

Adastra

 **CSE: XTRX**

CANNABIS THROUGH ART AND SCIENCE

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Future Oriented Financial Information

This presentation contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about the Company's expected future revenue and business operations, which is subject to the same assumptions, risk factors, limitations, and qualifications as set out in the above paragraphs. The actual financial results of the Company may vary from the amounts set out herein and such variation may be material. The Company and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such FOFI. FOFI contained in this presentation was made as of the date hereof and was provided for the purpose of providing further information about the Company's anticipated future business operations. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.

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INVESTMENT HIGHLIGHTS



ROBUST SCIENTIFIC CAPABILITIES

1. 13,000 sq.ft. processing facility, combining co-located Chemia Analytics cannabis testing lab and Adastra Labs' extraction systems
2. Under review by Health Canada for a Dealer's licence, enabling Adastra to legally possess and conduct activities with controlled substances
3. Built to meet GMP standards in North America and internationally



LEVERAGING ONE OF CANADA'S STRONGEST CANNABIS BRANDS

Adastra now owns 100% of the popular Phyto Extractions brand. Phyto Extractions' portfolio includes; distillate-based vaporizer cartridges, shatter, full spectrum cartridges, live resin, diamonds, sugar waxes, and crumble. Phyto Extractions will expand its product offerings to include infused pre rolls, hydrocarbon extracts like THCA diamonds.



SIGNIFICANT EXPERTISE

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



DIVERSE APPROACH

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



GROWING RAPIDLY

\$3.6 million in TTM revenue, as of September 2021, vs. \$1.3 million in previous 12 months

Founded: 2018

Headquarters Langley, BC,
Canada

Employees 30

Ticker CSE: XTRX | FRA: D2EP

Key Product offerings:

- Infused Pre-Rolls
- Cannabis extract products
- Concentrates, vape cartridges, diamonds, sugar wax, full spectrum extracts
- Active Pharmaceutical Ingredients

Capitalization

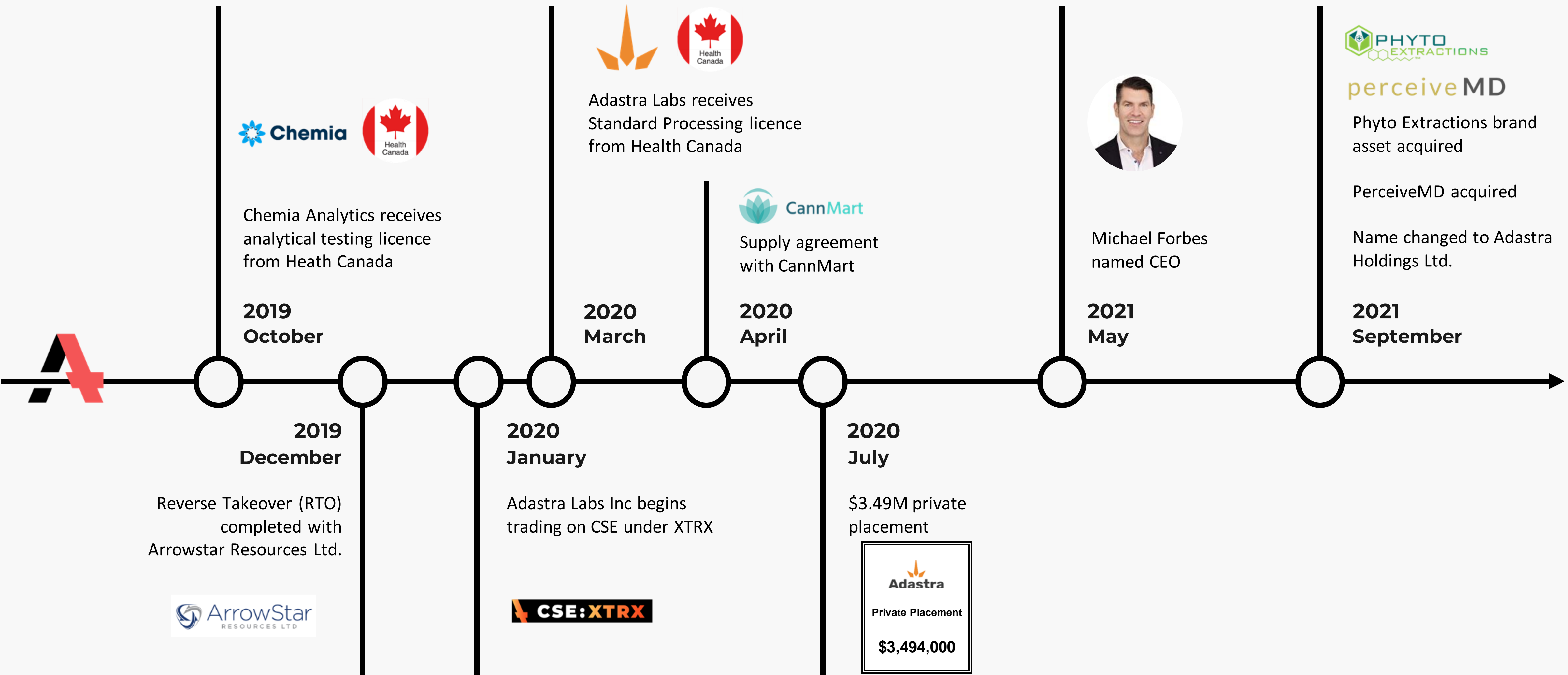
Shares Outstanding (M)	65.85
Market Cap	70.46

