

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: TILT

Number of Outstanding Listed Securities: 249,712,048 common shares in the capital of the issuer (“Common Shares”)

Date: December 5, 2019

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 provider of products and services to businesses operating in the cannabis industry. The Issuer offers the contract manufacturing of marijuana in a variety of form factors, vaporizer and inhalation devices, business and consumer delivery services and a broad suite of software products for retailers and brands throughout the United States (“U.S.”), Canada and Europe. The majority of TILT’s products are customized to client specifications and branding, all enabling them to operate their businesses more efficiently and connect with their customers more effectively. The Issuer is organized in three main business units: Cultivation & Production; Software & Services; and Consumer Devices & Packaged Goods, designed to augment competencies across the organization in research, manufacturing, packaging and technology to deliver end-to-end services and customer solutions.

On November 4, 2019, TILT announced that it closed a private placement (the “Financing”) of up to \$35 million of senior secured notes (the “Notes”) from a syndicate consisting of existing shareholders and new investors (the “Financing Syndicate”). The first close was \$25.6M. Any further closing of up to \$9.4M was to occur within 45 days, subject to approvals from both the Issuer and the Financing Syndicate. Mark Scatterday, the Issuer’s interim CEO, and other insiders participated in the Financing. The Financing was used specifically to retire in full the Issuer’s \$20 million bridge loan dated April 29, 2019 that bore interest at 18.75% per annum, as well as other payables.

The Financing Syndicate and the Issuer agreed to reconstitute the board of directors of TILT (the “Board”) with new independent Board members in line with new management’s focus on transparency, compliance and corporate governance. The Financing Syndicate proposed two Board members who were appointed shortly after the first close.

All Notes have a maturity date of 36 months from the closing date and will bear interest from their date of issue at 8.0% per annum, payable quarterly. In connection with the issuance of the Notes, the Issuer issued 1,800 common share purchase warrants (the “Warrants”) to the subscribers for each \$1,000 principal amount of Notes subscribed, for a total aggregate of approximately 46 million Warrants (representing 45% warrant coverage on the aggregate gross proceeds of the Notes). Each Warrant is exercisable for one common share of the Issuer at a price of C\$0.33 per common share for a period of 36 months from the closing date. In addition, the previous sellers of Jupiter Research, LLC (“Jupiter”) agreed to restructure unsecured debt of \$35 million (owed to them in connection with their sale of Jupiter) with a new maturity date of January 2023 (“Maturity”) and an 8% per annum interest rate that accrues and is payable at Maturity, along with a junior secured position to the Financing (the “Jupiter Debt Restructuring”). Upon repayment of the Notes, should any Jupiter debt be outstanding, the Jupiter Sellers will assume the same rights and security as the original Financing Syndicate

until repaid. No warrants were issued as part of the Jupiter Debt Restructuring.

On November 21, 2019, TILT announced that it had closed an additional private placement of US\$10.2 million of Notes from a syndicate consisting of existing shareholders and new investors, bringing to total amount of the facility to US\$35.8M, up from the previously announced maximum of US\$35M.

This was the final closing of the previously announced Financing involving the issuance of Notes, and the terms remained the same as previously announced. In connection with the issuance of the Notes for the new US\$10.2M raised, the Issuer also issued 1,800 Warrants to the subscribers for each US\$1,000 principal amount of Notes subscribed, for a total aggregate of approximately 18,360,000 Warrants. Each Warrant is exercisable for one common share of the Issuer at a price of C\$0.39 per common share for a period of 36 months from the closing date.

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.

N/A

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.

No material acquisitions or dispositions.

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 11/1/2019 to 11/30/2019, TILT hired 4 employees and terminated 23 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.

On November 22, 2019, O'Melveny & Myers LLP instituted an arbitration against TILT with JAMS San Francisco claiming that TILT had failed to pay approximately US\$3.1M in fees and costs. TILT plans to contest this claim vigorously and may assert counterclaims against O'Melveny & Myers.

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

See item 1

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Senior secured notes, first close ("C1 Notes")	US\$25,605,011 Principal Amount	Sale of notes	US\$25,605,011 The Issuer used the proceeds for general corporate matters and to retire in full the Issuer's US\$20 million bridge loan, dated April 29, 2019 that bears interest at 18.75% per

			annum, as well as other payables.
Common Share purchase warrants	46,089,020	Issued in connection with the C1 Notes	N/A
Senior secured notes, second close (“C2 Notes”)	US\$10,200,000 Principal Amount	Sale of notes	US\$10,200,000 The Issuer intends to use the proceeds for general corporate matters and to invest in the operations of its core assets.
Common Share purchase warrants	18,360,000	Issued in connection with the C2 Notes	N/A
Junior secured notes	US\$36,180,000 Principal Amount	Issued in connection with the Jupiter Debt Restructuring	N/A
Common Share purchase warrants	750,000	See the Issuer’s Form 9 dated November 22, 2019.	N/A
Common Share purchase warrants	9,045,691	Final separation of several founders of the Issuer.	N/A
Stock options	4,066,667	See the Issuer’s Form 11 dated November 22, 2019.	N/A
Restricted stock units	6,600,000	See the Issuer’s Form 11 dated November 22, 2019.	N/A

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

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

See item 1

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

The Issuer added the following independent directors in conjunction with the Financing described above:

Mr. Mark J. Coleman and Ms. Jane Batzofin.

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, 2019 Management Discussion & Analysis dated November 20, 2019 (the “MD&A”) under the heading “Risk Factors and

Uncertainties". The MD&A is available on the Issuer's SEDAR profile at www.sedar.com.

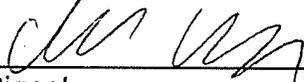
Certificate Of Compliance

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 12/5/2019

David Caloia
Name of Director or Senior
Officer


Signature

Chief Financial Officer
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer TILT Holdings Inc.		November 2019	December 5, 2019
Issuer Address 745 Thurlow Street, Suite #2400 Vancouver, BC V6E 0C5 Canada			
City/Province/Postal Code Vancouver, British Columbia V6C 0C5		Issuer Fax No. ()	Issuer Telephone No. (617) 956-6736
Contact Name David Caloia		Contact Position CFO	Contact Telephone No. (617) 956-6736