



CANNABIS THROUGH ART AND SCIENCE

INVESTOR PRESENTATION | JANUARY 2023

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Third Party Information

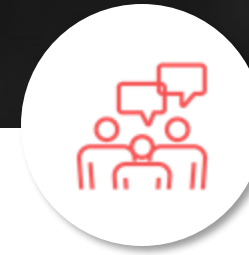
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THE ART



THE SCIENCE



THE EXPERTISE

At Aadastra we've created the new standard in cannabis extracts. Our deep understanding of our customers' needs allows us to deliver trusted, quality products to the end consumer. It takes a touch of art, a lot of science, and plenty of industry expertise.

INVESTMENT HIGHLIGHTS

LEVERAGING CANADA'S STRONGEST CANNABIS BRANDS



Adastra owns 100% of the popular legacy Phyto Extractions brand and developed successful in-house brand Endgame Extracts in 2022. Phyto Extractions' portfolio includes; distillate and full spectrum vaporizer cartridges, shatter and sugar wax, formerly terp. sauce, live resin.

Phyto Extractions will expand its product offerings to include large format dried flower infused pre rolls, speciality hydrocarbon extracts like THCa diamonds, diamonds and terp sauce. Endgame Extracts launched its curated cross line up of distillate vape cartridges and shatter in Q2 2022, due to demand it quickly added full spectrum vaporizer cartridges,

ROBUST EXTRACTION CAPACITY



1. 13,500 sq.ft. processing facility, combining co-located Chemia Analytics cannabis testing lab and Adastra Labs' extraction systems.
2. Received Health Canada Medical Sales Licence and Controlled Substances Dealer's License in August, 2022. These licenses enable Adastra to sell medical format cannabinoid products and legally possess and conduct activities with psilocybin..
3. Shatter production increased to 185.4 kg of shatter produced in Q2 2022, compared to 106.6 kg in Q1 2022..
4. Added extended weekday shifts and included weekend shifts to meet demand.

GROWING RAPIDLY



Generated record gross revenues of \$5,338,275 in Q2 2022, representing 192% growth YOY.

SIGNIFICANT EXPERTISE



Adastra employs a diverse team of scientists, consultants, leaders and industry experts. Adastra developed its commercialization team in Q1 2022 to accelerate production volume and market penetration, meeting increased demand for branded products and co-manufacturing PO fulfillment.

DIVERSE APPROACH



Capable of creating a wide-range of outputs including THC distillate, vape cartridges, CBD isolate, full spectrum extracts, THCa diamonds, capsules, tinctures and other CPG cannabis products used in medical and adult-use recreational applications.

KEY PRODUCT OFFERINGS



SUPER/SUB CRITICAL CO2

Capsules, Tinctures, Full Spectrum Vape Cartridges, Terp Sauce



CRYO ETHANOL

Distillate Vape Cartridges, Tinctures



HYDROCARBON

Extract Products: Live Resin, Shatter, THCa Diamonds, Full Spectrum Vape Cartridges, Sugar Wax, Crumble, CBD Isolate.



FULL SPECTRUM

Shatter, Live Extract Cartridges and Dabbable Concentrates ex: sugar wax



DRIED FLOWER

Pre-Rolls, Infused Pre-Rolls, Large format cannabis flower, small batch craft cannabis (coming soon)

Expanding Product Portfolio

SUMMER 2021

- 1g Shatter under Phyto Extractions brand

WINTER 2022

- Development of commercialization team
- Added co-manufacturing agreements for popular Canadian brands to portfolio

SPRING 2022

- 1g Vaporizer Cartridges
- 1g Full Spectrum Vaporizer Cartridges
- 1g Shatter
- Endgame Extracts brand launch
- Endgame product SKUs launch and sell out in BC

SUMMER 2022

- Additional Endgame SKUs brought to market ex: THCa Diamonds, 1g Vaporizer Cartridge flavours, Sugar Wax
- Endgame and Phyto Extractions products listed for sale in additional provinces and territories
- Endgame brand presence featured at cross-country events
- Received Medical Sales Licence and Controlled Substances Dealer's Licence from Health Canada

FALL 2022

- Additional SKUs added to Endgame portfolio
- Steps taken towards termination of a legacy supply agreement, to bring Phyto Extraction brand fully in-house. Capturing 100% of revenues.
- Endgame products stocked in other provincial markets ex: AB, ON

EXPERIENCED LEADERSHIP TEAM



Michael Forbes
BSC. PHARM, MBA
CEO & DIRECTOR

With a background firmly rooted in medicine, cannabis production and entrepreneurship, Michael has founded five medical cannabis clinics, under the Concord Medical Clinic umbrella, built Clarity Cannabis and Honeycomb Cannabis retailers to more than 10 locations and founded the cannabis licensed cultivation facility, Sitka Weed Works.



