



Tinley Grows Asset Base to over \$7 Million at Its Long Beach Facility and Experiences Rapid Revenue and Margin Growth

FOR IMMEDIATE RELEASE

LOS ANGELES, California and TORONTO, Ontario – May 27, 2020 – The Tinley Beverage Company Inc. (“Tinley” or the “Company”) is pleased to announce the release of its financial and operating results for the fourth quarter and fiscal year ended December 31, 2019, and provide revenue guidance on the 3-month period ended March 31, 2020 (“Q1/2020”).

Highlights:

- Capital expenditures grew Tinley’s asset base to over \$7 million, notably in Property and Equipment, by the completion of the Company’s Phase 3 bottling facility development in Long Beach, California
- Revenue guidance for Q1/2020 of over \$170,000, more than double all of fiscal 2019, with gross margins turning positive and exceeding 40%, driven by growth across all product lines

Tinley’s flagship bottling facility in Long Beach, California represented the majority of the Company’s expenditures in fiscal 2019 as well as the installation of a Phase 2 bottling line, which is now slated for installation in an expansion territory outside California, and the addition of transportation vehicles to support marketing and distribution of its products in California. The Phase 3 facility in Long Beach is now largely complete, and it is progressing through final building inspections with the City of Long Beach and State regulators.

Simultaneous to the Long Beach buildout, the Company began building revenue via production at a Phase 2 bottling line, which was also built in 2019. Significant revenue growth began in Q4, 2019, and the Company expects to approximately double its 2019 annual revenue in Q1/2020. With this added scale, the Company’s gross margin is expected to turn positive and be in excess of 40%. The Company believes this growth is attributable to (1) the winning of the #1 and #2 awards at the Emerald Cup in December, 2019, (2) the addition of Shelf Life Distributing, (3) enhanced brand awareness and consumer reviews, (4) the launch of the Company’s non-infused “Beckett’s” product line and (5) the cannabis beverage category becoming the second-fastest-growing category in the cannabis industry, which occurred at the start of the COVID-19 pandemic. Further, this level of revenue growth was achieved despite the closure of one of the Company’s key distributors. The inventory in this distributor’s possession represented a potential of up to an additional \$25,000 of sales.

The Company expects continued growth as its flagship bottling line becomes operational and as its non-infused products launch in 4 additional national and statewide retail chains. The Company is currently in a unique position to provide advance revenue guidance for Q1 given the regulatory relief provided by regulators due to the COVID-19 pandemic, which has left less than one week until the Q1 filing. The

Company does not expect to be in a position to provide such advance guidance in absence of such extensions in the future.

Since the start of fiscal 2019, the Company also:

- Signed an agreement for Canadian expansion with Great North Distributors. The Company is presently working to complete a second and final agreement with a party that will enable the Company's products to be manufactured in Canada for availability throughout the country.
- Doubled the number of dispensaries where the Company's infused products are available, built a robust home delivery network that covers over 90% of the population of California, and added Shelf Life Distributing to continue to drive the growth of the Company's retail presence throughout the state.
- Negotiated agreements with a pipeline of co-packing clients, which the Company expects to consummate once Long Beach nears final approval.
- Appointed two-time NBA All-Star Baron Davis to the Advisory Board. Mr. Davis is currently working on marketing initiatives and development of new products for the Company's own products and its expected co-packing clients' products.
- Delivered its non-infused "Beckett's" products to BevMo!, one of the largest liquor store chains in the West Coast, for availability in their 150-store network throughout California.
- Became approved vendors for its non-infused products at 2 major national chains, and secured requests for products at two other major chains, collectively representing over 6,000 stores across the USA and Canada. The Company expects to begin trials in Southern California at select stores from each of these chains.

The audited financial statements and MD&A for the year ended December 31, 2019 can be found at the company's profile at www.sedar.com.

About The Tinley Beverage Company

The Tinley Beverage Company (Santa Monica, California) created the Beckett's™ Tonics and Beckett's™ '27 line of liquor-inspired, terpene-infused, non-alcoholic beverages. It has also created cannabis-infused versions of these products under the Tinley™ Tonics and Tinley™ '27 brands. The Tinley™ branded cannabis-infused beverages are available in licensed dispensaries and delivery services throughout California; the Beckett's™-branded non-THC versions will be available in mainstream food, beverage and specialty retailers, as well as on-premises locations, throughout California and elsewhere in the USA. The Company has also built a 20,000 square foot cannabis beverage manufacturing, co-packing and distribution facility in Long Beach, California.

Forward-Looking Statements

NEITHER THE U.S. STOCK MARKET NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release contains or refers to forward-looking information and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

Products, formulations and timelines outlined herein are subject to change at any time.

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