May 1, 2019

TILT HOLDINGS

TILT Reports Fiscal 2018 Financial and Operating Results

Fourth Quarter Pro Forma Revenue of $32.8 million[1]
Fiscal 2018 Pro Forma Revenue of $98.0 million[2]

CAMBRIDGE, Mass.--(BUSINESS WIRE)-- TILT Holdings Inc. ("TILT" or the "Company") (CSE: TILT) (OTCQB: SVVTF), a leading business to business company in the cannabis industry, today released its audited consolidated financial statements and accompanying management discussion and analysis for the year ended December 31, 2018. The Company intends to hold a conference call with investors in conjunction with its first quarter 2019 financial results, which will be reported on or before May 30, 2019. All financial information presented in this release is in U.S. dollars, unless otherwise noted.

"The completion of our first annual consolidated audited financial results since TILT was formed and became listed on the CSE represents another significant milestone for the Company," said Alex Coleman, Chairman and CEO of TILT. "These financial results reflect the four way merger that formed TILT and the corresponding balance sheet adjustments. Overall, we are extremely encouraged by the *pro forma* results and streamlining of operations and expenses as we integrate these businesses in 2019."

Fourth Quarter and Fiscal 2018 Financial Highlights

	Q4 2018	**F2018**
Reported revenue	$5.1	$5.7
Pro forma revenue	$32.8(1)	$98.0(2)
Gross profit	$3.4	$ 2.4
Pro forma gross profit	$5.1(1)	$21.8(2)
Adjusted EBITDA	$(3.3)	$(20.7)
Pro forma Adjusted EBITDA	$(5.5)(1)	$(39.6)(2)

Fourth Quarter 2018 Operational and Financial Highlights

- Raised $125 million between a private placement offering and a strategic private placement financing with Weston Capital.
- Closed the merger of four complementary business on November 21, 2018, providing the foundation for TILT Holdings.
- Listed on the Canadian Securities Exchange on December 6, 2018.

- Announced the acquisition of Blackbird Holdings Corp. (“Blackbird”), a leading provider of logistics operations and software solutions for each touchpoint in the cannabis supply chain.
- Announced the acquisition of Standard Farms, LLC (“Standard Farms”) of Pennsylvania, a medical cannabis operator with product available in over 95% of dispensaries in the state.
- Reported revenue of $5.1 million compared to Nil in the prior year period, with *pro forma* revenue of $32.8 million.
- Adjusted EBITDA of $(3.3) million compared to $(4.1) million in the prior year period, with *pro forma* adjusted EBITDA of $(5.5) million.

Full Year 2018 Operational and Financial Highlights

- TILT commenced operations in its first cultivation and processing facility, comprising approximately 100,000 square feet in Taunton, MA.
- Opened first company-owned dispensary also in Taunton, Massachusetts in July 2018.
- Accelerated capacity expansion activities of the Taunton facility with the utilization of proprietary Company prefabricated cultivation units.
- Reported revenue of $5.7 million compared to Nil in the prior year, with *pro forma* revenue of $98 million.
- Adjusted EBITDA of $(20.7) million compared to $(4.1) million in the prior year, with *pro forma* adjusted EBITDA of $(39.6) million.

2019 Year-to-Date Operational Highlights

- Closed the acquisition of Jupiter Research LLC (“Jupiter”), a leading inhalation and vaporization technology company.
- Closed the previously announced acquisitions of Blackbird and Standard Farms.
- Successfully launched manufacturing supply-chain partnerships in Massachusetts for third-party clients.
- Blackbird launched on-demand direct-to-consumer cannabis delivery in the greater Los Angeles area.
- Expanded Jupiter distribution in California through integration with TILT’s software and supply chain services.
- Successfully uplisted shares to the OTCQB Venture Market.
- Announced key additions to its board of directors and executive management team.

“The fourth quarter of 2018, in particular, was an important period for TILT, as we completed a $119 million capital raise, merged four leading businesses and announced key acquisitions. TILT continues to emerge as a leading industry partner and provider of B2B services, positioning the Company to benefit from capturing value across the entire cannabis supply chain. The business was officially formed during this past calendar year and, in spite of being at the front end of a long-term growth phase, we are already generating significant revenue on a *pro forma* basis. As the complementary businesses we have acquired and merged continue to integrate, we look forward to realizing further growth and improved margins," continued Coleman.

