



CannaRoyalty  
CORP.

# Corporate Presentation

March 2018

CSE: CRZ | OTCQX: CNNRF

# INVESTOR PRESENTATION STOCK DISCLAIMERS

## Forward Looking Information

This investor presentation dated March 2018 (the "Presentation") contains "forward-looking information" regarding CannaRoyalty Corp. ("CannaRoyalty" or the "Company") and its subsidiaries. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management's assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions such as: (i) the Company's ability to generate cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Company operates; (iii) consumer interest in Company products; (iv) anticipated and unanticipated costs; (v) government regulation of the Company's activities and products; (vi) the timely receipt of any required regulatory approvals; (vii) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company's ability to conduct operations in a safe, efficient and effective manner; (viii) and the Company's construction plans, expansion of facilities, its costs and timeframe for completion of such plans.

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## Additional Information

Additional information relating to the Company has been filed electronically through SEDAR and is available online at [www.sedar.com](http://www.sedar.com) or at the Company's website at [www.cannaroyalty.com](http://www.cannaroyalty.com).

# Business Overview



Canada



**6**

**US States**  
(CA, WA, AR, FL, NV)



Puerto Rico



## INVESTMENT TYPES

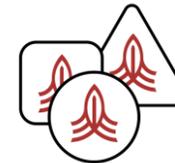
Royalty Agreements

Equity Stakes

Licensing Deals

Secured & Convertible Debt

Other Strategic Partnerships



## BUSINESS SEGMENTS

**19**

CR Holdings

CR Advisory Services

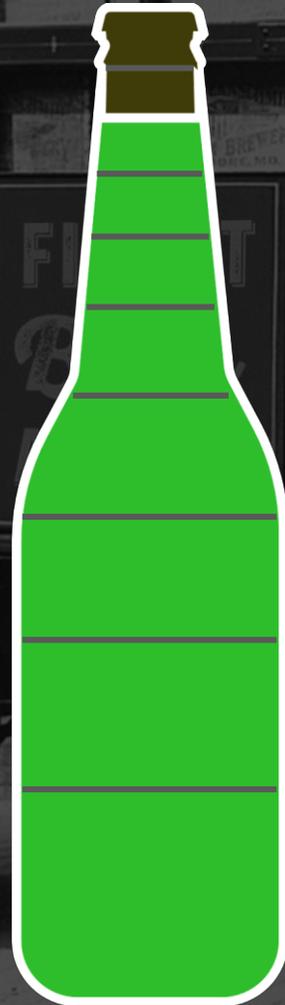
CR Brands

# Value-add Segments in a Familiar Industry

~ 10%

**Barley, hops, yeast**

Seeds & Genetics  
Cultivation



~ 90%

**Downstream value**

Testing & Research  
Extraction  
Product Development & Design  
Production  
Distribution & Logistics  
Branding & Packaging  
Retail & Sales  
Marketing & Consumer Engagement

## CR HOLDINGS

## CR BRANDS

## CR ADVISORY SERVICES

Building a premium suite of branded cannabis consumer products, supported by existing and growing portfolio of strategic manufacturing & distribution assets.

