

# TILT HOLDINGS

CSE: TILT | OTCQX: TLLTF

June 2021  
Corporate Presentation



## Caution Concerning Forward-Looking Statements

This presentation contains certain statements that constitute forward-looking information within the meaning of applicable securities laws. Such forward-looking statements (“FLS”) are provided for the purposes of presenting information about management’s current expectations and plans relating to the future and may not be appropriate for other purposes. FLS 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 TILT. FLS should not be read as guarantees of future performance or results and are based upon certain material factors, assumptions, analyses, forecasts and/or projections, including TILT’s experience and interpretation of historical trends, current conditions and expected future developments as of the date of this presentation, as well as other factors TILT believes to be reasonable in the circumstances.

Examples of the assumptions underlying FLS contained herein include, but are not limited to, those related to: the expected timing for the introduction of proprietary devices into the market; projections related to TILT’s revenue and sales, business expansion plans, the development of new products, forecasts relating to cultivation and extraction facilities, square footage of operational flower canopy and annual production capacity projections, projected grams extracted, projected retail square footage, production from TILT’s European partner, 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 labor 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; projected growth of the recreational cannabis market; the effects of 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 demand for cannabis products and corresponding forecasted increase in revenues; and the size of the medical marijuana and recreational marijuana markets.

Although such statements are based on management’s reasonable assumptions as of the date of this presentation, there can be no assurance that such FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on FLS. TILT assumes no responsibility to update or revise any such forward-looking information unless required by applicable law. By its nature, FLS are 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 FLS. Such 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, labor 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 TILT 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, licenses 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.

## Cautionary Note Regarding United States Securities Laws

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities of TILT, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities of TILT 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, or for the account or benefit of “U.S. persons,” as such term is defined in Regulation S under the U.S. Securities Act. This document does not constitute an offering memorandum or an offer or solicitation in any province or other jurisdiction.

### **Non-IFRS Financial and Performance Measures**

In addition to providing financial measurements based on International Financial Reporting Standards (“IFRS”), TILT 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 TILT’s financial performance. These non-IFRS financial measures are EBITDA and Adjusted EBITDA.

Management believes that these non-IFRS financial measures reflect TILT’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 TILT’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 TILT’s ongoing operating results.

As there are no standardized methods of calculating these non-IFRS measures, TILT’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.

### **EBITDA and Adjusted EBITDA**

EBITDA and Adjusted EBITDA are financial measures that are not defined under IFRS. TILT uses these non-IFRS financial measures, and believes they enhance an investor’s understanding of TILT’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 TILT’s ongoing operations and performance. TILT calculates EBITDA as net income (loss), plus (minus) income taxes (recovery), plus (minus) finance expense (income), plus depreciation and amortization expense. Adjusted EBITDA excludes certain one-time, non-cash or non-operating expenses, as determined by management, including stock compensation expense, business acquisition expense, debt issuance costs, severance, unrealized (gain) loss on changes in fair value of biological assets and fair value changes in biological assets included in inventory sold.

#### **Reconciliations of Non-IFRS Financial and Performance Measures**

Adjusted EBITDA is reconciled to Net Loss in the section labelled “Reconciliation of Net Income (Loss) to Non-IFRS Measures” in the Management Discussion and Analysis of TILT for the quarter ended on March 31, 2021, which is available on TILT’s SEDAR profile at [www.sedar.com](http://www.sedar.com).



At **TILT**, we are **visionaries**, engineers, scientists and **change agents**, who are working every day to turn possibilities into real world products, **solutions** and services that **transform** lives and deliver added **value** to consumers, multi-state cannabis operators, licensed producers and cannabis brands around the **globe**.

