

October 28, 2020



# TILT Holdings Provides Preliminary Third Quarter Results; Announces Senior Leadership Changes to Advance Corporate Strategy

*Projected Third Consecutive Quarter of Positive Adjusted EBITDA,  
An Increase of 108% - 150% Compared to Q2 2020*

*Operational Highlights Include New Monthly Records for Cartridges Shipped at  
Jupiter Research and Revenue at Standard Farms*

PHOENIX, Oct. 28, 2020 (GLOBE NEWSWIRE) -- [TILT Holdings Inc.](#) ("TILT" or the "Company") (CSE: TILT) (OTCQB: TLLTF), a provider of business solutions to the global cannabis industry, announced preliminary financial results for the third quarter ended September 30, 2020 ("Q3 2020"), the promotion of Gary Santo to president of TILT and the appointment of Brad Hoch as TILT's permanent chief financial officer ("CFO").

## **Projected Preliminary Financial Highlights (unaudited):**

- Q3 2020 revenue of \$40 - \$41 million, a 4% - 6% increase from Q2 2020 revenue of \$38.6 million
- Q3 2020 Adjusted EBITDA \$2.5 - \$3.0 million, a 108% - 150% increase from Q2 2020 Adjusted EBITDA of \$1.2 million

## **Third Quarter Operational Highlights:**

- New monthly record for total cartridges shipped by Jupiter Research, LLC ("**Jupiter**") in September
- Expanded product offering at Standard Farms LLC, Pennsylvania ("**Standard Farms**") contributing to a new monthly revenue record for Standard Farms in September
- 31% quarter-over-quarter revenue increase at Commonwealth Alternative Care Inc., Massachusetts ("**Commonwealth Alternative Care**")

## **Promotion of Key Management Personnel**

Effective immediately Gary Santo will be promoted to president of TILT where, among his responsibilities, he will oversee long-term strategic planning and capital allocation for the Company. Concurrently, Brad Hoch will officially be appointed TILT's CFO after stepping into the interim CFO role in June 2020.

These appointments will enable TILT to better maximize value in its three primary business lines with an intense focus on:

- Expanding Jupiter’s position as a market leader in inhalation technology, sales and innovation;
- Accelerating near-term ROI opportunities available in TILT’s existing plant-touching businesses in the attractive limited license states of Massachusetts and Pennsylvania; and
- Optimizing alignment of the Blackbird logistics and software platform with market opportunities.

“Since joining TILT, Gary’s experience transforming strategy into action, together with his deep capital markets background and exposure to multi-state cannabis operations has allowed him to positively impact our business,” said Mark Scatterday, CEO of TILT. “I look forward to him continuing to help drive growth opportunities across our portfolio, and in particular, across our plant-touching assets, which include Commonwealth Alternative Care and Standard Farms. We’re also excited to officially welcome Brad into the CFO role and look forward to him continuing to add value to our Company and bottomline.”

Scatterday continued, “With Gary and Brad in their new leadership roles, Tim Conder will now be empowered to put a greater focus on Blackbird, a company that he founded. These leadership changes will also allow me to ensure that we are leveraging Jupiter’s unique strengths to further advance our position as the pre-eminent inhalation technology partner to brands around the globe.”

“Mark and Tim, along with the entire leadership team at TILT have done a great job guiding the Company to a place where we are now in a position to scale,” said TILT President Gary Santo. “I am excited about the potential for growth within our current portfolio of assets as well as opportunities available to us in the broader marketplace. I look forward to working with such a dynamic group to best align our human and financial capital to achieve strong returns while continuing to unlock value for our shareholders.”

### **Earnings Call Details**

TILT will report its complete financial results for the third quarter ended September 30, 2020, following the close of trading on the Canadian Securities Exchange on Wednesday, November 18, 2020. Following the release of its financial results, the Company will host a webcast at 5:00 PM EST to discuss financial and operational results for the reported quarter.

The live webcast may be accessed from the Events and Presentations menu in the Investor Relations section of the Company’s website at <https://investors.tiltholdings.com/ir-calendar> or at <http://public.viavid.com/index.php?id=142183>. Please register at least 15 minutes prior to the scheduled start to download and install any necessary audio software.

A replay of the webcast will be available in the Past Events section of the Company’s Investor Relations website approximately 2 hours after the live event and will be archived for 30 days.

### **About TILT Holdings Inc.**

TILT helps cannabis businesses build brands. Through a portfolio of companies providing hardware, software, logistics, cultivation and production, TILT services more than 2,000 brands and cannabis retailers across 33 states in the U.S. as well as Canada, Israel, Mexico, South America, and the European Union. TILT’s core businesses include Jupiter

Research, a wholly owned subsidiary and leader in the vaporization segment focused on hardware design, research, development and manufacturing; Blackbird Holdings Corp., a software and operations solutions provider for wholesale and retail distributors; and cannabis operations through Commonwealth Alternative Care, Inc. in Massachusetts and Standard Farms in Pennsylvania. TILT is headquartered in Phoenix, Arizona.

For more information, visit [www.tiltholdings.com](http://www.tiltholdings.com).

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**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 required for the reconciliation of Adjusted EBITDA to Net Income that are currently in process of finalization. Therefore, a reconciliation of the range of Adjusted EBITDA to net income cannot be provided at this time. A full reconciliation 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.

### **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 third quarter 2020 financial results, 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.

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

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

**TILT**  
**HOLDINGS**

Source: TILT Holdings Inc.