Revenue Growth

9 months ending Sept. 2021	3,639,012
9 months ending Sept. 2020	1,254,258

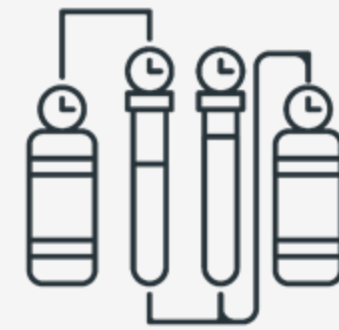
Change 190%

HOW WE BECAME A PLAYER IN CANADIAN CANNABIS



A PLATFORM FOR ACCELERATED GROWTH IN CANADA

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



Adastra

EXTRACT

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



Chemia

ANALYZE

Our co-located cannabis testing and consulting lab specializes in analyzing for impurities and additives that can impact quality.



**PHYTO™
EXTRACTIONS**

CRAFT

Proudly Canadian, with a fiery passion for cannabis concentrates, Phyto Extractions is a legacy brand and household name of award-winning extracts.

EXPERTISE THAT DIFFERENTIATES



SUPER/SUB CRITICAL CO2

Capsules, Tinctures, Vapes, Topicals, Beverages, Edibles and Full Spectrum



ETHANOL

Capsules, Tinctures, Vapes, Topicals, Beverages, Edibles, and Others



HYDROCARBON

Concentrates, Vapes, Shatter, Sugar Wax, Crumble, Live Resin, CBD Isolate



FULL SPECTRUM Extracts

Shatter, Live Extract Cartridges and dabbable concentrates



SOLVENTLESS EXTRACTS

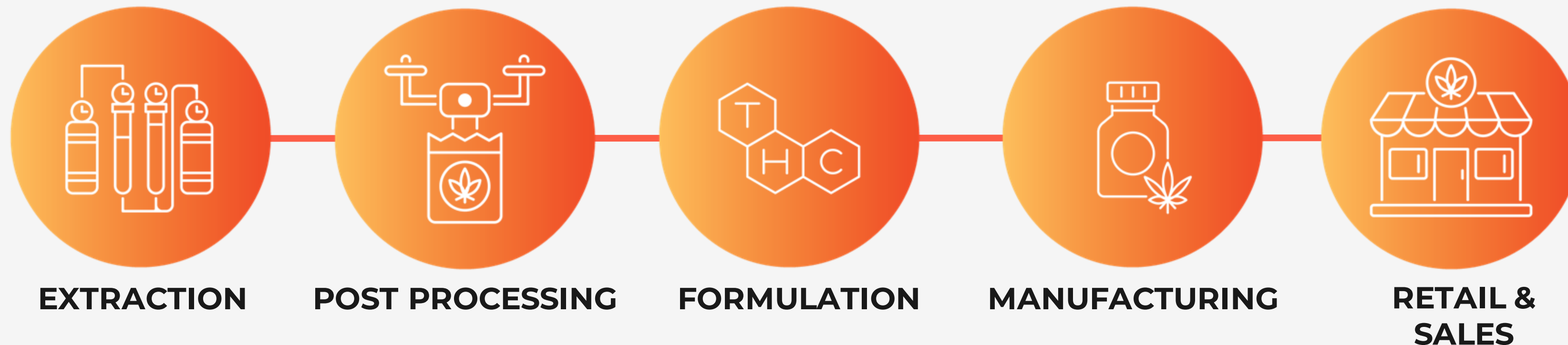
Hash, Rosin, Full Spectrum



DRIED FLOWER

Pre Rolls
Infused Pre Rolls

















ADASTRA OPERATIONS



ONE OF CANADA'S MOST POPULAR CONCENTRATES BRANDS



British Columbia's top selling cannabis concentrates

RANK	BRAND	PRODUCT	AVG. PRICE	SALES (30DAY)*
1		Afghan Black Pressed Hash ... Vortex Cannabis Inc.	\$25.58	
2		232 Series - Ice Cream Cak... Kolab	\$49.39	
3		Pink Kush Shatter (1g) Phyto Extractions	\$42.67	
4		Northern Widow Shatter (1g) QWEST	\$45.75	
5		Organic Pressed Hash (3.5g) 1964 Supply Co	\$47.98	
6		Sour Diesel Shatter (1g) RAD (Really Awesome Dope)	\$39.34	