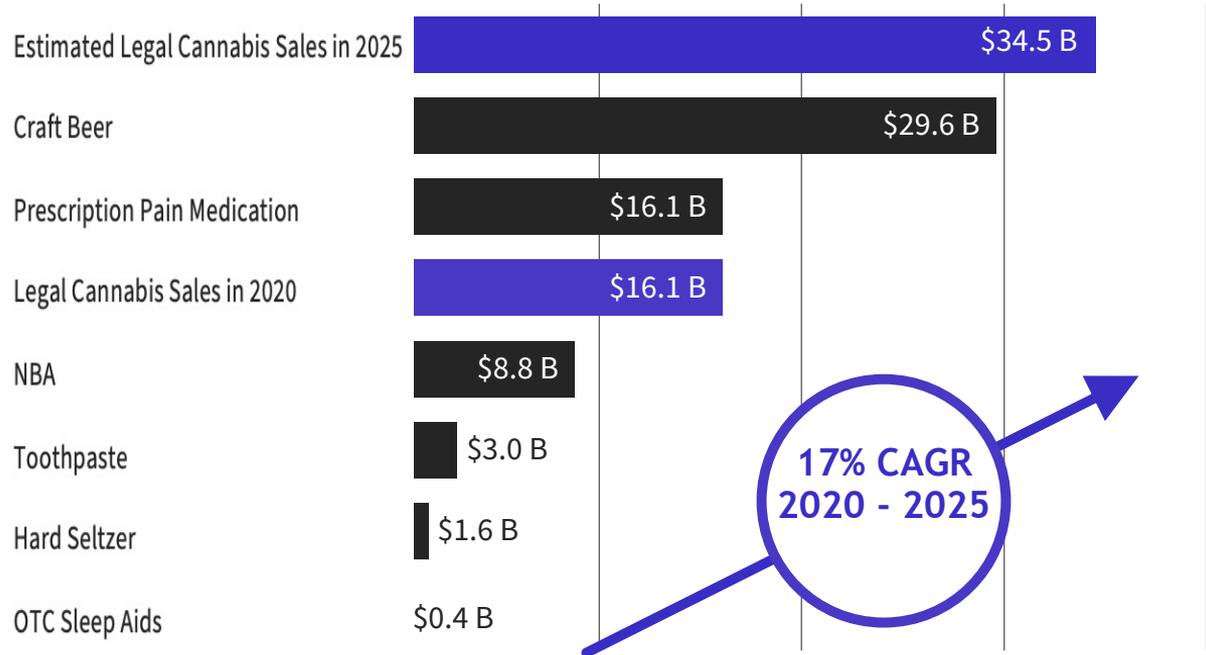
# A different kind of MSO focused on B2B sales and supporting MSOs, LPs, and cannabis brands worldwide

#1 seller of CCELL™ vape technology	700+ customers	\$185M market cap (as of May 24, 2021)
Cannabis cultivation and/or processing in three states	Sales in 15 countries and 36 states	Q1 2021 \$46.8 million Revenue
Award-winning edibles kitchen	90K sq. ft. of cultivation capacity; ability to add 100K+ sq. ft.	Q1 2021 29% Gross Margin before fair value of biological assets
Three dispensary licenses	135+ dispensaries with our branded products	Q1 2021 13% adjusted EBITDA margin
Multiple product awards	295+ employees	Q1 2021 \$2.6M cash flow from operations

Note: All numbers in USD

# The next great CPG industry

Annual U.S. cannabis sales vs. other industries & goods



Source: BDS Analytics

# The evolution towards traditional CPG is happening

LPs and  
“Fully Funded Capacity”

1.0

MSOs and  
“Vertical Integration”

2.0

CPG, brands and  
“Specialization Across  
Supply Chain”

3.0

# In every CPG industry brands matter

**H** HOLISTIC INDUSTRIES



**SUNDAY** extracts

**BLOOM**™

**WILLIE'S**  
RESERVE™

**DEFONCE**  
CHOCOLATIER

**Trulieve**

**HEAVY HITTERS**

# But scaling a cannabis brand is difficult

- Fragmentation across multiple states
- Start up investment costs
- Access to limited license markets
- Raw material supply constraints
- Quality hardware
- Packaging
- Distribution
- Continued product differentiation



**KING**  
EXTRACTS



**Stybes**  
COLLECTIONS

**Commonwealth**  
Alternative Care

**Standard Farms**

**CLEAR**  
CANNABIS INC.

**KIVA**™

**PURE**  
WELLNESS

**WYLD**

**kuvana** | 



**SURTERRA**  
WELLNESS

**Chong's CHOICE**

**Select**

**SUNDIAL**

**Parallel**

**SOLEVO**  
WELLNESS

# Our value proposition for cannabis companies

- Contract manufacturing provides cannabis brands with efficient access to limited license East Coast markets
- Cultivation assets provide access to biomass in supply constrained markets
- Robust inhalation supply chain eliminates fears of stock outs or failed products
- Custom hardware and packaging solutions allows brands to differentiate their product



