

May 1, 2019



# TILT Secures New Credit Facility

*Strengthens financial profile and positions the Company for future growth*

CAMBRIDGE, Mass.--(BUSINESS WIRE)-- TILT Holdings Inc. ("TILT" or the "Company") (CSE: TILT) (OTCQB: SVVTF), a leading business to business cannabis company, announced today that it has successfully secured a US\$20 million credit facility ("Credit Facility"). The Credit Facility strengthens the Company's financial profile and is the first step towards a larger raise, taking advantage of a lower cost of capital and positioning the Company for future growth.

"We are pleased to announce this first closing of a Credit Facility as part of our larger debt financing initiatives, indicative of the capital market's increasing acceptance of cannabis companies," said Alex Coleman, Chairman and CEO of TILT. "By issuing debt, we can both lower our cost of capital and minimize dilution to our shareholders. This is another example of how TILT is focused on adhering to the highest level of financial principles with a commitment to building long-term shareholder value as we have negotiated a low cost approach to capital for expansion. Further, the majority of capital initiatives are allocated for asset expansion, as the operations of the Company require substantially less funding despite our rapid growth."

The Credit Facility has been created pursuant to a loan agreement ("Loan Agreement") dated April 29, 2019 and among Standard Farms, LLC ("Standard Farms") and White Haven RE, LLC, both indirect wholly-owned subsidiaries of TILT, as borrowers (the "Borrowers"), Bio Alpha Ventures, LLC ("BAV"), Goldrath Alpha Venture LLC ("GAV") and certain other parties consented to by BAV and GAV, as lenders (collectively, the "Lenders"), BAV and GAV as agents for the Lenders and TILT and each of its indirect and direct wholly owned subsidiaries as guarantors for the Borrowers (collectively, the "Guarantors"). BAV and GAV are wholly owned companies of Peter Bio and Jonathan Goldrath, respectively, officers of Standard Farms. Under the Loan Agreement the Lenders will provide US\$8 million initially (the "Initial Advance"), followed by an additional US\$12 million to be issued by May 10<sup>th</sup> (the "Additional Advance", and together with the Initial Advance, the "Term Loan"), subject to the satisfactory completion of due diligence by the Lenders, at an effective interest rate of 18.75%. The Initial Advance will become due and payable on June 28, 2019, unless the Additional Advance is issued by the Lenders, in which case the Term Loan will be payable 180 days after the closing of the Term Loan. The Initial Advance is secured by a first lien on all of the tangible and intangible assets of the Borrowers. If the Additional Advance is issued, a first lien will also be granted on all of the tangible and intangible assets of Sea Hunter Therapeutics, LLC. Proceeds will be utilized to fund existing and future growth projects, future M&A activity and general corporate purposes.

## **About TILT**

TILT is a leading business-to-business cannabis company, offering a diverse range of value-

added products and services which support other industry participants. TILT enables other cannabis companies operate more efficiently and connect with consumers more effectively. The Company realizes revenue from the sale of a broad range of cannabis products, vaporizer and inhalation devices, business and consumer delivery services and a suite of software products to 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. The Company is organized in two main business units, Software & Services and Consumer Devices & Packaged Goods, augmenting competencies across the organization in research, manufacturing, packaging and technology to deliver end-to-end 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 which are helping to shape the industry's evolution. 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.

### **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, 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, 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 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.*

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

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