurora plus CanniMed.

Unidentified Analyst

Yes. I'm interested in the delta. So having -- you provided the numbers for Aurora, which were great. I was just wondering what the numbers were for MedReleaf and their delta. All retail. The last...

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

I have no objection to sharing that number. So we really -- I think you sense that we're trying to establish a level of financial transparency here.

Unidentified Analyst

It's evident. It's evident. Very evident in your numbers. The last question I have and I'll let you guys get back to doing what you do is MedReleaf Exeter was the only facility on your -- in your MD&A that didn't have a time line attached to it. Just wondering if it's still up in the air? Or what's happening?

Terry Booth - *Aurora Cannabis Inc. - Founder, CEO & Director*

Well, I wouldn't call it up in the air. It's actually on the ground. It's really -- as far as -- as flighty as sky, we've got a number of projects going on right now. And our bandwidth does get stretched regardless of how quick we can hire, and as develops bandwidth. We want to look at Exeter as a facility after we finish Nordic and Sun, but don't know that we'll wait that long to get going on it. But certainly, the design expectations at Exeter, because it's an older facility, are going to be somewhat complex, and we'll assess the need when we assess the demand. To make it a Sky Class facility would be difficult, but it wouldn't -- it's not impossible. It's a decent size facility. It is another footprint in Ontario, but right now, we're focused on getting into full production with our other Sky Class facilities.

Operator

There are no further questions at this time. I'll turn the call back over to you.

Cameron Battley - *Aurora Cannabis Inc. - Chief Corporate Officer*

So I want to thank everybody once again for participating in our call today, and we will look forward to speaking with you again when we report our first quarter 2019 results, and we hope to have just as many exciting things to talk about then as we had today. Thank you, again.

Operator

This concludes today's conference call. You may now disconnect.