Oliver Foeste
CPA, CA
CFO

Oliver is the founder and Managing Partner of Invictus Accounting Group LLP (est. 2012) and has significant executive, director, finance, and restructuring experience across a number of industry sectors. Prior to Invictus, Oliver was in senior finance and accounting roles at TSX, TSXV, and NYSE listed issuers, and earned his CPA at Deloitte and a boutique tax advisory firm.



Smoke Wallin
DIRECTOR

Smoke is a highly accomplished CEO, entrepreneur, leader, board member and philanthropist with leadership across the consumer products, beverage, cannabis, hospitality, health & wellness, distribution, M&A, and technology industries. Smoke is Co-Founder & Director of DignityMoves.Org created to end unsheltered street homelessness in our communities by building Interim Supportive Housing with rapid, cost-effective, scalable solutions.

Smoke serves as MD/partner at STS Capital a global boutique investment bank focused on M&A. He serves as Chair of Taliera, a company he founded in 2006 to incubate and celebrate iconic beverage brands. He is Chair/Co-Founder of Vertical Wellness a health & wellness brand company.



Jean-Paul Lim
MD, FRCPC
CHIEF STRATEGIC ADVISOR

- Internal medicine and complex care specialist
- Ageless Living
- Ziram Biopharma



Paul G. Morgan
DIRECTOR

- Corporate Attorney
- Retail Cannabis Owner

A PLATFORM FOR ACCELERATED GROWTH IN CANADA

Trusted global leaders in pharma-quality, development and manufacturing of cannabis API, and derivative products



EXTRACT

Our extraction methodologies and industry-leading equipment are designed to meet your product development requirements.



ANALYZE

Our co-located, in-house analytical testing lab allows us to perform in-process potency and cannabinoid testing, to ensure process optimization and deliver efficient, cost-effective quality to brands we process for, whether wholesale or co-manufacturing.



CRAFT

Adastra acquired 100% of Phyto Extractions' legacy concentrates brand in Sept. 2021 and launched its highly-anticipated Shatter line up in Summer 2021. Additional innovative flavours and SKUs were added to its product line up in 2022. Endgame Extracts brand launched in end of Q1 2022, with initial SKUs hitting shelves in Q2 2022, selling out within 24 hours.



SCIENCE

PerceiveMD is a multidisciplinary team-based, patient-focused centre providing free, comprehensive assessments for medical cannabis remedies and treatments.

ADASTRA LABS

EXTRACTION

Adastra Labs is a Health Canada licensed Standard Processor, cannabis product formulator and co-manufacturer.

Our 13,500 sq. ft facility is located in Langley, BC, Canada.

In 2021, Adastra received its sales license to sell products directly to provincial distributors.

The hydrocarbon extraction equipment increased Adastra's capacity to 146,000 kgs per year, making it one of the largest, full-service cannabis extraction companies in Canada.

Adastra Labs processes and packages for its Phyto Extractions brand, acquired in September 2021, and co-manufactures for a variety of white label cannabis extract and concentrates brands, currently for sale across Canada.

In April, 2022 Adastra launched its in-house brand Endgame to the BC market, with shatter and vaporizer SKU offerings, priced to sell. Sell through reached 100% for the four initial SKUs launched, within 48 hours of release.



Distillate & Full Spectrum Vape Formulations



Capsule Formulations (coming soon)



Up to 95% THC Distillate



99% CBD Isolate



FULL SPECTRUM



INFUSED PRE ROLLS



SUGAR WAX



THCA DIAMONDS





ADASTRA ANALYTICS

IN-HOUSE TESTING LAB

Licensed by Health Canada in 2019, Adastra Analytics is Adastra's co-located testing laboratory.

Adastra conducts in-process cannabinoid potency testing, enhancing process efficiency and product quality assurance. It also offers QA/ QC and compliance services for licensed cannabis producers.