## Wholesale Flower & CPG



Commonwealth  
ALTERNATIVE CARE

Standard  
Farms



## Product Development



Commonwealth  
ALTERNATIVE CARE

Standard  
Farms

jupiter 



## Hardware and Packaging



Commonwealth  
ALTERNATIVE CARE

Standard  
Farms

jupiter 



## Contract Manufacturing

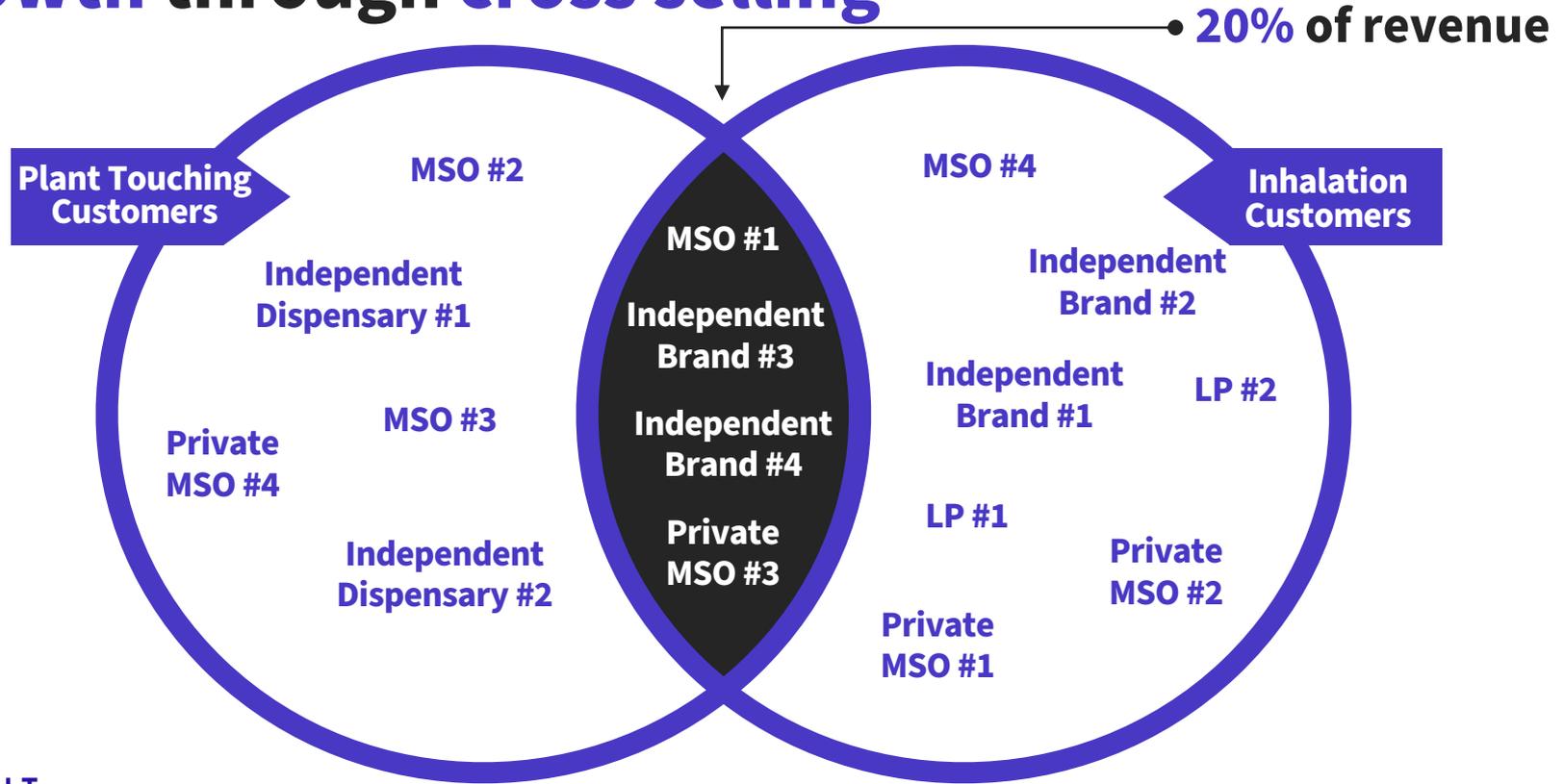


Commonwealth  
ALTERNATIVE CARE

Standard  
Farms

jupiter 

# Complementary businesses accelerate revenue growth through cross selling



**Our plant touching assets deliver turnkey market access to fast-growing, supply constrained limited license states**

## In markets that matter

Market	Pennsylvania	Massachusetts	Ohio
Type	Medical	Medical & Adult-use	Medical
Population	12.8M	6.9M	11.7M
2020 Sales <sup>1</sup>	\$850M	\$746M	\$277M
2025E Sales <sup>1</sup>	\$1.17B	\$1.46B	\$0.6B
Licensing Structure	Limited	Limited	Limited
Supply/Demand Imbalance	High	High	High

# Excelling in Massachusetts

## Scale

- State-of-the-art facility includes 56,500 sq. ft. of cultivation with ability to scale up to 100,000 sq. ft.
- Full commercial kitchen and extraction facility producing 30,000+ packaged units per month across dozens of demand-driven SKUS
- Taunton dispensary operational with Brockton and Cambridge dispensaries set to come online in 2021 pending regulatory approval

## Quality

- Awarded “Best Edible” in Massachusetts<sup>1</sup>

## B2B

- Contract manufacturing, white label services, CAC and Jupiter branded products



# Leading brand in Pennsylvania

## Scale

- 33,500 sq. ft. of cultivation capacity with ability to expand
- 850,000+ products shipped since inception

## Quality

- Second grower processor in PA to sell products
- Market leading manufacturer of capsules, cartridges, oil syringes and tinctures

## B2B

- Contract manufacturing, white label services, Standard Farms and Jupiter branded products



# Expanding in Ohio

*Closed in*

