



Tinley's Enters into Management Services Agreement

Expected to Save Approximately USD \$1 Million in Annual Operating Expenses

FOR IMMEDIATE RELEASE

TORONTO, Ontario and LOS ANGELES, California, January 23, 2023 – The Tinley Beverage Company Inc. (CSE:TNY; OTC:TNYBF) (“Tinley’s” or the “Company”) is pleased to announce that it has entered into a management services agreement (the “MSA”) with Blaze Life Holdings, LLC (“BLH”) and its wholly-owned subsidiary, ILLA Canna LLC, effective January 23, 2023.

Under the terms of the MSA, Tinley’s will relocate its bottling assets and related equipment to BLH’s new 45,000 square foot cannabis manufacturing and distribution facility located in Canoga Park, California (the “Canoga Park Facility”) and BLH and its licensed subsidiaries will provide certain management and operational services to Tinley’s. Based upon management’s current financial modelling, the provision of such services by BLH and relocation of Tinley’s bottling assets to the Canoga Park Facility is expected to result in operating cost savings of approximately USD \$1 million per year. Tinley’s CEO, Teddy Zittell, said: “Since we began our collaborative partnership with BLH in June 2022, we’ve successfully delivered cost reductions and increased our operating capacity. When production begins at the Canoga Park Facility, we expect efficiencies to accelerate, with additional benefits anticipated from the on-site capacity for inventory storage and integrated first-mile and last-mile distribution services provided by SuLo Distro, a subsidiary of BLH”.

As part of the relocation of the Company’s bottling assets, the Company will decommission and vacate its current manufacturing facility in Long Beach, California. Tinley’s plans to move its bottling assets to the Canoga Park Facility during the latter half of Q2 2023 and expects such assets to be fully operational at the Canoga Park Facility by mid to late Q3 2023. During the transition from Tinley’s current Long Beach facility to the Canoga Park Facility, which is expected to take approximately 30-45 days to complete, Tinley’s will not be able to provide co-packing bottling services to its customers. Tinley’s intends to increase bottling production during Q1 and Q2 2023 prior to its relocation of its bottling assets to the Canoga Park Facility to fulfill planned production and support co-packing demand in order to compensate for bottling line outages over the course of the move.

“As a result of the anticipated increase in production activity, we expect revenue to be higher than previously anticipated in Q1 and Q2 of 2023”, said Mr. Zittell. “This increase is over and above the quarter-on-quarter revenue growth we previously expected in 2023. We have seen material revenue gains in the first three quarters of 2022, and our 2022 year-end financial results are expected to show increased revenue in Q4 2022. We have no reason to believe that this trend will not continue through 2023”, Mr. Zittell added.

Until the Canoga Park Facility is fully operational, which is expected to happen in late Q2 or the beginning of Q3 2023, Tinley’s will continue to produce cans at the Company’s Long Beach facility for current co-pack customers, as well as for new customers introduced to Tinley’s by BLH who require canned beverage manufacturing prior to the Canoga Park Facility becoming fully operational. Tinley’s Long Beach can line will remain in production during the move of the Company’s bottling assets to the Canoga Park Facility, and will continue to generate revenue until the Company fully exits the Long Beach facility, planned to occur at the end of Q2. Following the move to the Canoga Park Facility, BLH will produce beverages in cans for Tinley’s existing can customers.

In consideration for the provision of services by BLH under the terms of the MSA, including manufacturing for Tinley's at the Canoga Park Facility, Tinley's has agreed to pay BLH a flat fee of USD \$55,000 per month as well as a USD \$70,000 annual fee specifically for the provision of certain prescribed accounting and administrative services by BLH set out in the MSA. Under the terms of the MSA, BLH has agreed to pay Tinley's certain referral fees for a period of two years based on revenue received by BLH in connection with the provision of co-packing canning services to Tinley's existing clients transferring production to BLH, and Tinley's will continue to receive 100% of the revenue generated from the use of Tinley's bottling assets at the Canoga Park Facility.

A copy of the MSA is available on the Company's profile at www.sedar.com.

About BLH

Blaze Life Holdings, LLC was founded in 2017 by two cannabis visionaries: Los Angeles real estate investor Scott Kim and Paul Burgis, former COO and CFO of Los Angeles-based Golden Road Brewing, which was acquired by Anheuser-Busch InBev in 2015. They saw the opportunity for a sophisticated, vertically integrated cannabis business that operationally parallels the craft brewing and brew pub scene, adapted to drive efficiency and growth in the rapidly expanding cannabis beverage industry. The BLH group comprises ILLA Canna LLC's existing licensed cultivation and manufacturing facilities, retail locations, SuLo Distro (full-service cannabis distributor built for beverage category growth), and Delta Bev (cannabis manufacturing), focused on providing clear and simple co-packing solutions for cannabis brands with an emphasis on beverages. BLH is helmed by professionals with a combined 80 years of experience in beer and beverage production, distribution, and brand-building, aligned to bring end-to-end solutions to brands and retailers to increase share and drive category growth.

About The Tinley's Beverage Company and Beckett's Tonics

The Tinley's Beverage Company Inc. (CSE:TNY; OTC:TNYBF) develops and has licensed the production through its Long Beach, CA state-licensed manufacturing facility of terpene and cannabis-infused non-alcoholic Tinley's™ '27 and Tinley's™ Tonics products which are distributed to licensed dispensaries and home delivery channels in California. Expansion of these products, adapted for manufacturing and sale in Canada, is currently underway. The Beckett's Classics® and Beckett's '27® lines of non-alcoholic, terpene-infused non-cannabis versions of these formulations are available in select mainstream food, beverage, and specialty retailers, as well as online, in the United States as well as in select grocery and specialty stores in Canada. The Long Beach Facility contains versatile and technologically advanced cannabis-licensed beverage bottling equipment, and provides manufacturing and first-mile distribution services under one roof for third-party brands in addition to the Company-owned brands. Please visit www.drinktinley.com, and www.drinkbecketts.com Twitter and Instagram (@drinktinleys and @drinkbecketts) for recipes, product information and home delivery options.

Forward-Looking Statements

This news release contains forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are statements and information that are not historical facts but instead include financial projections and estimates, statements regarding plans, goals, objectives and intentions, statements regarding the Company's expectations with respect to its future business and operations, the impact and expected benefits of the MSA, including with respect to the ability of the parties to achieve any material business synergies, the timing of the completion of the transfer of the Company's operations from the Long Beach Facility to the BLH Facility, management's expectations regarding growth and phrases containing words such as "ongoing", "estimates", "expects", "anticipates", or the negative thereof or any other variations thereon or comparable terminology

referring to future events or results, or that events or conditions “will”, “may”, “could”, or “should” occur or be achieved, or comparable terminology referring to future events or results. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, the timing of BLH’s receipt of certain licenses necessary to operate at the Canoga Park Facility, the timing of the Canoga Park Facility becoming fully operational, potential delays or unanticipated problems related to the relocation of Tinley’s bottling assets to the Canoga Park Facility, risks associated with Tinley’s existing bottling customers continuing production at the Canoga Park Facility and Tinley’s existing can customers agreeing to move their production to the Canoga Park Facility, Tinley’s being sufficiently capitalized to meet its financial obligations related to the move to Canoga Park, potential delays in obtaining, or failures to obtain, necessary governmental approvals required to operate the Canoga Park Facilities, 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 input costs, and the ability of BLH and the Company to achieve certain expected synergies as a result of the entering into of the MSA. 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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