

# TILT HOLDINGS

CSE: TILT | OTCQB: TLLTF

Canaccord Genuity  
40<sup>th</sup> Annual Growth Conference  
August 12, 2020



# Forward-Looking Information

## 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 the Company. 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 the Company believes to be reasonable in the circumstances.

Examples of the assumptions underlying FLS contained herein include, but are not limited to those related to: projected growth of the recreational cannabis market; the expected timing for the introduction of proprietary devices into the market; analyst projections, including those related to TILT’s 2020 sales, business expansion plans, the development of new products, forecasted 2020 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, 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; 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.

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# Business Solutions Provider to the Global Cannabis Industry

## Core Operational Assets



### Jupiter Research

- Industry leader in inhalation & vaporization product development and provisioning
- Provides customized solutions and technical support to businesses building brands

### Blackbird

- Enterprise solution empowering cannabis brands to get products into the hands of customers
- Proprietary software platform and leading logistics provider

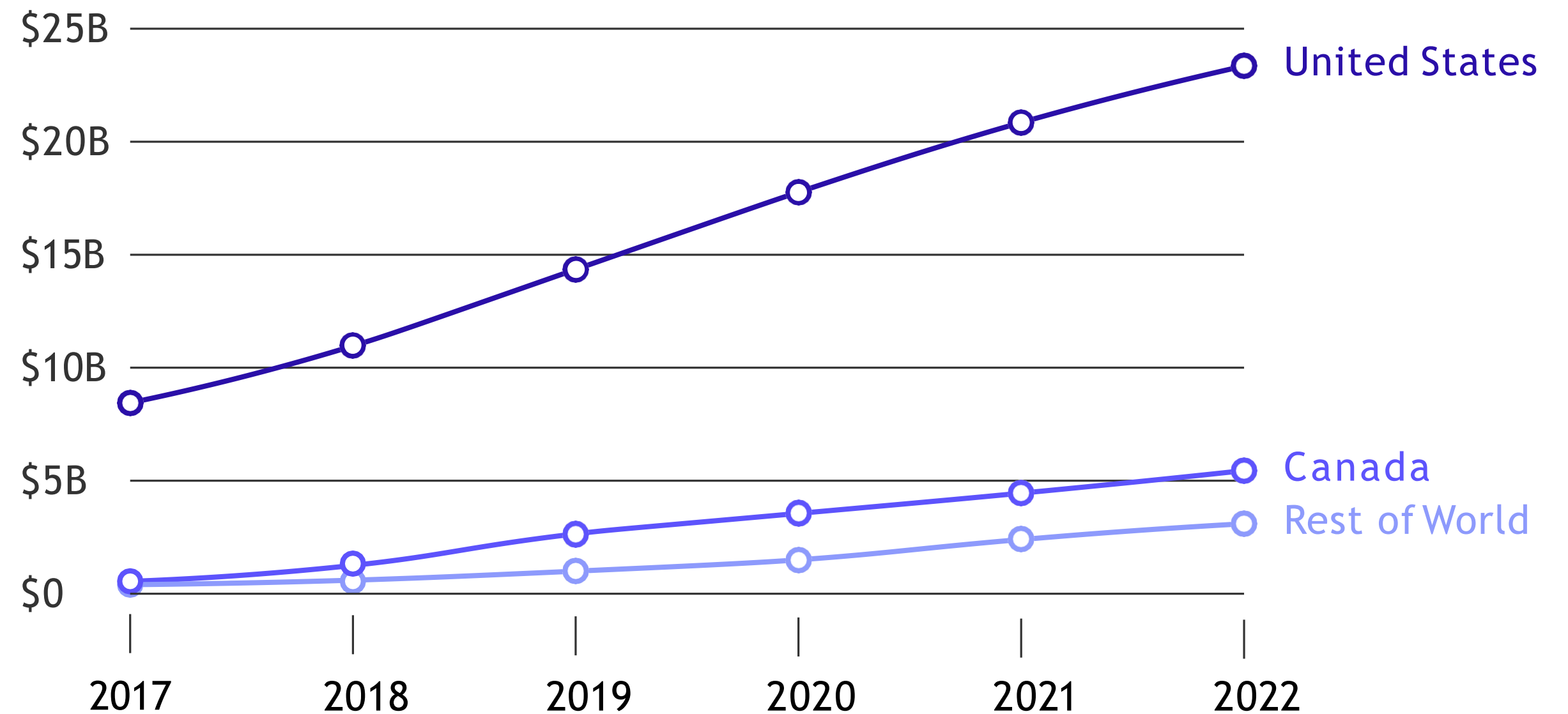
### Commonwealth Alternative Care & Standard Farms