## Scale

- 9,662 sq. ft. of purpose built cannabis extraction, processing, and manufacturing facility
- Easy access to the state's 52 dispensaries

## Quality

- Manufacturer of high-quality medical cannabis tinctures, vaporization cartridges, syringes, and topicals

## B2B

- Contract manufacturing, white label services, Standard Farms and Jupiter branded products



**Our disruptive inhalation technology powers more than 700 cannabis brands throughout the world**

## Leader in inhalation

Second largest cannabis category

Cartridge sales are consumables that drive repeat purchases

Used in CBD, medical and adult use cannabis

Characteristics close to traditional CPG

Today's purchase decision driven by product reliability and price

No restrictions on importation or exportation of hardware

Scalable with low CAPEX needs

Business scale, reputation and long-standing relationships create durable moat

Growth driven by increased TAM and product innovation

# Jupiter is the trusted pick for the industry's top brands

“Jupiter is a valued partner, providing excellent service, quality and innovation. They continue to help us achieve an aggressive growth strategy while bringing a consistent experience to our patients and consumers.”

**- Director of Purchasing & Procurement at Curaleaf Holdings**



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**700+ brands supported**

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**Average of 5,000+ units shipped every hour**

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**Supply to 36 states and 15 countries**

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**15+ major public and private MSO customers**

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**4+ major LP customers**

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# Trusted quality, reliability and innovation

