

April 15, 2019



## **TILT Holdings Announces Preliminary Fourth Quarter Pro Forma Revenue and Announces Fourth Quarter and Fiscal 2018 Earnings Release Date**

CAMBRIDGE, Mass.--(BUSINESS WIRE)-- [TILT Holdings Inc.](#) ("TILT" or the "Company") (CSE: TILT) (OTC: SVVTF) today announced preliminary and unaudited *pro forma* fourth quarter 2018 gross revenue of US\$31 million<sup>1</sup>, with 15% gross margins. The Company will release audited financial results for its fourth quarter and full year 2018 ended December 31, 2018 after market close on Tuesday, April 30, 2019.

Fourth quarter *pro forma* revenue was driven by continued growth of all companies within TILT, including recent acquisitions. TILT's broad source of revenue now includes the sale of cannabis products, vaporizer devices, business and consumer delivery and software and services. The businesses that now comprise TILT were segment leading while independent, and are now benefiting from integration, allowing them to sell a broader suite of value-added products and services to the same business customer base. New product launches by Jupiter, expanded services in California, Nevada and other geographic territories by Blackbird, a more robust software platform by Baker and additional states for cannabis like Pennsylvania from Standard Farms are all contributing to the historical and future growth of the Company. This will further be enhanced through the transition of certain states such as Massachusetts to adult use, where demand is significantly higher than a medical only state.

"TILT's Q4 *pro forma* revenue indicates that the Company is one of the larger revenue producing US companies in the cannabis industry<sup>2</sup>," said Alex Coleman, TILT's Chief Executive Officer. "Our unique B2B model enables us to provide software, hardware, distribution and production support to over 1,500 retailers and producers, generating significant revenue for businesses that are our clients. As the complementary businesses we have acquired and merged continue to integrate, we look forward to even greater growth and revenue opportunities as well as continuously improving margins."

With operations and sales in forty states in the United States ("U.S."), Canada and Europe, TILT provides products and services, which enable other cannabis businesses to operate more efficiently and connect with the consumer more effectively.

TILT's historical results do not reflect any material sales from cannabis products. Massachusetts, TILT's first cannabis market and the location of its corporate headquarters, is in the process of converting previously not-for-profit medical licenses to for-profit adult-use licenses. TILT anticipates further revenue growth throughout the year as adult-use sales in Massachusetts come online, from the Company's expansion in other states and the ongoing integration of software products and services, all realizing value from every stage of the

cannabis supply chain. In markets where TILT has manufacturing assets, it also realizes revenue from contract manufacturing.

1 Represents the *pro forma* unaudited gross revenue generated by TILT in the fourth quarter of fiscal 2018 assuming the following occurred on October 1, 2018: (i) the closing of the business combination (the “Business Combination”) between Sea Hunter Therapeutics LLC, Brideside Holdings, LLC, Baker Technologies, Inc. and Santé Veritas Holdings Inc.; and (ii) the acquisitions of Jupiter Research LLC (“Jupiter”), Blackbird Holdings Corp. (“Blackbird”) and Standard Farms LLC (“Standard Farms”). Actual closing dates were: (i) Business Combination (November 21, 2018); (ii) Jupiter (January 14, 2019); (iii) Blackbird (January 16, 2019); and (iv) Standard Farms (January 28, 2019).

2 Source: <https://www.newcannabisventures.com/cannabis-company-revenue-ranking/>

## **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](http://www.tiltholdings.com).

## **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.*

## **Accounting Constructs and Unaudited, Unreviewed Status of Financial Information**

*The financial information included in this press release is not required for any regulatory purpose and is therefore provided solely for additional investor guidance. All financial information provided is neither audited nor reviewed. Where possible the information has been constructed by management from available audited or audit reviewed financial statements. Where no audited or audit reviewed information has been available, additional management accounting information has been utilized to construct the financial information.*

## **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 TILT's future business operation, expectation of sales or revenue, the opinions or beliefs of management, 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 TILT. Generally, forward looking information can be identified by the use of forward looking terminology such as "pro forma", "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.*

*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 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 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.*

*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.*

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Source: TILT Holdings Inc.