

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: TILT Holdings Inc. ("TILT" or the "Issuer")

Trading Symbol: TILT

Number of Outstanding Listed Securities: 321,954,295 common shares in the capital of the Issuer

Date: December 4, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

TILT is a business solutions provider to the global cannabis industry offering a diverse range of value-added products and services to industry participants. Through a portfolio of companies providing technology, hardware, cultivation and production, TILT services brands and cannabis retailers across 35 states in the U.S., as well as Canada, Israel, Mexico, South America and the European Union (“EU”).

The Issuer is organized into two main business units: (1) Inhalation Technology and (2) Cultivation and Retail. TILT’s core businesses include Jupiter Research, LLC (“Jupiter”), a wholly owned subsidiary and leader in the vaporization segment focused on hardware design, research, development and manufacturing; and cannabis operations Commonwealth Alternative Care, Inc. in Massachusetts and Standard Farms, LLC in Pennsylvania. TILT leverages competencies across the organization in product development, manufacturing, packaging and technology to deliver end-to-end customer solutions. TILT is headquartered in Phoenix, Arizona.

On November 10, 2020 the Issuer announced an expansion of the partnership between Jupiter and Israeli-based Kanabo Research Ltd. (“Kanabo”), a leading researcher and developer of cannabis and CBD-derived medical cannabis solutions and inhalation devices. Under the terms of the expanded partnership, the two parties will seek to develop a new, medically certified inhalation device specifically designed to meet the directives outlined in the European Union Medical Devices Regulation in 2021. Kanabo will become the exclusive distributor of the medical platform in the EU and work closely with medical cannabis pharmacies to bring the platform to millions of patients.

On November 18, 2020, the Issuer filed the financial results for the three and nine months ended September 30, 2020 reporting quarterly revenue of US\$40.4 million and positive adjusted EBITDA of US\$2.8 million, further details of which are available on the Issuer’s SEDAR profile at www.sedar.ca.

2. Provide a general overview and discussion of the activities of management.

See item 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See item 1

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On November 18, 2020, the Issuer announced that Baker Technologies, Inc., an indirect wholly owned subsidiary of TILT, had entered into a securities purchase agreement (the "Agreement") for the sale of all of the membership interests of Yaris Acquisition, LLC (dba. Blackbird) to Slam Dunk, LLC, a Nevada limited liability corporation controlled by Tim Conder, TILT's former Chief Operating Officer and a member of the board of directors of the Company. The Blackbird Sale closed on November 30, 2020. Mr. Conder resigned from his position as Chief Operating Officer of the Issuer upon the closing of the Blackbird Sale. The Agreement, including the form of Promissory Note, is available on the Company's SEDAR profile at www.sedar.ca.

Key Transaction Terms

- **Total consideration payable for the Blackbird Sale was approximately US\$15,000,000 (approximately CA\$19,447,500¹), which figure is unaudited and subject to further reconciliation, consisting of:**
 - **a convertible senior secured promissory note (the "Promissory Note") in the principal amount of \$10,000,000 (CA\$12,965,000¹) (the "Base Principal Amount");**

¹ Based on the Bank of Canada's exchange rate on November 30, 2020 of US\$1.00 = CA\$1.2965

- the assumption of various liabilities, which were estimated to be approximately \$5,000,000 (approximately \$6,482,500¹); and
 - The Promissory Note is secured by a perfected security interest in all of the assets of Blkbrd Software LLC.
 - Interest shall accrue and be payable on November 30, 2023 (the “Maturity Date”) on any unpaid Base Principal Amount and unpaid interest thereon outstanding from time to time at a rate of:
 - ten percent per annum for the period commencing on November 30, 2020 and ending on November 30, 2021;
 - eleven percent per annum for the period commencing on November 30, 2021 and ending on November 30, 2022; and
 - twelve percent per annum for the period commencing on November 30, 2022 and ending on the Maturity Date.
 - Upon the satisfaction of certain terms and conditions outlined in the Agreement, for a period of six months following the closing of the Blackbird Sale, Baker may advance to the Buyer an amount equal up to an aggregate of US\$1,000,000 (CA\$1,296,500¹) (the “Additional Funding Amount”), with any such advances increasing the principal balance outstanding under the Promissory Note.
 - Interest on the Additional Funding Amount shall accrue at a rate of 15% per annum over the first twelve months, 16% over the second twelve months and 17% over the final twelve months.
 - The Base Principal Amount and, if any, Additional Funding Amount may be converted in whole or in part into membership interests of the Buyer or other preferred or common equity interest of the Buyer, at the discretion of Baker, based on the fair market value of such interests, provided that the conversion is not into more than forty-nine percent of the then outstanding membership interests of the Buyer.
8. Describe the acquisition of new customers or loss of customers.
N/A
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
N/A
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
For the period from 11/1/2020 to 11/30/2020, TILT hired 7 employees and terminated 7 employees.
11. Report on any labour disputes and resolutions of those disputes if applicable.
N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

No material proceedings

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

No material indebtedness incurred or repaid.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
N/A			

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

See item 7

16. Provide details of any changes in directors, officers or committee members.

As of November 21, 2020, Joel Milton ceased to be the Issuer’s Senior Vice President, Business and Corporate Development. As of November 30, 2020, Tim Conder ceased to be the Issuer’s Chief Operating Officer.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer’s September 30, 2020 Management Discussion & Analysis dated November 18, 2020 (the “MD&A”) under the heading “Risk Factors and Uncertainties”. The MD&A is available under the Issuer’s SEDAR profile at www.sedar.com.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated 12/4/2020

Brad Hoch
Name of Director or Senior
Officer

(signed) "Brad Hoch"
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report
TILT Holdings Inc.	November, 2020	December 4, 2020
Issuer Address		
745 Thurlow Street, Suite #2400 Vancouver, BC V6E 0C5 Canada		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia V6C 0C5	()	(712) 898-5290