

Adastra Holdings Announces Record Single Purchase Order For Over \$1M

LANGLEY, BC / March 1, 2024 / Adastra Holdings Ltd. (CSE:XTRX)(FRA:D2E) ("Adastra" or the "Company"), a leading cannabis processor and producer of two top Canadian concentrates brands, with a focus on product innovation and commercialization for adult-use and medical markets, is pleased to announce that it has received a Purchase Order ("PO") for CAD \$1,047,439 from the Alberta Gaming, Liquor & Cannabis ("AGLC").

Adastra's PO from the AGLC is the largest single PO in Adastra's history. The PO was secured by the Company in early February and included a wide range of Adastra's product mix, including offerings from its in-house brand, Endgame Extracts ("Endgame"). This PO signals the strong position the Endgame brand has in Alberta which, according to Headset, holds four of the top ten selling concentrate brands[1] and two of the top ten selling vapor pen brands[2].

CEO Update

On February 29th, 2024, Michael Forbes resigned as CEO, Director and Corporate Secretary, effective March 29, 2024. Mr. Forbes will be focusing on his other ventures in the cannabis and health space, including Ageless Living, longevity-based interdisciplinary clinics.

The Company is currently in the process of selecting and approving a new CEO and hopes to make an announcement later this month. Mr. Forbes has advised the Board of Directors of his willingness to support Adastra during this period of transition to ensure an orderly leadership transition to his successor.

"When Michael joined Adastra in April 2021, the Company's quarterly revenues stood at \$1.2 million. Fast forward nearly three years, and we're thrilled to receive our largest single purchase order to date, exceeding \$1 million. This order is nearly the same amount as the quarterly revenue figure from when Michael first joined. This remarkable milestone underscores Michael's profound impact as CEO, driving revenue growth and scaling operations at Adastra," said Lachlan McLeod, Chief Financial Officer. *"We thank Michael for his leadership and guidance during his tenure as CEO. As Michael plans to focus his time on his other ventures, we extend our best wishes for his continued success."*

"It has been an honour and privilege to have served as CEO of Adastra during this significant restructuring phase. I am proud of where the Company is today. Receiving our largest single purchase order of over \$1 million is truly a testament to the hard work and dedication of our team. This milestone reflects not only our commitment to excellence but also the trust and confidence our customers have in our premium products," said Michael Forbes, CEO of Adastra.

"As we move forward, I am confident that Adastra will continue to thrive and achieve even greater success. I am committed to ensuring a smooth transition to the next management team. I want to express my deepest gratitude to everyone who has been part of this journey, from our employees to our shareholders and partners. Together, we have overcome challenges and seized

opportunities, and I am excited to see what the future holds for the Company. Adastra means to the stars and I still believe that to this day."

About Adastra Holdings Ltd.

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 2,000 locations across Canada, Adastra's Phyto Extractions and Endgame Extracts brands are now well established with a growing distribution presence. As a Health Canada licensed facility, it specializes in extraction, distillation and manufacturing of a range of cannabis-derived products. Adastra partners with healthcare professionals and practitioners within the regulated environment to create products suitable for the medical cannabis market, with the ultimate aim of addressing the needs of patients. For more information, visit: www.adastraholdings.ca.

Contacts

Michael Forbes, CEO, Corporate Secretary & Director
(778) 715-5011
michael@adastraholdings.ca

Forward-Looking Information

This news release contains forward-looking information within the meaning of Canadian securities legislation concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and in this news release includes statements regarding, but not limited to the expectation for future growth, the anticipation of creating long-term value for customers, partners and shareholders, the timeline for identifying a new CEO, the expectation for even greater success for the Company, and expectations for other economic, business, and/or competitive factors. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. Important factors that could cause actual results to differ materially from those expressed in the forward-looking information include: the availability of a qualified workforce; changes in regulations or licensing affecting the Company's business; reduced demand for cannabis and cannabis related products; reductions in the Company's retail space and store locations; changes in consumer brand preferences; and other factors beyond the control of the Company, including the risk factors set out in the Company's annual report on Form 20-F dated May 16, 2023, filed with Canadian securities regulators and available on the Company's profile on SEDAR+ at www.sedarplus.ca. These and all subsequent written and oral forward-

looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

[1] <https://www.headset.io/the-best-selling-cannabis-products/alberta-concentrates>

[2] <https://www.headset.io/the-best-selling-cannabis-products/alberta-vapor-pen>

SOURCE: Adastra Holdings Ltd.