- Cultivation and manufacturing operations provide wholesale support to clients in high-demand markets
- Plant-touching "test beds" for Jupiter and Blackbird solutions
- Strong operating cash flows

# Total Addressable Market

- Currently, 33 states have cannabis laws covering 240M Americans, or 73% of the US population
- Arcview and BDS Analytics expect US cannabis sales to reach US \$20.0B in 2021
- Value-added products (vaporizers, consumables) >50% total sales in recreational states and growing
- A fully recreational US market should exceed \$100B in annual sales

## Legal Cannabis Spending



Sources: Arcview Market Research, BDS Analytics, <https://www.brewersassociation.org>

# Addressing Pain Points at Key Junctures in the Value Chain

TILT customers rely on our expertise in product innovation, enterprise software solutions and logistics infrastructure

- Rapid proliferation of branded consumer product SKUs
- Limited number of outlets for marketing spend
- Intense focus on efficient customer acquisition and retention
- Growing complexity and specialization in supply chain and retailing & wholesaling strategies
- Ongoing evolution of regulatory requirements
- External market shocks (COVID-19, etc)

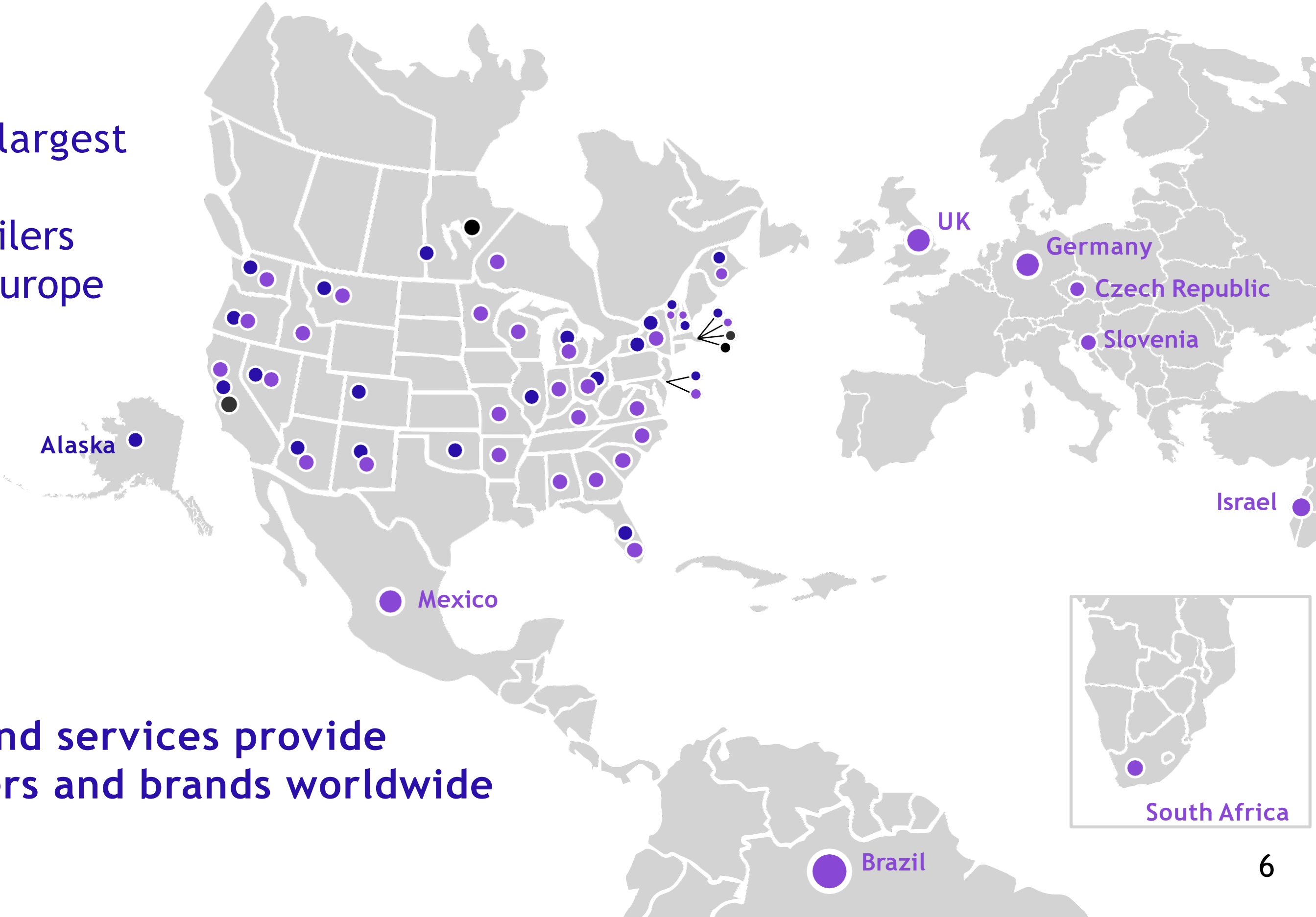
**Committed to sustainable, profitable growth and shareholder value creation**



