

February 17, 2021



# TILT Holdings Provides Preliminary Fourth Quarter Results, Operational Highlights and 2021 Outlook

*Jupiter Q4 2020 revenues return to pre-COVID levels*

*Standard Farms extraction capacity increased by 100% during Q4 2020*

*CAC lab and kitchen production capacity increased by 100% during Q4 2020*

PHOENIX, Feb. 17, 2021 (GLOBE NEWSWIRE) -- [TILT Holdings Inc.](#) ("**TILT**" or the "**Company**") (**CSE: TILT**) (**OTCQX: TLLTF**), a provider of business solutions to the global cannabis industry that includes inhalation technologies, cultivation, manufacturing, processing, brand development, distribution and retail, announced preliminary financial results and operational highlights for the fourth quarter ended December 31, 2020 ("Q4 2020") and full year outlook for 2021. All financial information is unaudited and provided in U.S. dollars except where otherwise indicated.

## Projected Preliminary Financial Highlights:

- Q4 2020 revenue is projected to be between \$42.2 million and \$43.2 million, compared to Q3 2020 revenue of \$40.4 million
- Q4 2020 Adjusted EBITDA is projected to be between \$2.6 million and \$3.6 million, compared to Q3 2020 Adjusted EBITDA of \$2.8 million
- Pro-forma Q4 2020 revenue excluding the Company's former subsidiary, Blackbird, is projected to be between \$41.3 million and \$42.3 million, compared to Q3 2020 pro-forma revenue of \$39.1 million
- Pro-forma Q4 2020 Adjusted EBITDA excluding the Company's former subsidiary, Blackbird, is projected to be between \$4.6 million and \$5.6 million, compared to Q3 2020 pro-forma Adjusted EBITDA of \$5.4 million
- \$7.4 million cash balance as of Dec. 31, 2020, compared to \$4.3 million at Sept. 30, 2020

## Fourth Quarter 2020 Operational Highlights:

- Jupiter Research LLC's ("**Jupiter**") power supply revenue doubled from Q3 2020 to Q4 2020; revenues during the quarter reached pre-COVID levels
- Commonwealth Alternative Care, Inc.'s ("**CAC**") lab and kitchen production capacity increased 100% during the quarter; cultivation expansion approved [October 2020](#)

planted during Q4 2020 and expected to yield first harvest in March 2021

- Standard Farms, LLC (**“Standard Farms”**) doubled extraction processing capacity during the quarter; introduced six new manufactured product offerings

### **Full Year 2021 Outlook:**

2021 strategic initiatives fully funded; outlook not expected to require significant CAPEX or M&A.

- Revenue range of \$205 million to \$210 million
- Adjusted EBITDA range of \$30 million to \$32 million

### **Management Commentary:**

“2020 was a transformative year for TILT, as the Company reimaged what an MSO could look like,” said Gary Santo, president of TILT. “We finished the year with a strong fourth quarter that saw continued improvement in harvest yields and production efficiencies at our plant touching assets, and a return to pre-COVID revenue levels in our inhalation business. The added flexibility created by the divestiture of Blackbird during the quarter has positioned TILT to enter 2021 with additional resources and improved cash flow from operations that can be reinvested in core growth initiatives, such as research and development, expanding cultivation and contract manufacturing and wholesale operations.”

Mr. Santo added, “January has seen Jupiter ship over five million cartridges, a new Company record, and based upon our solid performance in the fourth quarter and a strong start to the new year, we are pleased to release full year 2021 revenue guidance of \$205 million to \$210 million and full-year 2021 adjusted EBITDA guidance of \$30 million to \$32 million. We look forward to delivering value to our shareholders through improved messaging and relentless execution of our strategic vision.”

### **About TILT**

TILT helps cannabis businesses build brands. Through a portfolio of companies providing technology, hardware, cultivation and production, TILT services brands and cannabis retailers across 35 states in the U.S., as well as Canada, Israel, Mexico, South America and the European Union. TILT’s core businesses include Jupiter a wholly owned subsidiary and leader in the vaporization segment focused on hardware design, research, development and manufacturing; and cannabis operations CAC in Massachusetts and Standard Farms in Pennsylvania. TILT is headquartered in Phoenix, Arizona. For more information, visit [www.tiltholdings.com](http://www.tiltholdings.com).

### **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 EBITDA and Adjusted EBITDA.

EBITDA and 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 exclude 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, unrealized gain/loss on changes in fair value of biological assets, fair value changes in biological assets included in inventory sold and business acquisition expense. There are components of fair value of biological assets and other one-time non-operating expenses required for the reconciliation of Adjusted EBITDA to Net Income that are currently in the process of finalization. Therefore, a reconciliation of the range of Adjusted EBITDA to net income will be provided when actual results are released.

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.

### **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, projections regarding fourth quarter 2020 financial results and 2021 full-year outlook the expected timing of CAC's first harvest yield, 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 “projects”, “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, the ability of TILT to maximize shareholder value, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances.

This press release also contains future oriented financial outlook and financial information (collectively, “**FOFI**”) within the meaning of applicable Canadian securities laws. The FOFI included herein has been approved by management of TILT as of the date hereof to demonstrate TILT’s current expectations regarding the future financial results of the Company. TILT believes that the FOFI has been prepared on a reasonable basis, reflecting best estimates and judgments, and based on a number of assumptions that TILT’s management believes are reasonable under the current circumstances. However, because this information is highly subjective and subject to numerous risks, including the risks discussed above, it should not be relied on as necessarily indicative of future results. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the FOFI prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although management of TILT has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended.

Although such statements are based on management’s reasonable assumptions at the date such statements are made, there can be no assurance that it will 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.

For additional information regarding forward-looking statements and their related risks, please refer to the “Risk Factors and Uncertainties” section in the Management Discussion and Analysis of the Company for the quarter ended on September 30, 2020, which is available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

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

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**TILT**  
**HOLDINGS**

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