CANNABIS ANALYSIS

The co-location of our analytical testing lab, enables us to perform in-process testing on cannabis extract samples when formulating and manufacturing products for our customers, and co-manufacturing partners. This allows us to enhance process efficiencies and pass cost savings onto our clients. With Adastra Analytics we can also perform product R&D in-house. Adastra Labs has its organoleptic testing license, offering the advantage of customer product testing. This feedback ensures we craft products that meet customer demand. With Adastra analytics on-site we can perform analysis, product sampling, testing and R&D with little added cost.



OWNS 100% of TWO TOP-PERFORMING CANADIAN CONCENTRATES BRANDS



+



AWARD-WINNING EXTRACTS

Proudly Canadian and fiercely passionate about cannabis concentrates, Phyto Extractions is a legacy purveyor of award-winning extracts.

Evolving from our legacy roots, we carefully consider hardware, formulation ingredients, and adhere to strict quality control procedures to ensure our products exceed our customers' expectations.

FOUNDED IN 2014 PHYTO EXTRACTIONS BRAND WAS ACQUIRED IN SEPT. 2021

PHYTO AND ENDGAME ARE CURRENTLY TOP 2, 3, 6, 8, 9 & 10 SELLING CONCENTRATES IN BC¹

Endgame prides itself on delivering extracts that slap - staying loyal to their legacy roots, evolving past where the suits have placed the industry today. They know what makes a good product. That's why now their hustle is to hunt for the most unique terp profiles and crossing iconic strains into category slappin' products that are around for a good time, not a long time.

www.phytoextractions.ca / www.endgameextracts.com

1. Source Headset data, collected Nov. 2, 2022, www.headset.io/the-best-selling-cannabis-products/british-columbia-concentrates



PERCEIVEMD

ONE OF BRITISH COLUMBIA'S LEADING MEDICAL CANNABIS AND FORWARD-THINKING THERAPY CLINICS

PerceiveMD is a multidisciplinary team-based, patient-focused centre providing free, comprehensive assessments for medical cannabis.

SEPT 2021: PURCHASED 100% OF PERCEIVEMD¹

PerceiveMD positions Aadastra for expansion into medical sales and cannabis treatments. It creates a direct sales path for medical products and a feedback mechanism for input directly from patients and doctors.

perceiveMD

www.perceivemd.ca

1. \$2.3 million all-stock transaction. Related party transaction



Through acquiring PerceiveMD and its extensive team of industry experts, we will be able to build and develop new medical cannabis products through Phyto Extractions to service patients suffering from a variety of ailments.