# Diversified Business Model with Global Reach

TILT partners with some of the largest MSOs, LPs, brands, cultivators, processors & extractors and retailers throughout the US, Canada and Europe

- SaaS
- Distribution & Delivery
- Cannabis Production /Sales
- Devices



Our broad range of products and services provide solutions to over 2,000 retailers and brands worldwide

# Inhalation Technology

## jupiter

Industry leader in customized solutions for customers looking to build brands

- Differentiated value proposition:
  - ✓ Strong technological acumen
  - ✓ Unique product design know-how; “Designed in Arizona, manufactured in China”
  - ✓ Deep supply chain expertise
  - ✓ Customer technical support
- Lean, highly efficient operating model
- Committed to highest safety standards

**Vape is the second largest cannabis product category**



# Software ERP



## Connecting the supply chain through technology

- Integrated technology assets Baker and Brideside into Blackbird to create an all-in-one enterprise software platform for the cannabis industry
- Total supply chain management with a focus on driving revenue for brands and retailers
- Tens of millions of promotional text messages sent per month through Blackbird's CRM tool

**Blackbird database contains over 1.5 million unique consumers;  
over 250,000 users on BlackbirdGo.com**





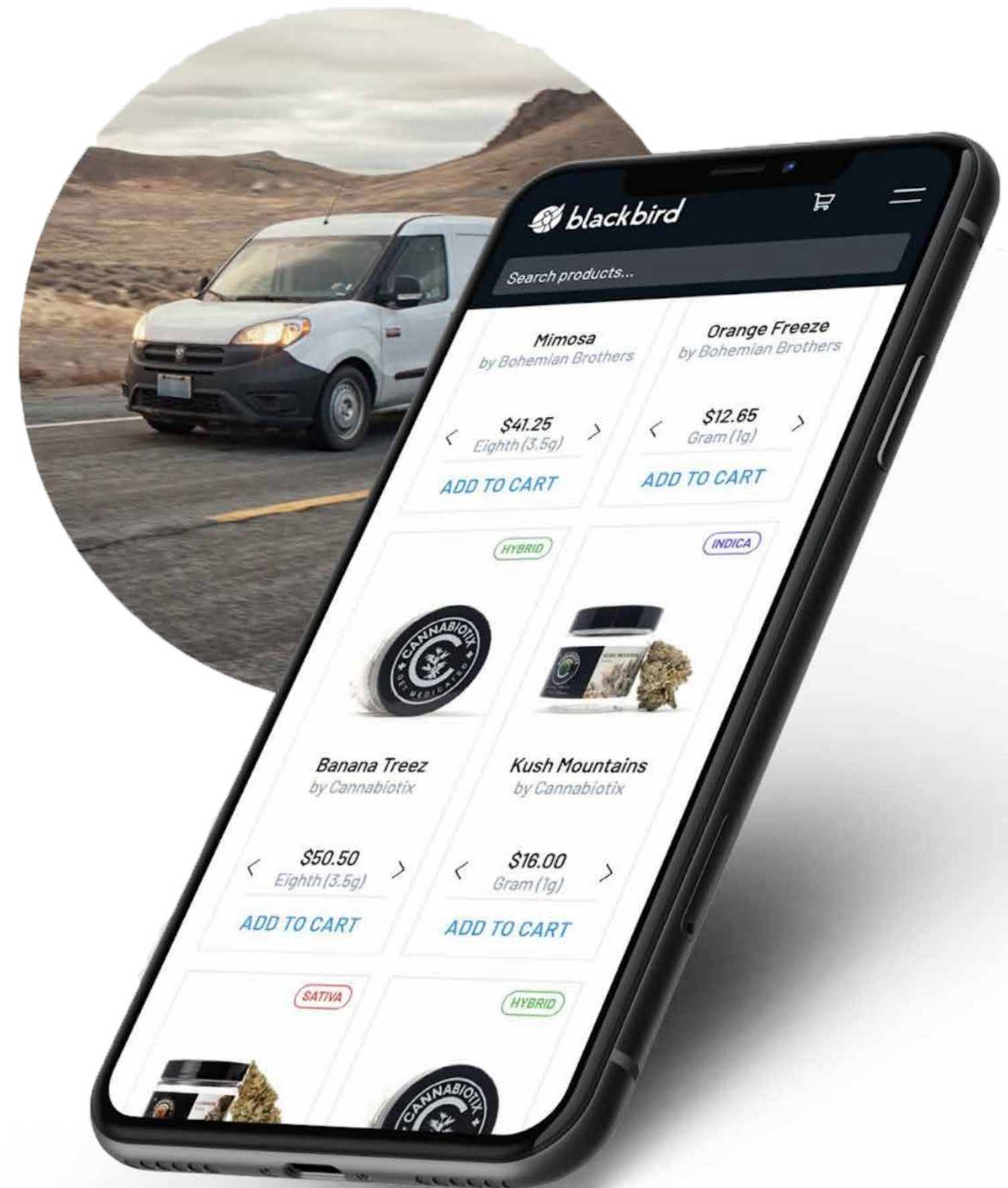
# Logistics Infrastructure



## B2B2C distribution and delivery

- Blackbird provides cannabis distribution, transportation, and delivery services to cannabis businesses
- Moves tens of millions of dollars worth of branded cannabis products through its doors every 30 days