## Quality

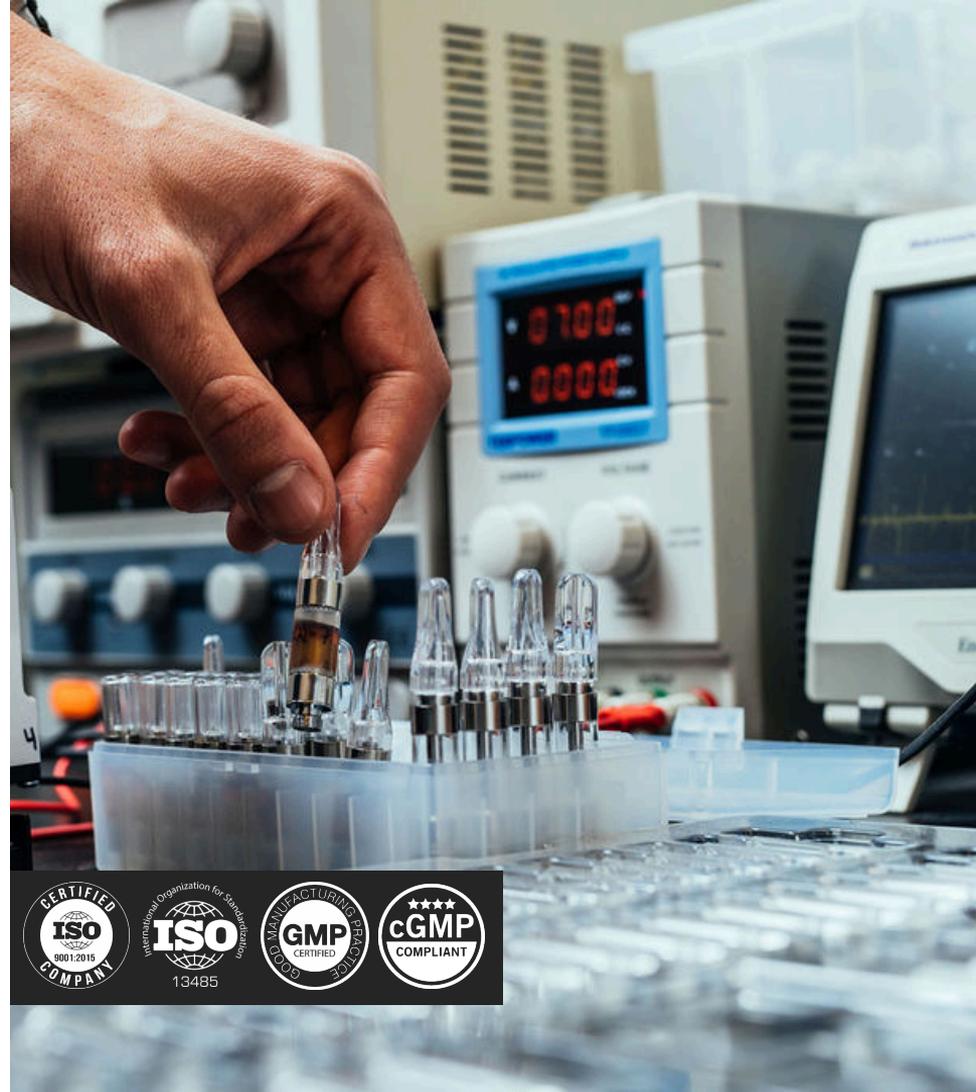
- ISO 13485:2016 certification for medical quality management system
- Phoenix, AZ based engineering team focused on product development and quality testing

## Reliability

- Superior supply-chain management
- Quality control personnel embedded within China-side manufacturing subcontractors

## Innovation

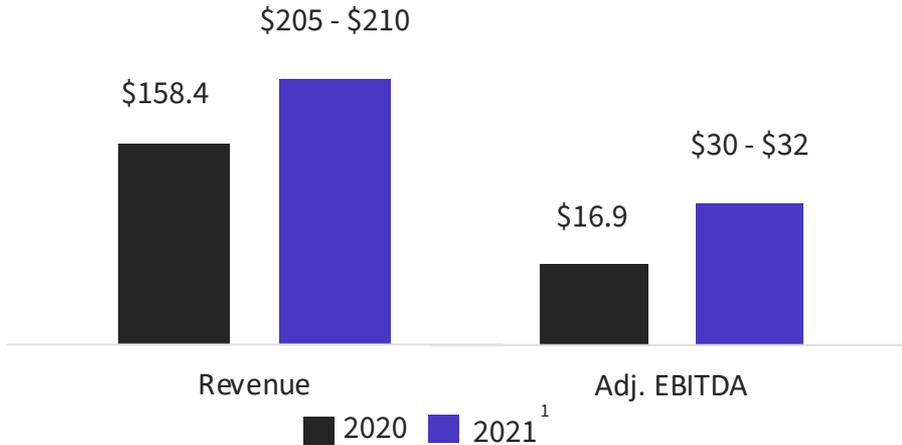
- *Dose-CTI* – metered dosage delivery system
- *Liquid Infinity* – proprietary product line



# Prior investments position TILT for scale in 2021

## 2021 Outlook

(in Millions USD)



<sup>1</sup>2021 outlook range

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**Completed canopy expansion project adds 14 grow rooms with capacity for two-tiered cultivation**