MICHAEL FORBES
Chief Executive Officer



COMPASSIONATE CARE



HOLISTIC APPROACH



HOLISTIC APPROACH

GROWING PRODUCT PORTFOLIO AND AVAILABILITY

GROWTH DRIVERS

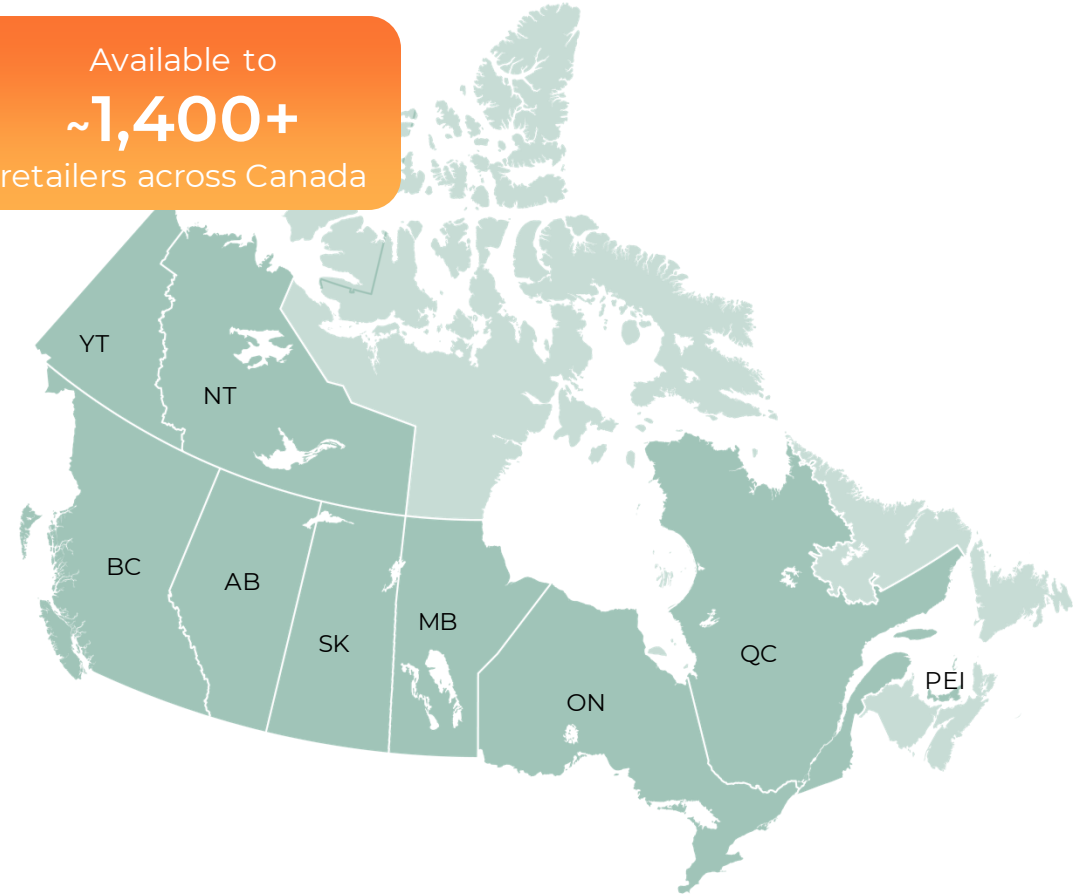
- Introduction of new products, into desired categories
- Retail & market penetration
- New channels
- Optimize in-store visibility and augmented brand presence
- Sales force expansion
- Addition of commercialization team – Q1 2022
- Production team schedules increased to meet sales demand
- In-house brands and co-manufacturing partnerships with several of Canada's leading brands
- Product innovation and strategic commercialization

