



# Israel's First Pure- Play Cannabis Firm

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Corporate Presentation





# Legal

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# About **isracann**

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## Israel's First Pure-Play Cannabis Firm

Isracann, Israel's first pure-play cannabis firm, is focused on becoming a premier, low-cost cannabis producer. Isracann has a joint venture agreement in place with a built 55,000 sq ft farm, which is expandable to 160,000 sq ft in the near term and has access to over 2,000,000 sq ft of private land. The company is targeting undersupplied domestic demand combined with an immense international market opportunity through Israel's new medical cannabis export framework for 2020.

Located in the cannabis research capital of the world, Isracann has relationships with the research, scientific and medical community to identify opportunities and develop a pipeline of drugs and devices.

The company is targeting an undersupplied domestic market and anticipates near-term expansion to major European marketplaces.

# The Opportunity in Israel

Optimal climatic conditions to grow medical cannabis



## Ideal Humidity

Safeguarding the plant from insects and enabling optimal growth.



## Optimal Temperature

Reduces energy in winter and summer, saving considerable production costs.



## Approx. 300 days of Sun per Year

Optimal sun exposure leads to further reduced production costs.



## High UV rays

Vital for effective growth of cannabis and high yields.



**Conditions allowing for low production costs** estimated at approximately one third of the cost of growing in colder climates such as Canada or Europe.



**Multiple growing cycles of the cannabis plant** and allows for high production per square foot over other countries.



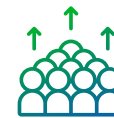
# Israeli Market



Optimal climate for growing conditions will allow Isracann to be a low-cost producer serving the domestic market



10,000 patients on waitlist for medical cannabis due to supply constraints



Number of medical cannabis patients doubles in under 2 years (topping 70,000) despite persistent supply & regulatory challenges. - Israeli Medical Cannabis Agency (IMCA)



Israel indicates they will open the recreational cannabis market in 2021. Government studies show that as many as 27% of Israelis (aged of 18 to 65) consumed cannabis in the last year – the highest cannabis use per capita in the world



History of cannabis innovation and research with THC and CBD cannabinoid structure discovered at Hebrew University of Jerusalem



Access to top researchers in the field provides valuable strategic data for the development of formulations and cannabinoid profiles

# Israel's Regulatory Overview

## Israeli government granted export approvals in Q2, 2020

- In 2007 Israel became the first country to allow medical research and cannabis cultivation.
- Now its the 3<sup>rd</sup> country in the world to allow exports.
- Cannabis is legal for medical purposes in Israel & decriminalized for recreational use.
- Patients purchase directly from pharmacies.
- Isracann's focus is on the acquisition of nursery, cultivation and manufacturing licenses. If successful, this strategy will allow Isracann to control the value chain and maximize value to its shareholders.
- Exports now legal with licenses being granted under trial basis

### 6 types of licenses

Nursery	Distribution
Cultivation	Pharmacy
Manufacture	Scientific research



# European Market



Israel approved framework for exports of medical cannabis in January 2019 which positions it as the third country behind Canada and Netherlands able to export medical cannabis.



Medical cannabis already available in 10 European countries.



