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TILT Acquires Cannabis Distribution Startup Blackbird and Medical Cannabis Operator Standard Farms

Latest acquisitions expand TILT's cultivation, logistics and supply chain capabilities serving the cannabis industry

BOSTON--(BUSINESS WIRE)-- [TILT Holdings Inc.](#) ("TILT" or the "Company") (CSE:TILT), a vertically-integrated infrastructure and technology platform serving the cannabis industry, announced it has acquired two leading cannabis companies to expand its capabilities in the cultivation and logistics spaces. TILT has acquired Blackbird Holdings Corp. ("Blackbird"), a distribution company providing logistics operations and software solutions for each touchpoint in the cannabis supply chain. This announcement is the latest in a series of moves to expand TILT's offerings for cannabis businesses and consumers. Today, TILT officially began trading on the Canadian Securities Exchange under the ticker symbol "TILT".

"The Blackbird acquisition represents a major expansion of our operations and delivery capabilities for cannabis businesses," said Alex Coleman, CEO of TILT. "Blackbird has built out an incredible offering of solutions focused on distribution and last-mile, direct-to-consumer delivery as well as software for wholesale and retail inventory management. That is an important element of our portfolio and we're happy to welcome Blackbird to the TILT family."

Blackbird works with more than 250 wholesale and retail cannabis operators in Nevada and California to transport an average of \$30 million in wholesale cannabis products every 30 days. With involvement in 95% of the cannabis sold in Nevada, Blackbird plans to expand its capabilities in Massachusetts, Arizona and California. In addition to back-end delivery and operations solutions for cannabis dispensaries, Blackbird also includes a consumer marketplace for cannabis delivery and pick-up called BlackbirdGo. The marketplace, which is currently operational in California, connects dispensaries and brands with access to more than 95,000 legal consumers.

"We have an unwavering belief in our mission and vision and the team we have assembled to execute on both," said Timothy Conder, CEO of Blackbird. "We are privileged to get to work in cannabis alongside such wonderful and talented operators and we recognize our debt to those that came before us. The TILT acquisition will allow us to increase the scale and scope of our execution."

Founded in 2015 in Reno, Nevada, the company has grown to include more than 130 employees. More information about Blackbird can be found at <https://www.myblackbird.com>.

Consideration for the Blackbird acquisition consists of US\$5M cash and US\$45M in securities. The exchange rate between USD and CAD is calculated over the 5 days leading

up to closing. Compressed shares of TILT will be issued as consideration at CAD\$525, a deemed value of CAD\$5.25 per common share based on 1 compressed share being convertible into 100 common shares of TILT. The outside date for the closing of the deal is January 31, 2019.

TILT is also releasing more details about the recently [announced](#) acquisition of Standard Farms.

Standard Farms is a multi-state medical cannabis operator focused on greenhouse cultivation and Co2 extraction. Standard Farms is in over 95% of the Pennsylvania's dispensaries and has shipped over 200,000 units of product.

The Standard Farms acquisition consists of US\$12M cash and US\$28M in securities, subject to reallocation of up to US\$5M from cash to securities. The exchange rate between USD and CAD is calculated over the 5 days leading up to closing. Common shares of TILT will be issued as consideration at a value of CAD\$5.25 per common share or the five day volume weighted average price of the common shares on the CSE leading up to the closing date, whichever is lower. Upon approval from local Pennsylvania regulatory authority, the outside date for the closing of the deal is March 31, 2019.

As one of the cannabis industry's most holistic platforms, TILT provides technology-driven products and services across every stage of the cannabis supply chain. More information about the company's other recent acquisitions and moves within the cannabis industry can be found [here](#).

About TILT

TILT Holdings Inc. is a vertically-integrated technology and infrastructure platform delivering the most comprehensive range of products and services across the cannabis industry. TILT strives to deliver the highest quality products and services through knowledge-based technology systems for both businesses and consumers. TILT technologies has a presence in more than 1,000 dispensaries across the U.S., Canada, Puerto Rico and Jamaica. For more information, please visit www.tiltholdings.com.

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

This news release does not constitute an offer to sell or a solicitation of an offer to sell 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 securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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, completion of the acquisitions of Blackbird and

Standard Farms, statements regarding the operations, business, financial condition, expected financial results, performance, 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 the Company. 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.

Examples of the assumptions underlying the forward-looking statements contained herein include, but are not limited to those related to: the receipt of all necessary consents and approval for the acquisition of Blackbird and the acquisition of Standard Farms, the ability of TILT to obtain necessary financing in the future to pursue its business plans, the achievement of goals, the obtaining of all necessary permits and governmental approvals, as well as expectations regarding availability of equipment, skilled labour and services needed for cannabis operations, intellectual property rights, development, operating or regulatory risks, trends and developments in the cannabis industry, business strategy and outlook, expansion and growth of business and operations, the timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; access to capital; future operating costs; government regulations, including future legislative and regulatory developments involving medical and recreational marijuana and the timing thereto; receipt of appropriate and necessary licenses in a timely manner; the effects of regulation by governmental agencies; the anticipated changes to laws regarding the recreational use of cannabis; the demand for cannabis products and corresponding forecasted increase in revenues; and the size of the medical marijuana market and the recreational marijuana market.

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 Holdings 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. These factors include, but are not limited to: denial or delayed receipt of all necessary consents and approvals; need for additional capital expenditures; increased costs and timing of operations; unexpected costs associated with environmental liabilities; requirements for additional capital; reduced future prices of cannabis; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the cannabis industry; delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities; title disputes; claims limitations on insurance coverage; risks related to the integration of acquisitions; fluctuations in the spot

and forward price of certain commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the countries where the Company may carry on business in the future; liabilities inherent in cannabis operations; risks relating to medical and recreational cannabis; cultivation, extraction and distribution problems; competition for, among other things, capital, licences and skilled personnel; risks relating to the timing of legalization of recreational cannabis; changes in laws relating to the cannabis industry; and management's success in anticipating and managing the foregoing factors.

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