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# TILT Holdings Announces Closing of US\$119M Equity Capital Raise

*Positions Company to Accelerate Growth Across the Cannabis Industry With Closing of Business Combination*

BOSTON--(BUSINESS WIRE)-- TILT Holdings Inc. ("**TILT**" or the "**Company**"), which is a vertically-integrated technology and infrastructure platform delivering a comprehensive range of products and services across the cannabis industry, announces the successful closing of an equity capital raise (the "**Offering**") by a special purpose financing entity ("**Finco**") resulting in aggregate gross proceeds of approximately US\$119 million. The Offering was completed in contemplation of the closing of the previously announced proposed merger (the "**Business Combination**") of Baker Technologies Inc. ("**Baker**"), Briteside Holdings LLC ("**Briteside**"), Sea Hunter Therapeutics, LLC ("**Sea Hunter**") and Santé Veritas Holdings Inc. ("**SVT**") (CSE: SV) to form one of the industry's most comprehensive platforms, to be operated under the name TILT Holdings Inc. Pursuant to the Offering, Finco issued 22,886,858 subscription receipts at a price of C\$5.25 per subscription receipt (the "**Subscription Receipts**"). The gross proceeds of the Offering, less 50% of the Agents' (as defined below) commission, were held in escrow pending the closing of the Business Combination.

The Offering was completed by a syndicate of agents lead by Canaccord Genuity Corp. and including Cormark Securities Inc., Eight Capital Corp., GMP Securities L.P., PowerOne Capital Markets Limited, Haywood Securities Inc. and Gravitas Securities Inc. (collectively, the "**Agents**").

Each Subscription Receipt automatically converted into one Finco common share immediately prior to and in connection with the completion of the Business Combination, without payment of additional consideration or further action on the part of the holder, and the funds held in escrow, less 50% of the Agents' commission, were released to the Company. As part of the Business Combination, each Finco common share was exchanged for one common share of the Company (each a "**TILT Share**").

In addition to the Offering, Finco completed a concurrent non-brokered private placement offering of 6,961,659 special shares of Finco, which raised additional funds of approximately US\$28,140,000. In connection with the Business Combination, each special share was exchanged for 0.01 compressed shares in the capital of TILT.

The TILT Shares have been conditionally approved for listing on the Canadian Securities Exchange (the "**CSE**") under the ticker "TILT". Listing and trading of the TILT Shares is anticipated to commence by the end of the month.

The combination of four leading cannabis businesses enables TILT to deliver complementary products and services designed to empower the legal cannabis industry in

markets throughout the world. The Business Combination results in the creation of two market dominant business lines, focused on infrastructure and technology which, along with the people and capital, allows TILT to deliver the best products to businesses and consumers. To further expand on this strategy, the merging companies have completed numerous complementary acquisitions, adding both assets and technologies in multiple markets and have a significant pipeline of transactions under review.

“With TILT we are building a technology-driven infrastructure solution to maximize customer engagement and product delivery while also enabling industry participants to scale across new markets with these same systems,” said Alex Coleman, Co-Chairman and Chief Executive Officer of TILT, and co-founder of Sea Hunter. “We intend to leverage the Business Combination and the net proceeds of the Offering to accelerate our growth across the cannabis industry with a pipeline of infrastructure expansions, acquisitions and partnerships. We are well-positioned to effectively and efficiently capitalize on the consolidation that is occurring across most markets in the industry with the goal of delivering the highest quality products and services where laws permit.”

Upon completion of the Business Combination, TILT will operate production facilities in multiple markets across the US and internationally, delivering genetically researched cannabis products through vertically integrated operations, largely through the wholesale market in partnership with retail operators. The Company will also provide a comprehensive suite of software and services to these same retail partners, helping them connect with over 2 million unique retail customers with knowledge based promotional activities. Presently, more than 1,000 dispensaries across the U.S, Canada, Puerto Rico and Jamaica are using solutions from Baker Technologies.

“With a presence in a third of all U.S. dispensaries, TILT - through Baker - will have a proven track record of engaging consumers and optimizing dispensary operations and revenue,” added Coleman. “With this capital raise, we are poised to grow our market share and enable more retailers to increase store traffic, revenue and customer loyalty.”

## **About TILT Holdings**

TILT 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’s technologies will have 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](http://www.tiltholdings.com).

*The CSE has not in any way passed upon the merits of the Offering, the Transaction or the listing of the common shares of the resulting issuer, and has neither approved nor disapproved the contents of this news release. Approval of the CSE for the listing of the TILT Shares will be subject to, among other things, the Company satisfying the listing requirements of the CSE. There can be no assurance that the approval of the CSE regarding the listing of the resulting issuer shares will be obtained.*

*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, 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, the closing of the Business Combination, future developments, the future operations, strengths and strategy of the Company, and the listing of the TILT Shares on the CSE. 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, Baker's, Briteside's, Sea Hunter's and SVT'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 ability of TILT to obtain necessary financing 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 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 the Company, Baker, Briteside, Sea Hunter, or SVT, 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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