DEMONSTRATED SELL THROUGH WITH IN-HOUSE BRANDS

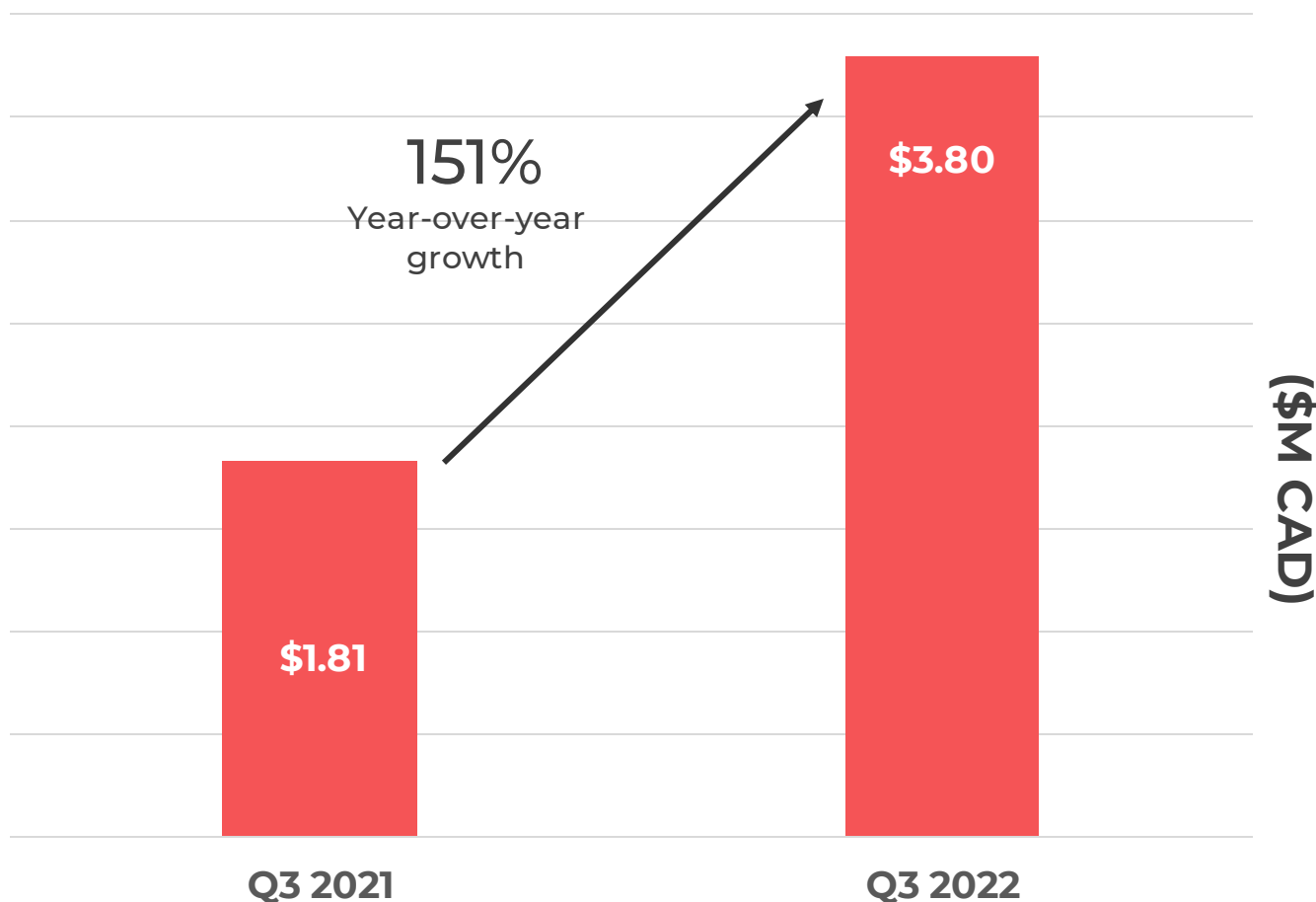


Expanding Distribution with Provincial Wholesalers

Available to
~1,400+
retailers across Canada



BUILDING MOMENTUM



REVENUE

Q4 2021

- Achieved gross profit of approximately \$1.9 million during the year ended December 31, 2021 - an increase of 147%.
- Supply and Purchase agreement with Sitka Weed Works.
- Launched Endgame Extracts brand in BC, with a 100% sell through of initial SKU launch within 48 hours.

Q1 2022

- Launched Endgame Extracts brand in BC, with a 100% sell through of initial SKU launch within 48 hours.
- Record revenues of \$2.3 million in Q1 2022, compared to \$589,138 in Q1 2021 - an increase of 288%.
- Gross profit of \$827,713 during Q1 2022, compared to \$105,411 during Q1 2021 - an increase of 685%.

Q2 2022

- Gross revenues of \$3.05M in Q2 2022, compared to \$1.24M in Q2 2021, representing an increase of 146%, demonstrating significant demand for in-house cannabis concentrate brands and products.
- Launched Endgame Extracts brand, met with high demand and 100% sell through in home province of BC.

Q3 2022

- Gross revenues of \$9.14M for YTD 2022 compared to \$3.64M for YTD 2021, representing a 110% increase.
- Gross revenues of \$3.80M in Q3 2022, compared to \$1.81M in Q3 2021, and \$3.05M for Q2 2022 representing a YoY increase of 110% and QoQ rise of 25%, demonstrating significant demand for Adastra's cannabis concentrate brands and products.
- Gross profit of \$1.63M in Q3 2022, compared to \$0.82M in Q3 2021 and \$1.09M for 2022, representing a YoY increase of 100% and QoQ rise of 50%.

YTD 2022 FINANCIAL METRICS

	YTD 2022	YTD 2021	% Change
Revenue	\$9,142,062	\$3,639,012	151%
Cost of Sales	(\$5,584,825)	(\$2,379,083)	135%
Gross Profit	\$3,557,237	\$1,259,929	336%
Gross Margin	38.9%	34.6%	4.3%
Operating Expenses	\$4,999,311	\$2,043,174	145%
Net Loss	(\$1,106,715)	(\$1,081,266)	48%
Net Loss Per Share	(\$0.03)	(\$0.02)	50%

Note: For the 9 months ended September 30, 2022 compared to the same period, in the previous year.

\$9.14M

Revenue

151%

Y/Y Growth

\$3.55M

Gross Profit

38.9%

Gross Margin

CAPITAL STRUCTURE

CSE: XTRX TICKER	\$0.39 SHARE PRICE ⁽¹⁾	\$0.39–\$1.10 52-WEEK RANGE	\$21.8M MARKET CAP	1% INSIDERS
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Shares Outstanding (as of June 30, 2022)	Total Shares
Common Shares	55,970,547
Options	3,665,000
Warrants	2,043,911
Total Shares Outstanding (Fully Diluted)	61,679,458
Long-Term Debt	-

(1) Priced as of November 29, 2022

Get In Touch With Us

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