7		Lemon Pepper Live Resin B... Purple Hills	\$53.87	
8		Death Bubba Shatter (1g) Phyto Extractions	\$41.30	

Strong Adastra wholesale sales

- \$3.3 million from August 2021 to January, 2022

Sept 2021: Purchased 100% of Phyto Extractions brand

- Acquired 100% of Phyto Extractions brand¹
- Issued 20 million common shares to the former shareholders of Phyto Extractions at \$1.20 per share, for total consideration of approximately \$24 million

www.phytoextractions.ca

1. Previously licenced from privately held 1204581 B.C. Ltd., doing business as Phyto Extractions



Best Concentrates:
1st Place (2015)

GROWING PRODUCT PORTFOLIO AND AVAILABILITY

GROWTH DRIVERS

- Introduction of new products, into desired categories
- Retail penetration
- New channels
- Optimize in-store visibility
- Sales force expansion
- Addition of commercialization team – Q1 2022

LEVERAGING ADULT-USE & MEDICAL CHANNELS



+



*Available on web-based medical platform CannMart

Available to
~1,400+
retailers across
Canada

Expanding Distribution with Provincial Wholesalers



Expanding Product Portfolio

2019 2.0 PRODUCTS
0.5g Vaporizer Cartridges
0.5g Live Resin
0.5g Terp Sauce Cartridge

NOVEMBER 2020
1g Vaporizer Carts

SUMMER 2021
1g Shatter

PENDING
Infused Pre-rolls
1g Sugar Wax
1g THCA Diamonds
1g Vaporizer Cartridges
1g Full Spectrum Cartridges
1g Shatter SKU expansion
Bringing in-house concentrates brand to market Q1 2022

BY ADDING FLOWER AND OTHER SKUs, WE EXPECT TO ACHIEVE \$5M IN MONTHLY SALES BY JULY 2022

ADASTRA LABS

EXTRACTION

Adastra Labs is a Health Canada licensed Standard Processor, cannabis product formulator and co-manufacturer, Its 13,000 sq. ft facility is located in Langley, BC, Canada.