(1) Represents the pro forma unaudited gross revenue generated by TILT in the fourth quarter of fiscal 2018 assuming the closing of the business combination (the "Business Combination") between Sea Hunter Therapeutics LLC, Briteside Holdings, LLC, Baker Technologies, Inc. and Santé Veritas Holdings Inc., and the acquisitions of Jupiter, Blackbird and Standard Farms occurred on October 1, 2018.

(2) Represents the pro forma unaudited gross revenue generated by TILT in fiscal 2018 assuming the closing of the Business Combination and the acquisitions of Jupiter, Blackbird and Standard Farms occurred on January 1, 2018.

Full Year 2018 Results

For the full year 2018, revenue was $5.7 million, up from $0.0 million in the prior year, with $98.0 million[2] in *pro forma* revenue for the year. Reported revenue includes revenue of Sea Hunter for the full year and approximately one month of revenue contribution from the merged businesses of Baker Technologies, Briteside and Santé Veritas. *Pro forma* revenue includes a full year contribution from the merged businesses as well as the contribution of business acquisitions closed in January 2019.

Gross profit for the full year 2018 was $2.4 million, compared to $0.0 million in the prior year. Gross margin for the full year 2018 reflects the start-up costs associated with beginning cultivation operations in Massachusetts during the year. On a *pro forma* basis, including a full year contribution from the merged businesses as well as the contribution of business acquisitions closed in January 2019, *pro forma* gross profit was $21.8 million[2].

Total operating expenses were $56.6 million, compared to $4.1 million in the prior year. The operating expenses reflect significant levels of non-cash stock compensation expense and professional fees associated with the transition to a public company and capital raising activities.

Loss from operations was $54.1 million, compared to $4.1 million in the prior year, reflecting the operating expense levels noted above and the early stage of operations for most of fiscal 2018. The reported net loss for the full year 2018 was $552.1 million, compared to $4.1 million in the prior year. The net loss included a $496.4 million one-time, non-cash goodwill impairment taken at the end of fiscal 2018 related to the Company's reverse takeover of SVH. Excluding the goodwill impairment, net loss for fiscal 2018 was $55.7 million.

Adjusted EBITDA was $(20.7) million compared to $(4.1) million. *Pro forma* adjusted EBITDA, including a full year contribution from the merged businesses as well as the contribution of business acquisitions closed in January 2019, was $(39.6) million.

Cash Balance

The Company's cash and cash equivalents at December 31, 2018 were $97.2 million, compared to $0.1 million on December 31, 2017. There was no debt as of December 31, 2018.

About TILT

TILT is a leading provider of products and services to businesses operating in the cannabis industry. The Company offers the contract manufacturing of marijuana in a variety of form factors, vaporizer and inhalation devices, business and consumer delivery services, and a broad suite of software products for over 1,500 retailers and brands throughout the U.S., Canada and Europe. The majority of TILT's products are customized to client specifications and branding, all enabling them to operate their businesses more efficiently and connect with their customers more effectively. The Company is organized in two main business units, Software & Services and Consumer Devices & Packaged Goods, designed to augment competencies across the organization in research, manufacturing, packaging and technology to deliver end-to-end services and customer solutions. All of TILT's products are supported by an extensive research process led by scientists and engineers, using data analytics and discovery to produce new products helping shape the industry. Headquartered in Cambridge, MA, with offices throughout the U.S., Toronto and London, TILT has over 500 employees and has sales in 40 U.S. states, Canada and Europe. For more information, please visit www.tiltholdings.com.

Forward-Looking Information

This news release contains forward-looking information based on current expectations. Forward-looking information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward looking information may include, without limitation, the receipt of the Certificate of Operation by Standard Farms, the operational date of the Facility, the expected growth of the Ohio cannabis market, the opinions or beliefs of management, prospects, opportunities, priorities, targets, goals, ongoing objectives, milestones, strategies and outlook of TILT, and includes statements about, among other things, future developments, the future operations, strengths and strategy of TILT. Generally, forward looking information can be identified by the use of forward looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". These statements should not be read as guarantees of future performance or results. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including TILT's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances.

Although such statements are based on management's reasonable assumptions at the date such statements are made, there can be no assurance that they it be completed on the terms described above and that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on the forward-looking information. TILT assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

By its nature, forward-looking information is subject to risks and uncertainties, and there are *a variety of material factors, many of which are beyond the control of TILT, and that may cause actual outcomes to differ materially from those discussed in the forward-looking statements.*

The CSE has neither approved nor disapproved the contents of this news release.

