



INVESTOR PRESENTATION

CANNABIS THROUGH ART AND SCIENCE

April
2023





Adastra has become one of Canada's leaders in the supply and manufacturing of ethnobotanical and cannabis products for lawful adult-use. It serves medical markets and engages in forward-looking therapeutic applications. With cannabis concentrate products sold through retailers at more than 1,600 locations across Canada, Adastra's Phyto Extractions and Endgame Extracts brands are now well established with a solid distribution presence.



THE ART



THE SCIENCE



THE EXPERTISE

INVESTMENT HIGHLIGHTS



STRATEGIC PURSUIT OF LICENSING AND AMENDMENTS

Leading producer of cannabis products and in-house sought-after brands distributed for the adult-use and medical markets. Aadastra is recognized as a high-capacity processor and co-manufacturer, supplying many top selling brands throughout Canada.

Over 1,600 legal cannabis retailers' stock Aadastra's brands' products. During Q4 2022, we completed the acquisition of the Phyto Extractions brand - a well-known brand for cannabis concentrates, enabling us to capture 100% of its revenues. This will increase supply chain efficiency and manufacturing cost savings.

We proactively pursued amendments to our Controlled Drug and Substances Dealer's License. Aadastra can now possess, produce and distribute up to 1,000 grams of psilocybin and psilocin and up to 250 grams of coca leaves to synthesize cocaine.



ROBUST EXTRACTION CAPACITY

13,500 sq. ft processing facility, combining co-located Aadastra Analytics cannabis testing lab and Aadastra Labs' extraction systems.



RAPID GROWTH

Generated record gross revenues of \$9.14M in the nine months ending September 30, 2022, net of 2.17M in excise duties. This represents a growth of 151% YOY or 211% growth YOY with the exclusion of excise duties.



SIGNIFICANT EXPERTISE

Aadastra employs a diverse team of scientists, consultants, leaders and industry experts. Aadastra 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.

These controlled substances can only be sold to other Dealer's License holders, such as health care practitioners, researchers within the regulated environment to create products suitable for the medical cannabis market, with the ultimate aim of addressing the needs of patients.

KEY PRODUCT OFFERINGS



SUPER/SUB CRITICAL CO2

Full-Spectrum Vape, Cartridges, Terp Sauce



CRYO ETHANOL

Distillate Vape Cartridges, Tinctures



HYDROCARBON

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

EXPANDING PRODUCT 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 Extractions brand fully in-house. Capturing 100% revenues.
- Endgame products stocked in other provincial markets ex: AB, ON.

WINTER 2023

- Innovative Pre-Roll machine installed that allows us to do first-of-its-kind infusions.
- Endgame grew in Alberta and Ontario and our products landed on the best-selling lists on headset.io.
- As of last week, Phyto skus have transitioned to Adastra in Ontario, Alberta, BC, SK and MB.
- Listed in Nova Scotia, Adastra now has direct relationships with BC, AB, SK, MB, ON and NS.

SPRING 2023

- In March, announced record shipment volume for January and February 2023 and plans to further accelerate product and brand presence across Canada.
- In Q1 2023 Adastra shipped a record volume of 379,343 grams of cannabis products and achieved this result with over 1,300 orders. This shipment volume is an increase of 152% over the average monthly shipments during 2022.

EXPERIENCED LEADERSHIP TEAM



Michael Forbes
BSC. PHARM
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.



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.



Lachlan McLeod
BSC., CPA
CFO

Lachlan is a Chartered Professional Accountant (CPA) with a BSc, Economics major and Business minor from the University of Victoria. He received his diploma of accounting from the Sauder School of Business at the University of British Columbia. Lachlan brings over 10 years of senior finance experience, serving in senior executive management levels in both public and private companies. He has worked as an auditor for a Big 4 accounting firm for four years and has served as a fractional CFO for multiple public companies. Lachlan has a proven track record of helping businesses meet financial and regulatory reporting requirements.



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 leader in pharma-quality, development and manufacturing of cannabis API, and derivative products.



EXTRACT

Our extraction methodologies and industry-leading equipment are designed to meet product development requirements, consumer demands and Health Canada quality standards.



SCIENCE

Cannabis processing, innovative product development and formulations, R&D, organoleptic testing, extraction capabilities.



CRAFT

Adastra brought 100% of Phyto Extractions' legacy concentrates, known for its branded Shatter product, back in-house. Endgame Extracts brand launched at end of Q1 2022, with initial SKUs hitting shelves in Q2 2022, selling out within 24 hours. Endgame and Phyto products often rank in the top 10 of best-selling concentrates in BC and Alberta¹.



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.



EXTRACTION

Aadastra 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, Aadastra received its sales license to sell products directly to provincial distributors.