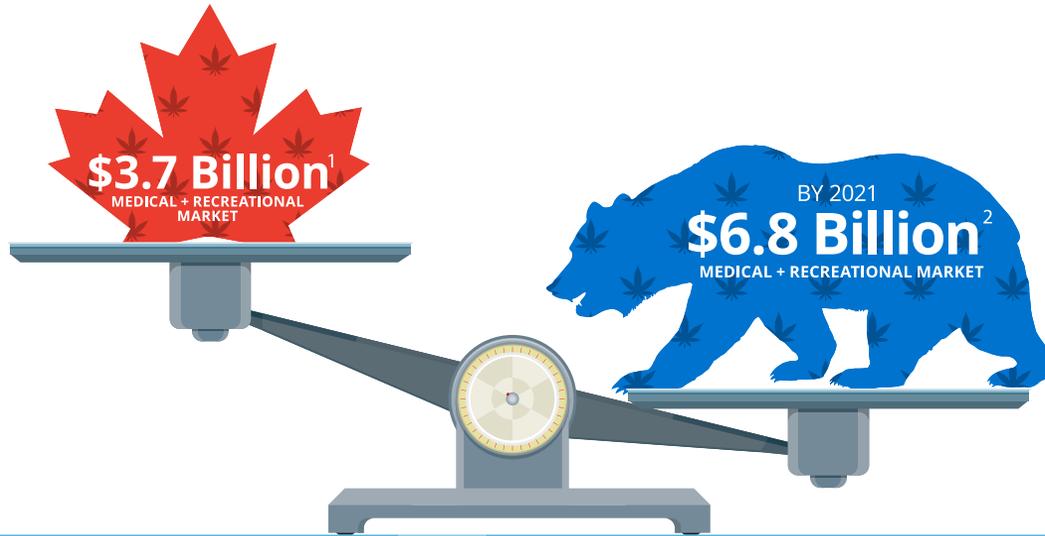


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**CR BRANDS**

# CANADA IS BIG CALIFORNIA IS HUGE

Canada 2017:  
**250,000 Medical Users**  
The number of **medical** cannabis patients  
forecast for Canada by 2021: 450,000 <sup>4</sup>



2017 Medical-only Market:  
**\$2.8 Billion** <sup>3</sup>  
The number of **medical** cannabis patients  
alone in California in 2017: 1,500,000 <sup>5</sup>

California has the:  
**6th Largest Economy**  
in the world.

▼

More than \$1 Trillion bigger than Canada

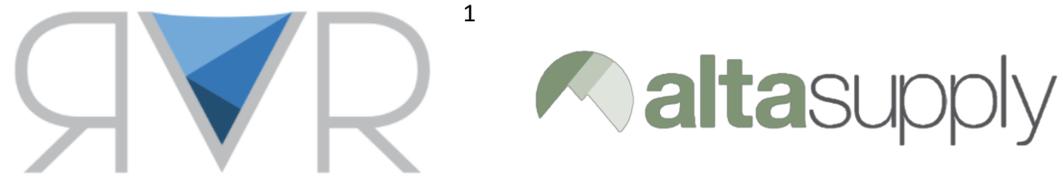
In 2016 in California  
**57% of the electorate**  
voted for adult recreational use.

California has more than  
**250 million visitors**  
each year.

▼

More than 3x Canada's total

## Foundational Strength – Leading California Cannabis Distributor



Two 100%-owned leading distribution companies –  
access to vast majority of licensed dispensaries statewide

### **Distribution is a unique competitive advantage**

- All licensed dispensaries in California are required to source products exclusively through licensed distributors
- More than distribution – ensure product safety and tax collection
- Ideal partner for new/existing brands looking to enter California market at scale
- Carefully selected portfolio of manufacturing partners - superior partner for dispensaries seeking one-stop access to a full spectrum of top products and brands, in an efficient and cost-effective manner

# Strategic California Brand Platform as of Q1 2018



Advanced vaping hardware, and owns GreenRock Botanical vape brand.

**100% equity ownership**



Award-winning, gourmet quality edibles brand — growing menu of products on offer.

**100% equity ownership**



Licensing rights for premium quality, smoke-free wellness products.

**Equity interest in parent co., royalty, exclusive license rights certain US states & Canada**



Award-winning vape, edibles & concentrate lines — established, leading brand

**Exclusive statewide manufacturing and distribution rights**



Leading technology for mass pre-roll production, white-label and in house brands.

**Equity interest, exclusive right to IP & technology for Canada**



100% family owned and operated cultivator in Northern California that handcrafts, brands and packages small batches of ultra-premium cannabis flower

**Collaboration to build craft cultivation facility, exclusive global rights to license IP, including brand**

# Vape Pen Product Category





**GET THERE FASTER**

**CONTROL THE EXPERIENCE**

**TOUGH-TESTED GREENROCK PACKS  
MORE POWER AND QUALITY  
INTO EVERY CLOUD.**

**ANYWHERE YOU WANT TO BE.**



**A VARIETY OF TASTY STRAINS TO CHOOSE FROM**

**STAINLESS STEEL MOUTHPIECE**

**CLEAN NON-CONTAMINATING QUARTZ GLASS CARTRIDGES**

**POWERFUL, "CLEAN-HEAT" CERAMIC BURNER.**

**UNIQUE "CONTROL THE EXPERIENCE" AIR-FLOW HOLES.**



**MAX CLOUD. MAX POWER. MAX QUALITY.  
ENGINEERED RIGHT HERE IN CALIFORNIA**



**[HTTP://GREENROCKBOTANICALS.COM](http://greenrockbotanicals.com)  
[@GREENROCKVAPE](https://twitter.com/greenrockvape) [#CLOUDENGINEER](https://twitter.com/cloudengineer)**







