

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: TILT

Number of Outstanding Listed Securities: 103,431,899 common shares (“Common Shares”)

Date: February 6, 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 vertically-integrated technology and infrastructure platform that delivers a comprehensive range of products and services across the cannabis industry. It was formed by a combination of four leading cannabis businesses, which enables TILT to deliver complementary products and services designed to empower the legal cannabis industry in markets throughout the world.

TILT officially began trading on the Canadian Securities Exchange on December 6th, 2018.

On December 4th, 2018 TILT announced entry into a definitive agreement regarding the acquisition of Standard Farms, LLC (“Standard Farms”). Standard Farms is a multi-state medical cannabis operator focused on greenhouse cultivation and CO₂ extraction. Standard Farms is in over 95% of the Pennsylvania’s dispensaries and has shipped over 200,000 units of product. On January 28th, 2019, TILT announced the closing of the acquisition of Standard Farms. Consideration paid for the acquisition was approximately US\$40 million, consisting of US\$12M cash and US\$28M security based consideration comprised of 11,090,427 Common Shares at a deemed issue price of US\$2.52 per Common Share.

On December 6th, 2018, TILT announced entry into a definitive agreement for the acquisition of Blackbird Holdings Corp. (“Blackbird”), a distribution company providing logistics operations and software solutions for each touchpoint in the cannabis supply chain. Blackbird works with more than 250 wholesale and retail cannabis operators in Nevada and California to transport an average of \$30 million in wholesale cannabis products every 30 days. With involvement in 95% of the cannabis sold in Nevada, Blackbird plans to expand its capabilities in Massachusetts, Arizona and California. In addition to back-end delivery and operations solutions for cannabis dispensaries, Blackbird also includes a consumer marketplace for cannabis delivery and pick-up called BlackbirdGo. The marketplace, which is currently operational in California, connects dispensaries and brands with access to more than 95,000 legal consumers. On January 16th, 2019, TILT announced the closing of the acquisition of Blackbird. Consideration paid for the acquisition was approximately US\$50 million, consisting of US\$5 million of cash and US\$45 million security based consideration comprised of 161,543 compressed shares in the capital of TILT (“Compressed Shares”) at a deemed issue price of US\$278.48 per Compressed Share.

On December 13th, 2018, TILT signed a letter of intent with Medical 420 (“M420”), a large-scale vertical cannabis company, to provide cannabis processing, logistical support and supply chain management to the European Union. Consideration for the M420 joint venture consists of US\$10 million in cash. The outside date for the closing of the joint venture is February 15th, 2019.

On December 17th, 2018, TILT announced a US\$6.8 million private placement with Weston Capital Group (“WCG”). An affiliate of WCG purchased 1,734,194 units (“Units”) in the Issuer at a price of C\$5.25 per Unit, with each Unit consisting of one Common Share and one Common Share purchase warrant (“Warrant”) exercisable into Common Shares at C\$5.25 for a period of 12 months from the closing of the private placement. In addition to this private placement, WCG committed to serve in an operating and advisory capacity to TILT through a strategic agreement effective December 13th, 2018 (the “Strategic Agreement”). Pursuant to the terms of the Strategic Agreement, WCG will provide TILT with operating advice on the integration of the businesses and assets of the Issuer, marketing and brand development and such further services as the Issuer and WCG shall agree to from time to time. In exchange for WCG’s entry into the Strategic Agreement, TILT issued WCG 2,724,694 Warrants exercisable into Common Shares for a period of one year following the entry into the Strategic Agreement at C\$5.25.

On January 3th, 2019, TILT announced the entry into a definitive agreement to acquire Jupiter Research (“Jupiter”), an inhalation and vaporization technology company. On January 14th, 2019, TILT announced the closing of the Jupiter acquisition for gross consideration of US\$207 million consideration consisting of US\$70 million cash and 54,914,224 limited partnership units (each, a “LP Unit”) and 54,914,224 rights (each, a “Right”), with one LP Unit and one Right being convertible together, at the request of the holder, into one Common Share of TILT at a deemed issue price of US\$2.4948.

On January 4th, 2019, TILT announced that on December 18th, 2018, holders of Compressed Shares unanimously approved the automatic conversion of all issued and outstanding Compressed Shares into Common Shares. Accordingly, 12.5% of Compressed Shares were immediately converted, with the remaining conversions taking place on: March 31st, 2019 (12.5%); June 30th, 2019 (25%); September 30th, 2019 (25%); and December 31st, 2019 (25%).

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.

See item 1 above for descriptions of the closing of the acquisitions of Jupiter Research (1/14/19), Blackbird Holdings Corp. (1/16/19) and Standard Farms, LLC (1/28/19). The purchase price was determined based on arm's-length negotiations between parties. The acquired companies were not acquired from Related Persons of the issuer.