Aadastra Labs uses the following methods to extract and process cannabis: Cryo Ethanol, Hydrocarbon.

Aadastra Labs processes and packages for its Phyto Extractions brand, a wholly-owned brand, capturing 100% of its revenues as of October 2022. Aadastra co-manufactures for a variety of white label cannabis extract and concentrates brands, currently for sale across Canada.

In April 2022 Aadastra 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



THCa Diamond Formulations



Up to 95% THC Distillate



99% CBD Isolate



ADASTRA ANALYTICS



IN-HOUSE TESTING LAB

Licensed by Health Canada in 2019, Adastra Analytics is Adastra Labs' co-located analytical testing lab.

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 BROUGHT 100% IN-HOUSE IN OCTOBER 2022, ALLOWING ADASTRA TO CAPTURE 100% OF ITS REVENUES.

ENDGAME EXTRACTS LISTED AS 3RD, 4TH, 5TH, 7TH & 9TH BEST SELLING CONCENTRATE IN BC ⁽¹⁾

Before concentrates were mainstream, a crew of cannabis and hip-hop heads came together at a small facility in the middle of nowhere with a single goal: to make the best extracts possible. They executed by crossing iconic strains, offering unique terp profiles, and staying true to the game by respecting the craft and constantly evolving. As their extraction skills grew, so did the brand. Endgame has a reputation coast to coast for its quality, authenticity and consistency in everything they do.

Today, Endgame has transitioned from its hidden underground origins into the legal cannabis and lifestyle market, and we are just getting started. What's your Endgame?

The logo for Phyto, featuring the word "Phyto" in a bold, green, italicized sans-serif font.The logo for Endgame, featuring the word "ENDGAME" in a bold, black, blocky sans-serif font. Below the text is a circular emblem containing a stylized "EG" monogram, surrounded by a chain-link border.

perceive M D



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

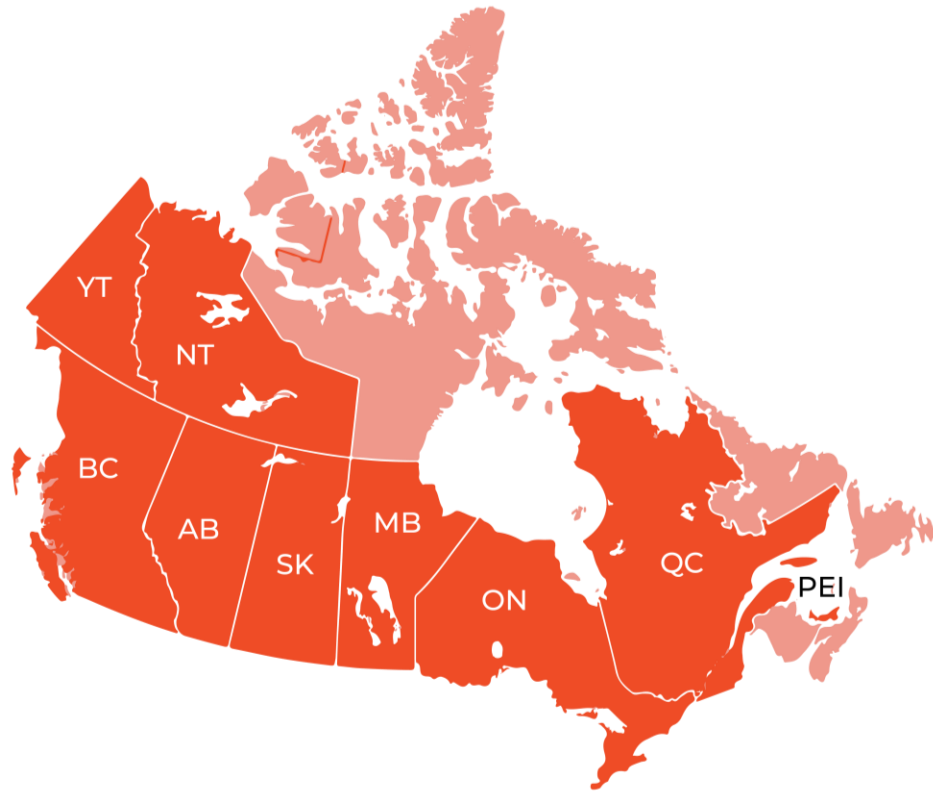
PerceiveMD is a multidisciplinary team-based, patient-focused centre providing free, comprehensive assessments for medical cannabis.

SEPT 2021: PURCHASED 100% OF PERCEIVE MD ⁽¹⁾

PerceiveMD positions Adastra 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.