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**CR HOLDINGS**



# CR Holdings





# CR ADVISORY SERVICES

# Service Offerings

## Capital Markets & Finance



## Marketing & Brand Development



## Operational Support



## Compliance & Regulatory



### FOCUSED ON



## CR Holdings

- ▶ Paid service offerings provided to our investee companies
- ▶ Functional knowledge and industry expertise to accelerate growth and improve returns
- ▶ Secured engagements with investees AltMed, Wagner Dimas, Anandia including third parties such as Planet 13, a leading vertically-integrated Las Vegas cannabis company.



## Advisory Services

Trichome provides secured debt financing to Canadian and global cannabis companies, and aspires to be a yield-oriented asset backed investment opportunity for investors.



On March 14<sup>th</sup> Trichome signed its first deal, to jointly provide up to \$2.5 million to 180 Smoke, a leading Canadian online and retail vaporizer products company. The capital will enable 180 Smoke to fund an expansion of its retail footprint in anticipation of Canadian adult-use cannabis legalization.



Sprott



STOIC ADVISORY

In February 2018, CannaRoyalty announced the appointment of proven financial, M&A and cannabis-industry professionals Afzal Hasan, Dr. Jonathan Page, Marissa Lauder and Timothy Diamond to the Board of Directors of Trichome Yield Corp.



## Management Team



**Marc Lustig**  
CEO, Director

16+ years in healthcare, capital markets.



**Francois Perrault**  
CFO

25+ years of senior financial experience.



**Afzal Hasan**  
EVP, Corporate Development

Broad experience with public listings and prospectus financing.



**Dave Vautrin**  
VP, Sales and Marketing

20+ years consumer product goods operational experience.

## Corporate Development Team



**Kevin Jarrett**  
VP, Investments

Significant experience investing in private and public North American growth companies.



**Michael Garbuz**  
Corporate Strategy & Legal Counsel

Next-generation cannabis industry strategist.



**Thomas J. Finch**  
Senior Financial Analyst

8+ years in capital markets, investment banking.

## The Board of Directors

### Dr. James F. Young, PhD

- 30 years in pharmaceutical development
- Chairman, Novavax, Inc. (Nasdaq:NVAX)

### Rob Harris

- 35+ years in Canada/US pharmaceutical industry
- CEO of Tribute Pharmaceuticals

### Peter Kampian

- 30 years of senior financial and corporate governance expertise
- CFO of Mettrum Health Corp when it was acquired by Canopy Growth
- Chair of CannaRoyalty audit committee

### Oskar Lewnowski

- 20 years of experience as a leading global resource financier, company- founder and Chief Investment Officer of Orion Resource Partners

### Marc Lustig

- CannaRoyalty CEO

# Capital Structure

## 46.93mm SHARES OUTSTANDING

### Dilutive securities:

- ▶ 4.47mm incentive RSUs issued and outstanding, including 2.29mm currently vested
- ▶ 0.87mm share options with exercise prices largely at \$3.73/share
- ▶ 0.75mm shares (\$1.5mm convertible debt with Aphria Inc., convertible at \$2/share)
- ▶ 0.33mm warrants, exercisable at between \$1.50-3.00/share
- ▶ 2.09mm warrants, exercisable at \$4.50/share