- Last mile delivery solution in partnership with brands and retailers
- Currently distributing cannabis products to 100% of licensed dispensaries in California and Nevada
- First licensed cannabis distributor in the highly regulated market of Nevada

**Leading cannabis distributor in California since 2018**



# Cultivation, Manufacturing, Wholesale & Retail Operations



Direct experience allows TILT to understand customer needs

Vertically-integrated operations in Massachusetts (CAC) and cultivation and production in Pennsylvania (Standard Farms); both attractive limited license and supply-constrained markets

## Benefits:

- Potential access to MA adult-use market
- Research platform for hardware product innovation
- Betaclient for Blackbird software
- Wholesale business supports clients in high volume markets

Significant driver of free cash flow

# Financial Highlights

Multiple revenue streams offer strong cash flow generation

INCOME STATEMENT HIGHLIGHTS (\$000s)	Three Months Ended Mar-31		Full Year Ended Dec-31	
	2020	2019	2019	2018
Revenue	42,425	34,378	152,938	3,502
Gross Profit Before Fair Value Adjustments	11,754	7,306	37,472	142
Net Income (Loss)	51	(77,896)	(133,374)	(550,119)
Cash Provided by Operating Activities	4,248	(12,189)	(27,955)	(35,674)
Adjusted EBITDA(Non-IFRS)	1,721	(8,268)	(13,454)	(22,634)

BALANCE SHEET HIGHLIGHTS (\$000s)	As of Mar 31, 2020	As of Dec 31, 2019	As of Dec 31, 2018
Cash	8,428	2,580	97,247
Property, Plant & Equipment (Net)	78,939	80,576	50,692
Total Assets	541,716	545,903	221,236
Total Liabilities	151,901	158,154	16,372
Shareholder's Equity	389,814	387,749	204,864

