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TILT Holdings Announces Closing of Blackbird Deal

Blackbird expands TILT's logistics capabilities and software solutions for each touchpoint in the cannabis supply chain

CAMBRIDGE, Mass.--(BUSINESS WIRE)--[TILT Holdings Inc.](#) ("TILT" or the "Company") (CSE: TILT) (OTC: SVVTF), a global technology and infrastructure company engaged in research, development, manufacturing and sale of a broad range of products for the cannabis industry, announced today it closed the acquisition of Blackbird Holdings Corp. ("Blackbird"), previously announced on December 6, 2018 (the "Acquisition"). Blackbird is a distribution company providing logistics operations and software solutions for each touchpoint in the cannabis supply chain. The Acquisition further supports TILT's expansion of offerings for both cannabis business owners and consumers.

Consideration paid for the Acquisition is approximately US\$50M, consisting of approximately US\$5M of cash based consideration and approximately US\$45M of security based consideration comprised of 161,543 compressed shares in the capital of the TILT ("Compressed Shares") and a deemed issue price of US\$278.48. Subject to adjustments set forth in the articles of TILT, each Compressed Share is convertible into 100 common shares of TILT.

Blackbird supports more than 250 wholesale and retail cannabis operators in Nevada and California to transport an average of \$30 million in wholesale cannabis products every 30 days.

In addition to back-end delivery and operations solutions for cannabis dispensaries, Blackbird has a consumer marketplace for cannabis delivery and pick-up called BlackbirdGo. The marketplace, which is currently operational in Nevada and California, connects dispensaries and brands with access to more than 95,000 legal consumers.

"At TILT, our goal is to be the most dynamic technology and infrastructure platform at the center of the cannabis ecosystem, focusing on the consumer through B2B and B2C offerings. The Blackbird integration puts us one step closer to that goal," said Alex Coleman, Chief Executive Officer of TILT Holdings. "With the addition of Blackbird's distribution, direct-to consumer solutions and software for wholesale and retail inventory management, we're able to facilitate the movement of cannabis inventory for TILT's expanding international infrastructure."

Blackbird Co-founder & CEO Tim Conder shared, "Blackbird is proud to be an integral part

of this rapidly growing industry. By joining TILT, we will be able to fulfill our mission to be good people and help good people every day at a larger scale than ever. We welcome the opportunity to continue solving problems for our clients and taking care of our growing team in the most meaningful ways possible.”

Founded in 2015 in Reno, Nevada, the company has more than 160 employees. More information about Blackbird can be found at <https://www.myblackbird.com>.

About TILT

TILT Holdings Inc. is a vertically-integrated technology and infrastructure platform delivering the most comprehensive range of products and services across the cannabis industry. TILT strives to deliver the highest quality products and services through knowledge-based technology systems for both businesses and consumers. TILT technologies have a presence in more than 1,000 dispensaries across the U.S., Canada, Puerto Rico and Jamaica. For more information, please visit www.tiltholdings.com.

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

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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, statements regarding the operations, business, financial condition, expected financial results, performance, 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 the Company. 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.

Examples of the assumptions underlying the forward-looking statements contained herein include, but are not limited to those related to: the ability of TILT to obtain necessary financing in the future to pursue its business plans, the achievement of goals, the obtaining of all necessary permits and governmental approvals, as well as expectations regarding availability of equipment, skilled labour and services needed for cannabis operations, intellectual property rights, development, operating or regulatory risks, trends

and developments in the cannabis industry, business strategy and outlook, expansion and growth of business and operations, the timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; access to capital; future operating costs; government regulations, including future legislative and regulatory developments involving medical and recreational marijuana and the timing thereto; receipt of appropriate and necessary licenses in a timely manner; the effects of regulation by governmental agencies; the anticipated changes to laws regarding the recreational use of cannabis; the demand for cannabis products and corresponding forecasted increase in revenues; and the size of the medical marijuana market and the recreational marijuana market.

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 Holdings 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. These factors include, but are not limited to: denial or delayed receipt of all necessary consents and approvals; need for additional capital expenditures; increased costs and timing of operations; unexpected costs associated with environmental liabilities; requirements for additional capital; reduced future prices of cannabis; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the cannabis industry; delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities; title disputes; claims limitations on insurance coverage; risks related to the integration of acquisitions; fluctuations in the spot and forward price of certain commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the countries where the Company may carry on business in the future; liabilities inherent in cannabis operations; risks relating to medical and recreational cannabis; cultivation, extraction and distribution problems; competition for, among other things, capital, licences and skilled personnel; risks relating to the timing of legalization of recreational cannabis; changes in laws relating to the cannabis industry; and management's success in anticipating and managing the foregoing factors.

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Contact Information:

Joel Milton, SVP Business and Corporate Development

Phone: 561-282-6377

Media Contact:

Anne Baker

InkHouse

Phone: 415-299-6371

press@tiltholdings.com

Investor Contact:

Scott Van Winkle

ICR

Phone: 617-956-6736

investors@tiltholdings.com

Investors.tiltholdings.com

Renmark Financial Communications Inc.

Melanie Barbeau: mbarbeau@renmarkfinancial.com

Tel: (416) 644-2020 or (514) 939-3989

www.renmarkfinancial.com

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