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**Taunton, MA medical dispensary built to accommodate adult-use sales**

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**Brockton and Cambridge, MA dispensary build-outs completed; licenses pending**

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**Significant room for additional expansion in MA, PA and OH markets**

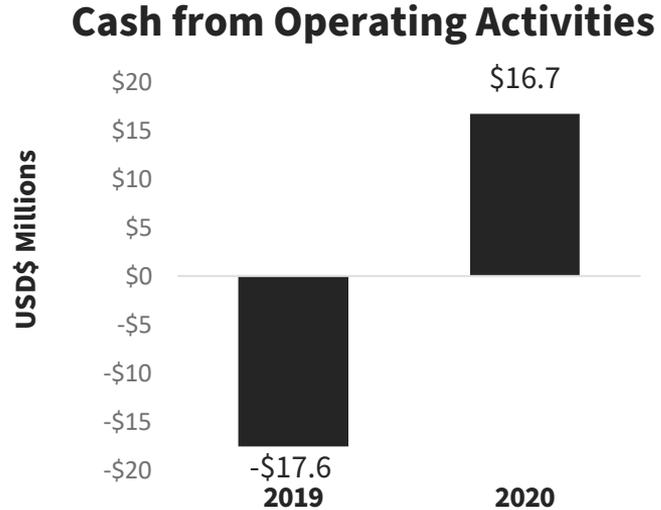
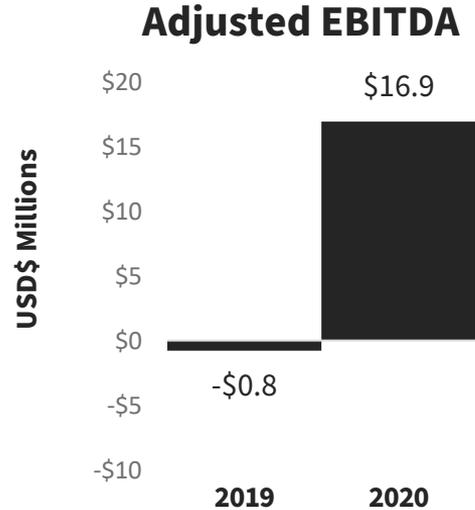
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**Coordinated sales efforts between plant touching and inhalation assets drive growth**

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# The focus of 2020 was improving profitability



■ As Reported

So that we can **internally fund growth in 2021**

# Investment Highlights

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1. Unique **multi-state** and **international operator** focused on B2B

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2. Turnkey **plant touching assets** in fast growing markets

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3. Backbone of the **inhalation industry**

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4. Able to **internally fund growth** through **cashflow** and **EBITDA positive** operations

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5. Opportunity for **expansion in multiple markets**

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# Executive Team



## Gary Santo, Chief Executive Officer

Mr. Santo brings more than 25 years of experience leading lean, high-performance teams in Consumer Credit, Financial Services, Gaming and Technology, Higher Education and Specialty-Pharma. He has held a variety of senior-level positions at The First Marblehead Corporation, Fitch Ratings, International Game Technology, Lantheus Medical Imaging and, most recently, Columbia Care Inc., a leading multi-state operator in the cannabis industry.

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## Brad Hoch, Chief Financial Officer

Mr. Hoch served as Division Controller at American Traffic Solutions, Inc., a publicly-traded technology company. He brings over twenty years of experience in senior finance and accounting positions in a number of high growth technology and business solutions enterprises including TPI Composites Inc. and Gateway Inc.

# Board of Directors



## Mark Scatterday, Chairman of the Board, Chief Executive Officer

Mr. Scatterday is a lifelong entrepreneur and operator, having built a number of successful businesses. He is the Founder and Chief Executive Officer of Jupiter Research, a leading provider of vaporization and inhalation devices for the cannabis industry, which is now a wholly-owned subsidiary of TILT.

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## Jane Batzofin, Board of Directors (Independent)

Jane Batzofin is currently a Partner and General Counsel at Corner Capital Group (a Family Office Investment Company) and a Managing Director and General Counsel of Corner Ventures.