In 2021, ADAstra received its sales licence 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, along with co-manufacturing for a variety of white label cannabis extraction products, currently for sale and coming soon to Canada spring and summer 2022.



Cannabis Distillate (95%)



Cannabinoid Isolates (99%)



Bulk Vape Formulations



www.adastraholdings.ca



CHEMIA ANALYTICS

IN-HOUSE TESTING LAB

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

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

CANNABIS ANALYSIS

\$1 million in capital expenditures and strategic hires will enable us to provide broader analysis and testing services to licenced producers throughout Canada; making Chemia one of the most advanced cannabis analysis, product sampling, testing, and R&D labs in the sector.

www.chemia.ca



PERCEIVE MD

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 and other breakthrough therapies such as psychedelics.

SEPT 2021: PURCHASED 100% OF PERCEIVEMD¹

PerceiveMD positions Adastra for expansion into medical sales and psychedelic therapies. It creates a direct sales path for medical products and a feedback mechanism for input directly from patients and doctors.

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

www.perceivemd.ca

perceive MD



COMPASSIONATE CARE



HOLISTIC APPROACH

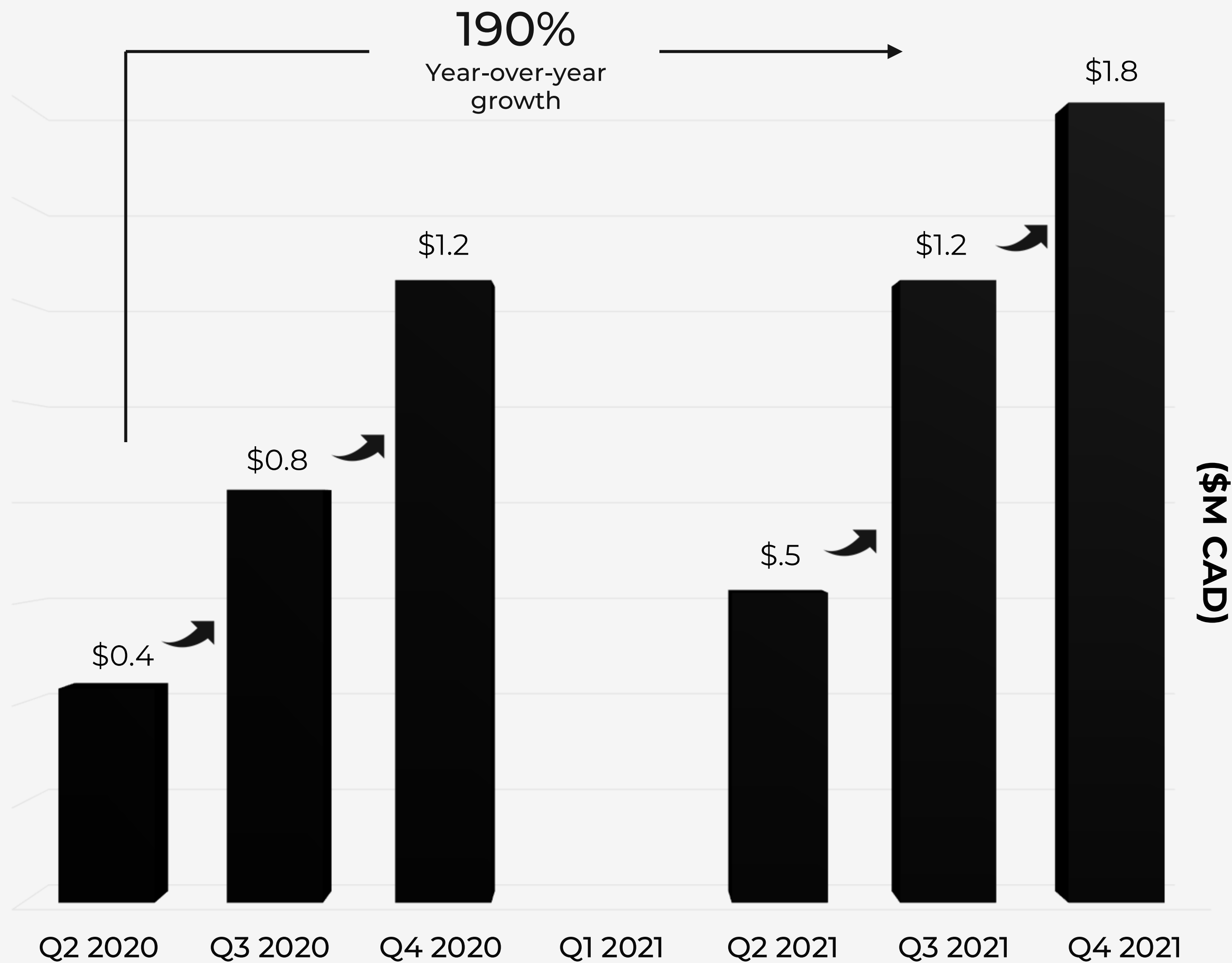


PATIENT AUTONOMY

“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

BUILDING MOMENTUM



1st HALF 2020

- Standard Processing licence received, CO2 processing line commissioned
- Vape cartridge sales commence for brands like Phyto Extractions.

2nd HALF 2020

- Capacity added to production via addition of cryo-ethanol extraction
- Additional product categories expanded and formats added, ex: 1g vape cartridges, more flavour offerings.

1st HALF 2021

- Lost ground in Ontario. But added 4 new SKUs in Q2 2021
- Commissioning of hydrocarbon extraction line
- Phyto Extractions shatter enters the market in five provinces.