8. Describe the acquisition of new customers or loss of customers.

Various new customers were acquired in the acquisitions described in items 1 and 7 above.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

For the period from 12/6/2018 to 1/31/2019, TILT hired 30 employees and terminated 31 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.

N/A

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

N/A

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

See further details in item 1.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	1,734,194	Issued on December 17, 2018 (the "PP Closing Date") in connection with the closing of private placement with WCG.	Funding of TILT's ongoing corporate development.
Warrants	1,734,194	Exercisable into Common Shares at C\$5.25 for a period of 12 months from the PP Closing Date.	As of January 31, 2019, the Warrants have not been exercised.
Warrants	2,724,694	Exercisable into Common Shares at C\$5.25 for a period of one year following the entry into the Strategic Agreement.	As of January 31, 2019, the Warrants have not been exercised.
Common Shares	128,476	Issued on January 8, 2019 in connection with the closing of private placement of 128,476 Units of TILT for C\$5.25 per Unit.	Funding of TILT's ongoing corporate development.
Warrants	128,476	Exercisable into Common Shares at C\$5.25 for a period of 12 months from the January 8, 2019.	As of January 31, 2019, the Warrants have not been exercised.
LP Units and Rights	54,914,224	One LP Unit and one Right is convertible, together, into one Common Share at the request of the holder.	Acquisition of Jupiter.
Compressed Shares	161,543	Subject to restrictions contained in the articles of TILT, each Compressed Share is convertible into 100 Common Shares.	Acquisition of Blackbird.
Common Shares	11,090,427	N/A	Acquisition of Standard Farms.
Common Shares	396,616	Issuable upon the exercise of warrants formerly in the capital of Sante Veritas Therapeutics Inc. ("SVT"). Upon consummation of the business combination between SVT, Baker Technologies Inc., Brideside Holdings LLC, Sea Hunter Therapeutics, LLC, and 1167411 B.C. Ltd., such warrants became, subject to adjustment, warrants in the capital of TILT.	Funding of TILT's ongoing corporate development.

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

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

N/A

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

On December 14th, 2018, TILT announced that appointment of Lars Vaule to the role of Chief Operating Officer, effective immediately. Prior to joining TILT, Vaule served as interim CEO for an angel-funded technology solution developing HIPAA compliant payment processing for independent medical offices and surgical centers. Prior to this, Vaule was a President and Board member of Jones & Vining, a manufacturer of tooling and plastic components for the footwear and sporting goods industries, where he led the company's revitalization, driving improvement in sales management and operations. He is also the founder of two technology companies – Shortlist and Signeta.com.

On January 4th, 2019, TILT announced the appointment of David Caloia as Chief Financial Officer, effective January 7th, 2019. Mr. Caloia joins TILT with a very accomplished background in finance, having spent the first 16 years of his career at GE in finance and operations. While there, he maintained leadership positions in finance across the globe, the last as the CFO of GE Industrial Solutions, a US\$3B global business with 15,000 employees worldwide. Prior to joining TILT, David was the Senior Vice President, Financial Planning & Analysis of Beacon Health Options, a multi-billion healthcare company owned by Bain Capital and Diamond Castle. David will be based at TILT's headquarters in Cambridge, MA, and will oversee all TILT's financial activity and strategic direction in the market.

On January 10th, 2019, TILT announced the appointment of Gary Smith to the board of directors of TILT. Mr. Smith joins TILT with 30 years of experience in consumer packaged goods, and will be focused on contributing similar efforts to TILT. Gary joins TILT with a distinguished background in contributing to the development of companies experiencing rapid growth. Prior to his appointment, to TILT's Board, Mr. Smith held senior management positions at PepsiCo, Red Bull and Big Red, Inc. During his most recent position as CEO of Big Red, Inc., he built a diversified beverage company by acquiring numerous, complementary brands across many segments of the market over a 10-year period, ultimately selling the business to Keurig Dr Pepper. Prior to this, he served as the Chief Operating Officer and Executive Vice President of sales and distribution for Red Bull North America. These experiences will lend itself well to TILT, as it participates in the rapidly growing cannabis industry.

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 Management Discussion & Analysis dated December 7th, 2018 (the "MD&A") under the heading "Risk Factors". 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 February 6, 2019.

David Caloia
Name of Director or Senior Officer

/s/ "David Caloia"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer TILT Holdings Inc.	For Month End January 2019	Date of Report February 6, 2019
Issuer Address 745 Thurlow St #2400, Vancouver, BC V6E 0C5		
City/Province/Postal Code Vancouver, British Columbia V6C 3E8	Issuer Fax No. ()	Issuer Telephone No. (617) 956-6736
Contact Name David Caloia	Contact Position CFO	Contact Telephone No. (857) 540-9000