

July 10, 2018



# Baker, Briteside, Sea Hunter and Santé Veritas Announce Signing of Definitive Business Combination Agreement

TORONTO, July 10, 2018 /CNW/- Further to the May 15, 2018 press release issued by the four parties, Santé Veritas Holdings Inc ("**SVT**"), Baker Technologies, Inc. ("**Baker**"), Briteside Holdings, LLC ("**Briteside**"), and Sea Hunter Therapeutics, LLC ("**Sea Hunter**"), the parties now wish to announce that they have signed a definitive business combination agreement (the "**BCA**") which replaces the binding letter of intent that was previously signed with respect to the merger of these companies (the "**Business Combination**"). It is anticipated that the merged company will operate under the name TILT Holdings Inc. ("**TILT**").

## Summary of the Business Combination

Following completion of the Business Combination, it is expected that former shareholders and securityholders of each of Baker, Briteside, Sea Hunter and SVT will own approximately 15.59%, 24.43%, 44.98% and 15.00%, of TILT, respectively. The Business Combination contemplates that the former shareholders, members and securityholders, as the case may be, of Baker, Briteside and Sea Hunter will receive compressed shares of TILT. The terms of the compressed shares will provide the holders with super voting rights and a right to convert the compressed shares into common shares of TILT, subject to certain limitations. The former holders of shares of SVT will receive only common shares of TILT. Outstanding options and warrants of the parties will be adjusted in accordance with their terms to reflect the consideration described above.

It is anticipated that the Business Combination will be carried out by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia), and will require the approval of: (i) at least two-thirds of the votes cast by the shareholders of TILT (which at such time, will effectively be the shareholders of Baker, members of Briteside, and Sea Hunter Holdings, LLC ("**Sea Hunter Holdings**")); and (ii) at least two-thirds of the votes cast by the shareholders of SVT; each at a special meeting (the "**Meetings**") of their respective shareholders to be held on the same day. Additionally, certain approvals from a majority of the minority shareholders of TILT and SVT will also be obtained.

The Business Combination includes customary fiduciary-out provisions, non-solicitation covenants, and the right to match any superior proposal. A termination fee of US\$5 million is payable by a party in the case of certain terminating events, and damages may also be payable in certain circumstances.

The Business Combination is also subject to completion of the definitive agreements relating to the Business Combination that are in addition to the BCA (the "**Definitive Agreements**"), receipt of requisite regulatory approval, including the approval of the CSE, and court

approval. Trading in the common shares of SVT has been halted in accordance with the policies of the CSE and will remain halted until the Business Combination has been completed. One of the conditions to the completion of the Business Combination is the acceptance of the listing of TILT's common shares on the CSE. The Business Combination is expected to close in August, 2018.

Prior to executing the BCA, the Board of Directors of TILT (who are nominees of Baker, Briteside and Sea Hunter) (the "**TILT Board**"), obtained a fairness opinion that the Business Combination is fair, from a financial point of view, to TILT's shareholders. The Board of Directors of SVT (the "**SVT Board**") also obtained a fairness opinion, from Echelon Wealth Partners Inc., that the Business Combination in so far as it relates to SVT, is fair, from a financial point of view, to SVT.

The TILT Board has unanimously approved the Business Combination and shareholders of Baker, members of Briteside and Sea Hunter Holdings, who will hold approximately 11.71%, 28.74% and 52.91%, respectively, of the issued and outstanding shares of TILT prior to the Business Combination have entered into lock-up agreements and have agreed to vote in favour of the Business Combination. The SVT Board has unanimously approved the Business Combination and a shareholder of SVT, who holds approximately 12.62% of the issued and outstanding shares of SVT has entered into a lock-up agreement and has agreed to vote in favour of the Business Combination in so far as it relates to SVT.

### **TILT's Board of Directors and Officers**

The Board of Directors of TILT, upon completion of the Business Combination (the "**Resulting Issuer Board**"), will consist of seven members. Each representative of Baker, Briteside, Sea Hunter and SVT will be entitled to nominate one member to the Resulting Issuer Board. The four such board members will nominate three additional directors to the Resulting Issuer Board. The Resulting Issuer Board shall initially consist of Alexander Coleman, Michael Orr, Justin Junda, Baker's nominee and three additional persons collectively nominated by them. Alexander Coleman, CEO of Sea Hunter and proposed CEO of TILT upon completion of the Business Combination, and Michael Orr, the Executive Chairman of SVT, are proposed to be co-Chairmen of the Resulting Issuer Board.

Joel Milton, Baker's current CEO, will assume a role as President overseeing the technology business; and Robert Leidy, Managing Partner at Sea Hunter, will assume a role as President in charge of consumer related operations. Justin Junda, Briteside's current CEO, will assume the role of Chief Strategy Officer.

### **Additional Information**

Additional information regarding SVT is available under SVT's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Additional information regarding the Business Combination, Baker, Briteside, and Sea Hunter, will be made publicly available by the parties in accordance with applicable securities laws.

A summary of the BCA including the Plan of Arrangement attached thereto, a description of the various factors considered by TILT Board and the SVT Board in their respective

decisions to approve the Business Combination, as well as other relevant background information will be included in the management information circular to be mailed to shareholders and members of SVT, Baker, Brideside and Sea Hunter (the "**Circular**") in advance of the Meetings. Copies of the Circular will be available on SEDAR at [www.sedar.com](http://www.sedar.com) as part of the public filings of SVT.

The securities which will be issued pursuant to the Business Combination will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful.

### **Forward-Looking Information**

*Certain portions of this press release contain "forward-looking information" within the meaning of applicable Canadian securities legislation, which is also referred to as "forward-looking statements", which may not be based on historical fact. Wherever possible, words such as "will", "plans," "expects," "targets," "continues", "estimates," "scheduled," "anticipates," "believes," "intends," "may," "could," "would" or might, and the negative of such expressions or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information. Such forward-looking statements include, without limitation, the Business Combination, the expected business of TILT after completion of the Business Combination, the negotiation and execution of the Definitive Agreements, and the timing thereof.*

*Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. The forward-looking statements and information are based on certain key expectations and assumptions made by SVT, including expectations and assumptions concerning SVT, Baker, Brideside, Sea Hunter, TILT, and the Business Combination, the timely receipt of all required shareholder and regulatory approvals, including the approval of the CSE and court approval, and the satisfaction of other closing conditions in accordance with the terms of the BCA and the Definitive Agreements. Although SVT believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because SVT, Baker, Brideside, Sea Hunter, and TILT can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, the results of the due diligence review on the parties on each other are less than satisfactory, or the required shareholder approvals, CSE approval or court approvals are not obtained, the conditions in the BCA and Definitive Agreements are not satisfied or waived, a termination event occurs such as a superior proposal, or material amendments to the BCA. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. SVT, Baker, Brideside, Sea Hunter and TILT undertake no obligation to update publicly or revise any*

*forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. SVT undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*

SOURCE Santé Veritas Holdings Inc.

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