

September 11, 2019



TILT Releases Shareholder Letter from Interim CEO

CAMBRIDGE, Mass.--(BUSINESS WIRE)-- TILT Holdings Inc. (“TILT” or the “Company”) (CSE: TILT) (OTCQB: TLLTF), a foundational technology cannabis platform comprised of assets to support brands worldwide, released the following letter today from the Company’s interim Chief Executive Officer Mark Scatterday.

Dear Shareholders:

I would like to take this opportunity to provide a brief update to our valued shareholders as a part of my commitment to further communication and transparency. Unlocking shareholder value remains the cornerstone of the goals I have for the organization during my tenure as interim Chief Executive Officer.

As I mentioned on our second quarter earnings call just a few weeks ago, the business fundamentals of our core operating assets, including Jupiter Research, LLC (“**Jupiter**”), Blackbird Logistics Corporation, Baker Technologies Inc., and Sea Hunter Therapeutics, LLC, remain strong. We continue to see positive revenue and margin growth in those operating assets since our call and I’m encouraged by the progression of our businesses.

Jupiter, our consumer hardware vaping asset, continues to grow month over month and we are looking forward to a strong second half of the year in terms of revenue and contribution to positive cash flow. Canada continues to be a large market opportunity for Jupiter, with adult-use extracts set to come online in October. We have moved forward in discussions with some of the largest licensed producers in the country, and have been shipping orders there in the past few months.

With respect to some recent negative press around vaping, we are finding out that most of this news revolves around non-compliant and “black market” products, and while this narrative is creating a lot of short-term noise, we believe this creates a positive long-term opportunity for Jupiter to further position itself as an industry leading, high-quality product that consumers can trust. We are working to push safety information out to our B2B customers to enable them to have important, brand loyalty-building conversations with end users.

Outside of Jupiter, our cultivation and manufacturing operations in Massachusetts continue to experience growth with COO Tim Conder at the helm. As we shared on our earnings call, sales in that market have increased since June and continue to benefit from expanded wholesale sales. Our increased capacity in that market will open expanded revenue opportunities with strong margins.

All of this has put us in an advantageous position regarding our financing. We are aware that the market is awaiting a financing update, and while securing financing is an important step

in our growth plan, we want to reiterate as we did on our recent second quarter conference call that there isn't the sense of urgency that many investors perceive. With our recent operational improvements, we have seen a transition to positive adjusted EBITDA and improved cash flows. This is allowing us to be more flexible in how we look at potential financing transactions and to selectively pursue a financing that provides the best terms for our business and shareholders. That said, conversations continue to progress and we are currently evaluating all options such as terms, size and timing that best benefit our Company and our shareholders.

Finally, I'm excited to share that I am pleased with our August performance and hope that shareholders will stay tuned for continued updates from our core operating assets and our Company as a whole. We are and continue to be one of the largest cannabis companies in terms of revenue and in my opinion we are better strategically positioned today than ever before.

Sincerely Yours,
Mark Scatterday
Interim Chief Executive Officer

About TILT

TILT Holdings serves cannabis brands worldwide through a strong network of portfolio companies committed to technological innovations that support long-term success. TILT services more than 2,000 brands and cannabis retailers across 33 states in the U.S., as well as in Canada, Israel, Mexico, South America and the European Union. As a market leader in cannabis technology and related products and services, the Company's core assets include wholly-owned subsidiaries Jupiter, a company that focuses on the vast potential of inhalation through innovative design, development and manufacturing; Blackbird Logistics Corporation, a company that provides operations and software solutions for wholesale and retail distribution; and Baker Technologies Inc., a CRM platform helping dispensaries grow their business. The Company also owns cannabis operations in states including Massachusetts, led by Commonwealth Alternative Care, Inc.; and in Pennsylvania, led by Standard Farms, LLC. Headquartered in Cambridge, Massachusetts, with offices throughout the U.S., and London, TILT has over 400 employees and has sales in the U.S., Canada and Europe. For more information, visit www.tiltholdings.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, the expected financial outcomes in the second half of 2019, the roll-out of adult use extracts in October 2019, securing financing suitable to the Company, 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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Source: TILT Holdings Inc.