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TILT Announces Historic Partnership with Shinnecock Indian Nation of New York to Develop Vertical Cannabis Operations

TILT and the Shinnecock Nation will cooperatively build and operate cannabis cultivation, processing, dispensaries and consumption lounge facilities on Long Island

PHOENIX, Aug. 24, 2021 (GLOBE NEWSWIRE) --[TILT Holdings Inc.](#) ("TILT" or the "Company") ([NEO: TILT](#)) ([OTCQX: TLLTF](#)), a global provider of cannabis business solutions that include inhalation technologies, cultivation, manufacturing, processing, brand development and retail, today announced a new partnership with the Shinnecock Indian Nation ("Shinnecock" or the "Nation"), a federally recognized Native American tribe living on their traditional lands on Long Island, N.Y., to establish vertical cannabis operations on their aboriginal tribal territory in the Hamptons.

Through a joint venture with the Nation's cannabis project development firm Conor Green, TILT will finance, build and provide management services for the vertical cannabis operations of the Shinnecock Nation's wholly owned cannabis business, Little Beach Harvest ("Little Beach Harvest"). The combination of TILT's cannabis industry expertise with Shinnecock's long history of understanding and use of plant medicine for healing will serve as the foundation of a truly unique and socially equitable partnership in the cannabis industry.

"We are proud to help create an entry into the cannabis industry that will be impactful for the Shinnecock Nation," said Gary Santo, CEO of TILT Holdings. "To date, Indigenous people have been largely excluded from the social equity conversation across the country. This partnership -- which is a true partnership in every sense -- is a step forward in creating social equity for the Nation. We believe our expertise in cannabis operations along with Shinnecock's thought-leadership and cultural connection to plant medicine will deliver economic growth for the region, while cementing the Nation as a leader in cannabis operations among Indigenous communities."

The TILT team will work closely with Little Beach Harvest to educate, train and employ tribal members and the local community, together creating a sustainable environment that fosters economic growth within Shinnecock for generations to come.

"This is an exciting and momentous opportunity for our Nation," said Chenae Bullock, member of the Shinnecock Nation and Managing Director of Little Beach Harvest. "As the wealth gap in the U.S. has grown wider and wider, it is economic development opportunities like this that will help our tribe bridge the gap. Through our partnership with TILT, we will not only create dozens of jobs and jump start careers, but will also cultivate business

relationships with other tribal business owners, generating growth for Indigenous communities."

Shinnecock Nation Chairman Bryan Polite added, "Over the past few years, we have been working diligently to ensure that the Shinnecock Nation will be a responsible and positive addition to the New York cannabis market. We have been impressed by TILT's commitment to building such an equitable partnership and believe that they bring the right kind of expertise at precisely the right time to help us become a leading operator in the emerging New York cannabis market."

Transaction & Financial Highlights

A subsidiary of TILT has purchased 100% of the Class A membership interests of Standard Farms New York, LLC ("SFNY") which will hold a 75% interest in a joint venture with Conor Green for approximately \$700,000, in cash and stock, with up to \$2.65 million to be paid in additional shares priced at the time of closing, to be issued upon achievement of certain milestones, including commencement of retail and wholesale cannabis sales.

Through the agreements between the joint venture and Little Beach Harvest, TILT will provide management services to Little Beach Harvest for the development of the facilities, including planning, design and funding of up to approximately \$18 million in capital expenditures in order to provide a fully vertical cannabis operation. The 9% debt financing TILT provides is repaid through cash flows monthly and is secured by the assets of the project which will include:

- a 60,000 square-foot cultivation, processing, extraction and packaging facility;
- a two-story dispensary with a drive through; and
- an adjacent wellness lounge.

A cornerstone of the business will be for Native Preference in its hiring and career development opportunities, as well as providing an economic engine for the local job market, contractors, and community. The dispensary and lounge are being built on Montauk Highway, just minutes from Southampton's business district, Cooper's Beach, and Shinnecock Hills Golf Club.

In exchange for providing management services, SFNY receives 11.25% of the Nation's gross revenue as well as 18.75% of free cash flows from all Shinnecock cannabis operations during the initial term of up to nine years. The management agreement may be extended up to 10 additional years, pending accomplishment of certain performance-based milestones related to revenue and profitability.

Unless otherwise indicated, all dollar amounts in this news release are expressed in U.S. dollars.

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 36 states in the U.S., as well as Canada, Israel, Mexico, South America and the European Union. TILT's core businesses include [Jupiter Research LLC](#), a wholly-owned subsidiary and leader in the vaporization segment focused on hardware design, research, development and manufacturing; and cannabis operations, [Commonwealth Alternative Care](#).

[Inc.](#) in Massachusetts, [Standard Farms LLC](#) in Pennsylvania and [Standard Farms Ohio, LLC](#) in Ohio, and its partnership with the Shinnecock Indian Nation in New York. TILT is headquartered in Phoenix, Arizona. For more information, visit www.tiltholdings.com.

About Little Beach Harvest and Shinnecock Indian Nation

Shinnecock Indian Nation is a federally recognized Native American tribe located on its ancestral territory on Long Island, New York. Our multi-year development of Little Beach Harvest, which includes a modern two-story dispensary and lounge, creates a unique cannabis destination in the Hamptons and will be supplied by our state-of-the-art cultivation facility. Little Beach Harvest is fully owned and operated by the Shinnecock Nation on its sovereign land and its partnership with TILT and Conor Green is a ground-breaking step forward for social equity in the cannabis industry. Little Beach Harvest is regulated by the Shinnecock Cannabis Regulatory Division under the Nation's tribal cannabis laws. Our mission is to provide an alternative, natural way of healing while creating economic prosperity and sustainability for our community. Our dispensary and lounge will offer a wide variety of cannabis products and form factors, medical marijuana consultations, plus community outreach, education, and social events centered around plant medicines. For more information, visit www.LittleBeachHarvest.com.

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, expected economic growth within the Tribe and surrounding community, potential issuance of additional shares to Conor Green pending achievement of certain milestones, estimated lending amount for capital expenditures to fully build the Nation's cannabis operations, potential size of facilities to be built, anticipated extensions of the agreements with Shinnecock Nation, 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 "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.

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 March 31, 2021, which is available on the Company’s SEDAR profile at www.sedar.com.

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

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A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/b0bebb9a-e1ba-43f1-badc-2fad484d1616>

TILT
HOLDINGS

TILT Holdings Partners with Shinnecock Indian Nation



TILT and the Shinnecock Nation will cooperatively build and operate cannabis cultivation, processing, dispensaries and consumption lounge facilities on Long Island. Photo courtesy of TILT.

Source: TILT Holdings Inc.