Note: All figures have been rounded

## Q1 2020 Highlights

- **Revenue Growth:**  
+ 27% Q-o-Q, + 23% Y-o-Y
- **Gross Margin Improvement:**  
+ 770 bps Q-o-Q, + 640 bps Y-o-Y
- **OPEX Reduction:**  
(12%) Q-o-Q, (80%) Y-o-Y
- **Positive Cash from Operations:**  
\$4.2M

# Incremental Growth Drivers & Value Creation

- **Jupiter:** Market introduction of proprietary products (Infinity platforms, LiquidQue)
- **Blackbird:** Build off successes in CA and NV to scale technology and distribution; roll out CRM for brands; explore data analytics
- **Cultivation & Production:** Continue to optimize PA operation; expand cultivation and production capacity to support wholesale and retail opportunities in MA
- **Corporate:** Monetize cross-sell & synergy opportunities across businesses; explore international opportunities

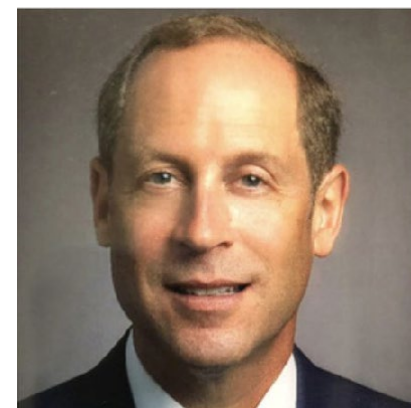


# Leadership Team

Accomplished leaders from a broad range of industries including technology, manufacturing, private equity, financial services and operations across both B2B and B2C businesses



**Mark Scatterday**  
CEO/Chairman  
*International CPG, Njoy*  
*CEO Jupiter Research*



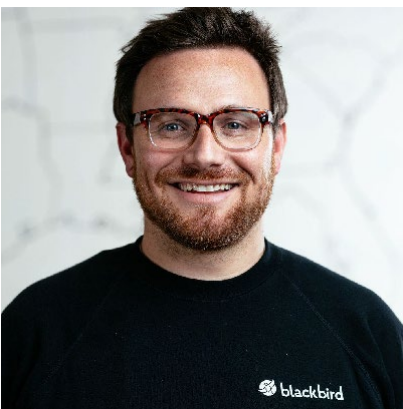
**Marshall Horowitz**  
General Counsel  
*Snell & Wilmer*



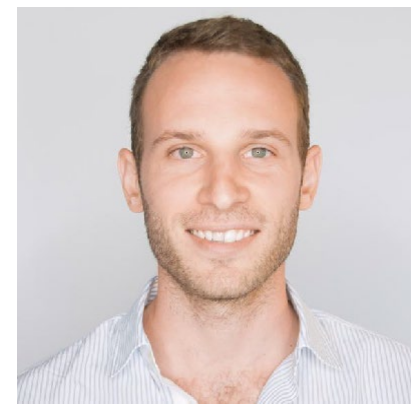
**John Barravecchia**  
Independent Director  
*GE-Franchise Finance,*  
*Stat Health Services*



**Jane Batzofin**  
Independent Director  
*Corner Capital*



**Tim Conder**  
President & COO  
*Delivery logistics & tech,*  
*CEO Blackbird*



**Joel Milton**  
Business Development  
*CEO Baker Technologies*



**Mark Coleman**  
Independent Director  
*YES Network,*  
*InterMedia*



**Brad Hoch**  
Interim CFO  
*Jupiter Research, American*  
*Traffic Solutions, TPI*  
*Composites, Gateway*



**Gary Santo**  
Capital Markets & Investor  
Relations  
*Columbia Care, Lantheus*  
*Medical Imaging, International*  
*Game Technology*



**Gary Smith**  
Independent Director  
*Red Bull, PepsiCo, Big Red*

# Summary

- Leading vaporization hardware technology through Jupiter Research
- Leading software and supply chain solutions through Blackbird
- Powering over 2,000 brands and retailers across the industry
- Cash-flowing cultivation, production and retail assets located in attractive Massachusetts and Pennsylvania markets
- Diversified business model delivering positive cash flow from operations and Adjusted EBITDA in Q1 2020.
- Positioned for growth: uniquely situated to help cannabis companies build brands, as market grows domestically and internationally



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