Pro Forma **Presentation**

The pro forma information ("Pro Forma Information") presented herein is not necessarily indicative of the operating results or financial condition that would have been achieved if the proposed acquisitions to which the Pro Forma Information relates had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or financial position of the combined entities for any future period or as of any future date. Actual amounts recorded upon consummation of the acquisitions to which the Pro Forma Information relates would likely differ from those recorded in the Pro Forma Information. The Pro Forma Information does not reflect any special items such as integration costs or operating synergies that may be realized as a result of the acquisitions to which the Pro Forma Information relates.

Non-IFRS Financial and Performance Measures

In addition to providing financial measurements based on International Financial Reporting Standards ("IFRS"), the Company provides additional financial metrics that are not prepared in accordance with IFRS. Management uses non-IFRS financial measures, in addition to IFRS financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, and to evaluate the Company's financial performance. These non-IFRS financial measures are Adjusted EBITDA and Pro Forma Adjusted EBITDA.

Management believes that these non-IFRS financial measures reflect the Company's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparing financial results across accounting periods and to those of peer companies. Management also believes that these non-IFRS financial measures enable investors to evaluate the Company's operating results and future prospects in the same manner as management. These non-IFRS financial measures may also exclude expenses and gains that may be unusual in nature, infrequent or not reflective of the Company's ongoing operating results.

As there are no standardized methods of calculating these non-IFRS measures, the Company's methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA and Adjusted EBITDA

Adjusted EBITDA and Pro Forma Adjusted EBITDA are financial measures that are not defined under IFRS. The Company uses these non-IFRS financial measures, and believes they enhance an investor's understanding of the Company's financial and operating *performance from period to period, because they excludes certain material non-cash items and certain other adjustments management believes are not reflective of the Company's ongoing operations and performance. The Company calculates EBITDA as net income (loss), plus (minus) income taxes (recovery), plus (minus) interest expense (income), plus depreciation and amortization expense. Adjusted EBITDA excludes certain one-time non-operating expenses, as determined by management, including stock compensation expense, goodwill impairment, loss (gain) on disposal of asset and business combination expense.*

Reconciliations of Non-IFRS Financial and Performance Measures

Adjusted EBITDA is reconciled to Net Loss in the Management Discussion and Analysis of the Company for the year ended on December 31, 2018, which is available on the Company's SEDAR profile at www.sedar.com. Pro Forma Adjusted EBITDA is reconciled to [Net Loss] in the table that follows:

Reconciliations of Non-IFRS Financial and Performance Measures

The table below reconciles Net Loss to EBITDA and Adjusted EBITDA for the periods indicated.

	Year Ended Dec. 31, 2018	**Period from Sep. 20 (Inception) to Dec. 31, 2017**	**Quarter Ended Dec. 31, 2018**	**Quarter Ended Dec. 31, 2017**
Net Income (Loss) (IFRS)	$(552,119,036)	$ (4,133,202)	$(534,039,414)	$(4,133,202)
Add (Deduct) Impact of:				
Net Interest Expense (Income)	-	-	-	-
Income Tax Expense (Recovery)	$ 47,744	-	$ 47,744	-
Depreciation and Amortization	$ 1,842,704	-	$ 1,136,751	-
Total Adjustments	$ 1,890,448	-	$ 1,184,495	-
EBITDA (Non-IFRS)	**$(550,228,588)**	**$ (4,133,202)**	**$(532,854,919)**	**$(4,133,202)**
EBITDA (Non-IFRS)	$(550,228,588)	$ (4,133,202)	$(532,854,919)	$(4,133,202)

Add (Deduct) Impact of:				
Foreign Exchange Loss (Gain)	$ 106,534	-	$ 106,534	-
Stock Compensation Expense	$ 28,967,349	-	$ 28,967,349	-
Goodwill Impairment	$ 496,447,782	-	$ 496,447,782	-
Business Combination Expense	$ 4,047,377	-	$ 4,047,377	-
Total Adjustments	$ 529,569,042	-	$ 529,569,042	-
Adjusted EBITDA (Non-IFRS)	**$ (20,659,546)**	**$ (4,133,202)**	**$ (3,285,877)**	**$(4,133,202)**

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