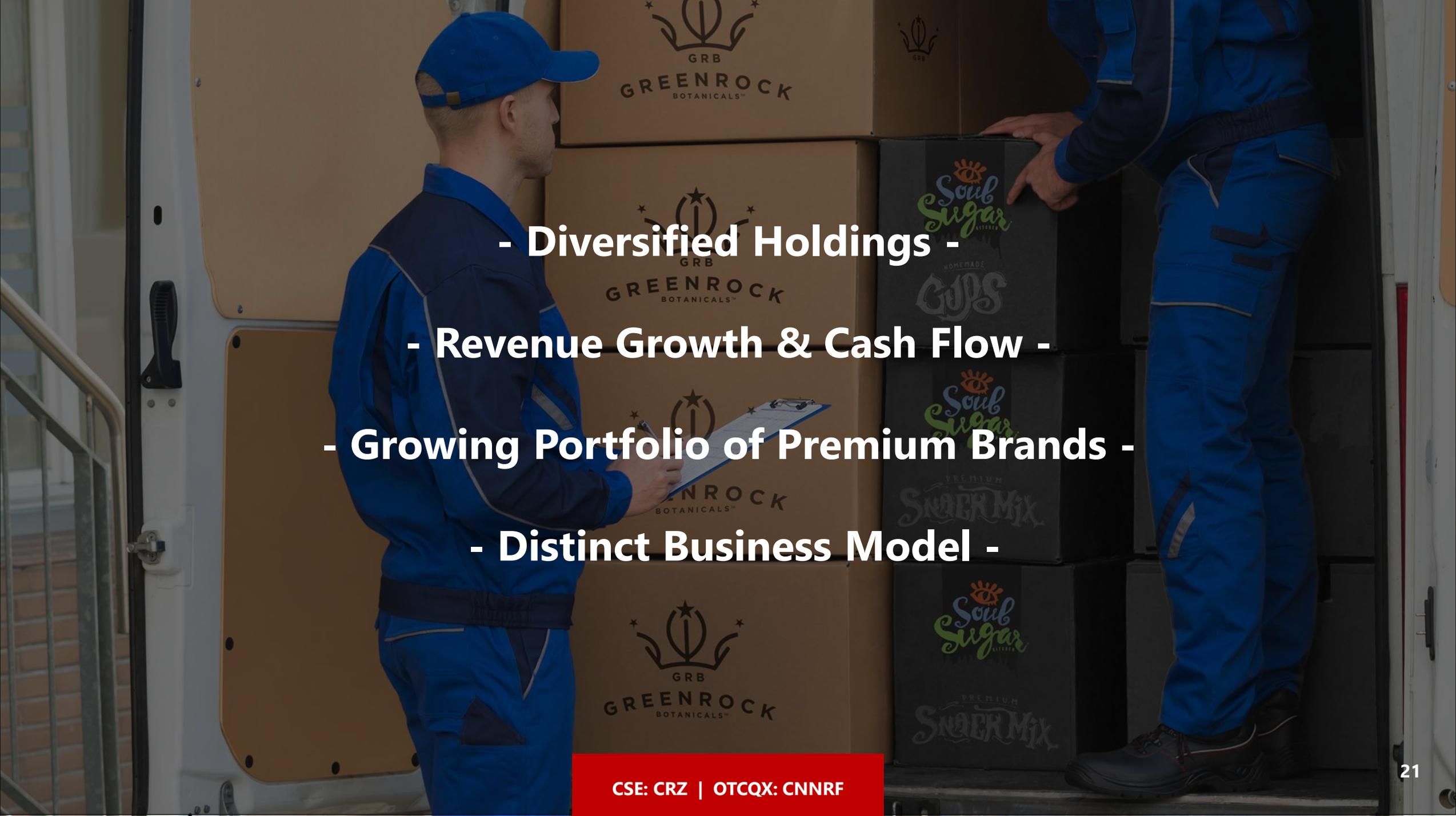
## 55.07mm FULLY DILUTED SHARES

### Previous financings:

- 04/15 - 10/15: **C\$2.1mm** @ C\$0.50/share
- 03/16: **C\$2.5mm** @ C\$0.75/share
- 06/16 - 07/16: **C\$4.7mm** @ C1.00/unit
- 10/16 (RTO): **C\$5.0mm** @ C\$2.00/share
- 02/17: **C\$15mm** bought deal financing @ C\$3.00/unit
- ▶ **C\$9.0mm** bridge capital available from Sprott Inc.
- ▶ Insider ownership ~**11%** (all subject to Lock-up/CSE Escrow)
- ▶ Insider + Acquired Assets + Strategic Corporate (Aphria) + Family Office + Institutional ownership > **80%**

CSE: CRZ

OTCQX: CNNRF

- 
- Diversified Holdings -
  - Revenue Growth & Cash Flow -
  - Growing Portfolio of Premium Brands -
  - Distinct Business Model -