Q3 to date

- Record sales of Phyto Extractions brand in August
- LTM revenue of nearly \$4 million

Q2 2021 FINANCIAL METRICS

	Q3 2021	Q3 2020	% Change
Revenue	\$1,808,111	\$825,903	119%
Cost of sales	874,433	875,485	
Gross profit	933,678	49,582	
Gross margin	52%	-6%	
Loss from operations	(5,703)	(3,817,623)	
Net loss	(207,864)	(3,895,719)	
Net loss per share	(0.00)	(0.10)	

\$1.8 M
Revenue

119%
Y/Y Growth

\$0.9 M
Gross Profit

52%
Gross Margin

SHARE COUNT DETAIL

Fully Diluted Shares Outstanding (as of June 30, 2021)	Total Shares (in millions)
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Common Shares	65,847,820
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Options	2,600,001
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(weighted average exercise price of CAD \$1.71)

Warrants	8,335,992
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(weighted average exercise price of CAD \$1.80)

Compensation Options / Warrants	24,067
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Total Shares Outstanding (Fully-Diluted)	76,807,880
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NO LONG-TERM DEBT

Note: Subsequent to quarter end, the Company issued 2,513,720 common shares in connection with the PerceiveMD acquisition and 20,000,000 common shares in connection with the Phyto Extractions: acquisition.



EXPERIENCED LEADERSHIP TEAM



Michael Forbes Bsc. Pharm, MBA
CEO & Director

- Pharmacist
- Pharmadrug
- Ageless Living
- Sitka Weed Works
- Clarity Cannabis
- Honeycomb Cannabis



Oliver Foeste CPA, CA
CFO

- Invictus Accounting



Jean-Paul Lim MD, FRCPC
Chief Strategic Advisor

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



George E. Routhier
Director

- PipeDreemz Inc., CEO
- MariGrow Inc., President
- Wildfire Collective, Board Member
- Technology background



Paul G. Morgan
Director

- Corporate Attorney
- Retail Cannabis Owner



Get In Touch With Us

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