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## Dia Simms, Board of Directors (Independent)

Former President of Combs Enterprises, responsible for fueling the growth of CIROC. Previously an executive at GlaxoSmithKline and Madison Marketing. Named “One of the Most Powerful Executives in the Industry” by Billboard in 2017 and 2018 and has been named to Ebony “Power 100 list”

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## John Barravecchia, Board of Directors (Independent)

Mr. Barravecchia has over 30 years of experience in business and finance. Most recently, he served as Chief Financial Officer of telemedicine company Stat Health Services Inc. from 2011 through to the sale of the company in 2016.

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## Mark Coleman, Board of Directors (Independent)

Mark J. Coleman is currently Executive Vice President & General Counsel of Trine Acquisition Corp. (a SPAC) and Senior Partner and General Counsel of InterMedia Partners, LP (a private equity fund sponsor). Prior to that, he was the co-founding Executive Vice President and General Counsel of The YES Network.

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## Tim Conder, Board of Directors

Mr. Conder is the Co-Founder and Chief Executive Officer of Blackbird, a cannabis software and services company and previously served as TILT’s President and Chief Operating Officer.

# Capital Structure (as of March 31, 2021)

	#	Debt	\$	Expiry
Common Shares	324,653,294	Senior debt @ 8%	\$35,805,000	Nov 4, 2022
Options	18,134,919	Junior debt @ 8% <sup>1</sup>	\$36,180,000	Jan 1, 2023
Warrants	73,995,211	<b>Total</b>	<b>\$71,985,000</b>	
RSUs	2,674,104			
LP Units	43,921,379			
<b>Fully Diluted Common Shares</b>	<b>463,378,907</b>			

# Financial Results – Income Statement<sup>1</sup>

	Three Months Ended		
	March 31, 2021	Dec 31, 2020	March 31, 2019
(in US\$ thousands, unaudited)			
Revenue	\$46,780	\$42,265	\$40,625
Cost of Goods Sold	\$33,327	\$30,985	\$28,000
Gross Profit, <i>Before FV Adj.</i>	\$13,453	\$11,280	\$12,625
Gross Margin %, <i>Before FV Adj.</i>	29%	27%	31%
Gain on FV of Bio. Assets	\$14,720	\$13,650	\$15,971
FV of Bio. Assets in Inventory Sold	(\$13,400)	(\$14,063)	(\$6,073)
Gross Profit, <i>After FV Adj.</i>	\$14,773	\$10,867	\$22,523
Gross Margin %, <i>After FV Adj.</i>	32%	26%	55%
Total Operating Expenses	\$13,108	\$49,703	\$14,215
Income (Loss) from Operations	\$1,665	(\$38,836)	\$8,308
Total Other Income (Expense)	(\$2,768)	(\$15,841)	(\$2,212)
Income Tax Expense (Recovery)	\$477	(\$9,313)	\$2,308
Net Income (Loss)	(\$1,579)	(\$45,364)	\$51
EBITDA, Non-IFRS	\$6,421	(\$49,612)	\$13,765
<b>Adjusted EBITDA, Non-IFRS</b>	<b>\$6,195</b>	<b>\$4,545</b>	<b>\$4,855</b>

# Financial Results – Balance Sheet & Cash Flows

## Balance Sheet

(in US\$ thousands, unaudited)	March 31, 2021	Dec 31, 2020
Cash and Cash Equivalents	\$ 8,955	\$ 7,427
Biological Assets	15,076	11,201
Inventory	52,460	52,634
Total Current Assets	98,326	101,889
Property, Plant & Equipment, Net	68,580	66,795
Total Assets	427,163	429,604
Total Current Liabilities	41,919	44,488
Total Long-Term Liabilities	102,747	102,069
Total Shareholders' Equity	282,497	283,047
Working Capital	56,407	57,401

## Statement of Cash Flows

	Three Months Ended	
	March 31, 2021	March 31, 2020
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$2,621</b>	<b>\$4,249</b>
Net Cash Used in Investing Activities	(\$350)	\$1,393
Net Cash Provided by (Used in) Financing Activities	(\$747)	(\$776)
Effect of Foreign Exchange on Cash	\$627	\$1,012
Cash (used) in discontinuing operations)	(\$0)	(\$327)
Net Increase (Decrease) in Cash	\$1,528	\$5,848
Cash Balance - Beginning of Period	\$7,427	\$2,580
Cash Balance - End of Period	\$8,955	\$8,428

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