GROWING PRODUCT PORTFOLIO AND AVAILABILITY

EXPANDING DISTRIBUTION WITH PROVINCIAL WHOLESALERS



1,600 across Canada

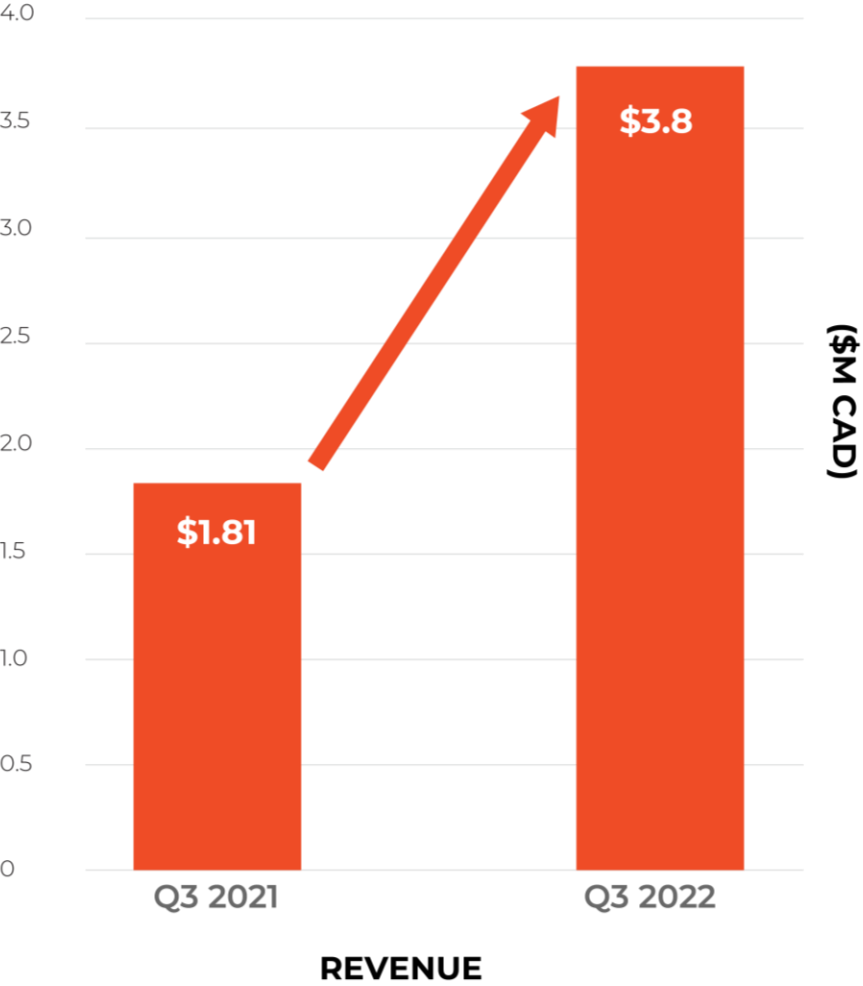
GROWTH DRIVERS

- Introduction of new products, into desired categories
- Retail & market penetration
 - 1,600 Canadian retailers' stock Adastra
- New channels distribution regions
 - Maritime provinces
- Optimize instore visibility and augmented brand presence
- Sales force expansion with Hybrid Brand Management
- Success of 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

BUILDING MOMENTUM

110% year-over-year growth



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 151% 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 Aadastra's cannabis concentrate brands and products.
- Gross profit of \$1.62M in Q3 2022, compared to \$0.82M in Q3 2021 and \$1.09M for Q2 2022, representing a YoY increase of 98% and a QoQ rise of 49%.

Q1 2023

- In March, announced record shipment volume for January and February 2023 and plans to further accelerate product and brand presence across Canada.
- In Q1 2023 Aadastra shipped a record volume of 379,343 grams of cannabis products and achieved this result with over 1,300 orders. This shipment volume is an increase of 152% over the average monthly shipments during 2022.

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	182%
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)	2%
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

\$3.56M

Gross Profit

38.9%

Gross Margin

CAPITAL STRUCTURE

Shares Outstanding (as of April 12, 2023)	Total Shares
Common Shares	55,970,547
Options	3,665,000
Warrants	122,727
Total Shares Outstanding (Fully Diluted)	59,758,274
Reserve for issuance	3,787,727

(1) Priced as of April 12, 2023

(2) Calculated as of April 12, 2023

CSE: XTRX
TICKER

\$1.33
SHARE PRICE ⁽¹⁾

\$0.11-\$2.00
52 WEEK RANGE

\$74.44M
MARKET CAP

28%
INSIDERS⁽²⁾

DISCLAIMER

Investors and prospective investors should rely only on the information contained in the disclosure filings (the "Filings") of Adastra Holdings Ltd. (the "Company"). This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in Filings. An investor or prospective investor is not entitled to rely on parts of the information contained in this presentation to the exclusion of others, and the Company is not authorized to provide different or additional information.

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