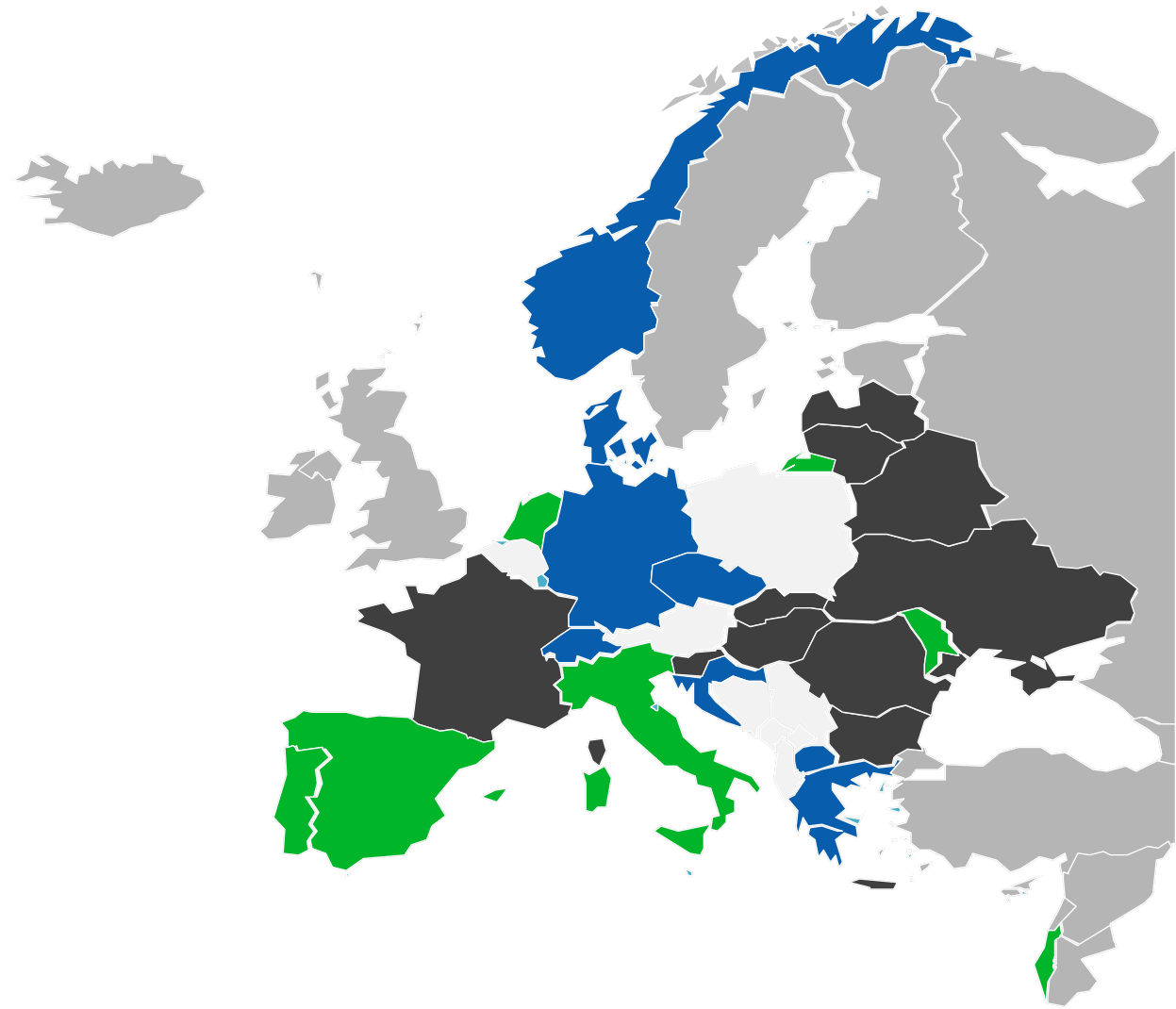
Europe population over 740 million, double USA and Canada —the two largest cannabis markets today.



EU medical market estimated to be \$64B USD by 2028.



Initial entry point to be Germany, a medical market potentially larger than the rest of Europe combined.



● Largely decriminalized

● Medical use by exception

● Generic medical use

● Illegal



# Business Model: Factors For Success

Agricultural and Manufacturing Excellence Drive Industrial Scale Capability



## Cultivation

- Architectural design reviewed by Security consultant and Best Practices consultant.
- Designs submission to Israeli Land Authority.
- Application submission to use land as a joint venture.
- Land inspection by the Israeli Land Authority.
- Specific Genetics offtake program designed to provide highest quality gene material within Israel.
- EU GMP certified packing/drying facility targets highest quality product for domestic and export markets.



## Manufacturing

- ISL/EU GMP Manufacturing Processes
- Strategic LOI with Israeli manufacturer defines a clear path to in-country revenue.
- Sourcing additional capacity to meet future demand.
- Low-cost production (est. \$0.40/gram).
- IMC-GAP/GSP certified for export compliance.
- Production layout offers excellent modularity for irrigation, electrical distribution and maintenance.
- Ideal climate for industrial scale cultivation.



# Business Model: Factors For Success

Distribution to Major Markets Leverages Israeli Climatic, Cultural and Creative Excellence



## Distribution

- Israel's massive domestic undersupply drives regional demand.
- Proximity to the EU allows efficient export under new legislation (January 2019).
- Strategic distribution partner provides practical intermediate multinational trans-shipment entry point.
- Product access to Germany, United Kingdom, Poland & Denmark.
- Existing product lines provide access to domestic and export markets.



## Branding

- Israel is recognized worldwide as a center for excellence in agronomy, research, genetics, manufacturing and quality assurance.
- Regional expertise allows for branding differentiation that resonates across the globe.
- Brand positioning will focus on high quality "made in Israel Cannabis."
- Israeli brand will aid positioning of new commercial formulations.
- Build out of Cannabis/CBD product lines will emphasize regional attributes and quality.

# The Facility

Isracann has a joint venture agreement in place with a built 55,000 sq. ft. farm, which is expandable to 160,000 sq. ft. in the near term and has access to over 2,000,000 sq. ft. of private land.



Low-cost producer of high-grade medical marijuana, with anticipated cost of \$0.40 per gram



Partnership with leading Israeli research institutions and Universities to leverage their expertise and bring novel products to market.



Fully funded multi-canopy layout offers excellent modularity for irrigation, electrical distribution and maintenance.



Israel's climate ideal for cannabis cultivation. Modern greenhouse canopies offer the highest quality production environment at the lowest potential cost to growers.



Facility will be IMC-GAP/GSP certified, to meet all regulatory standards

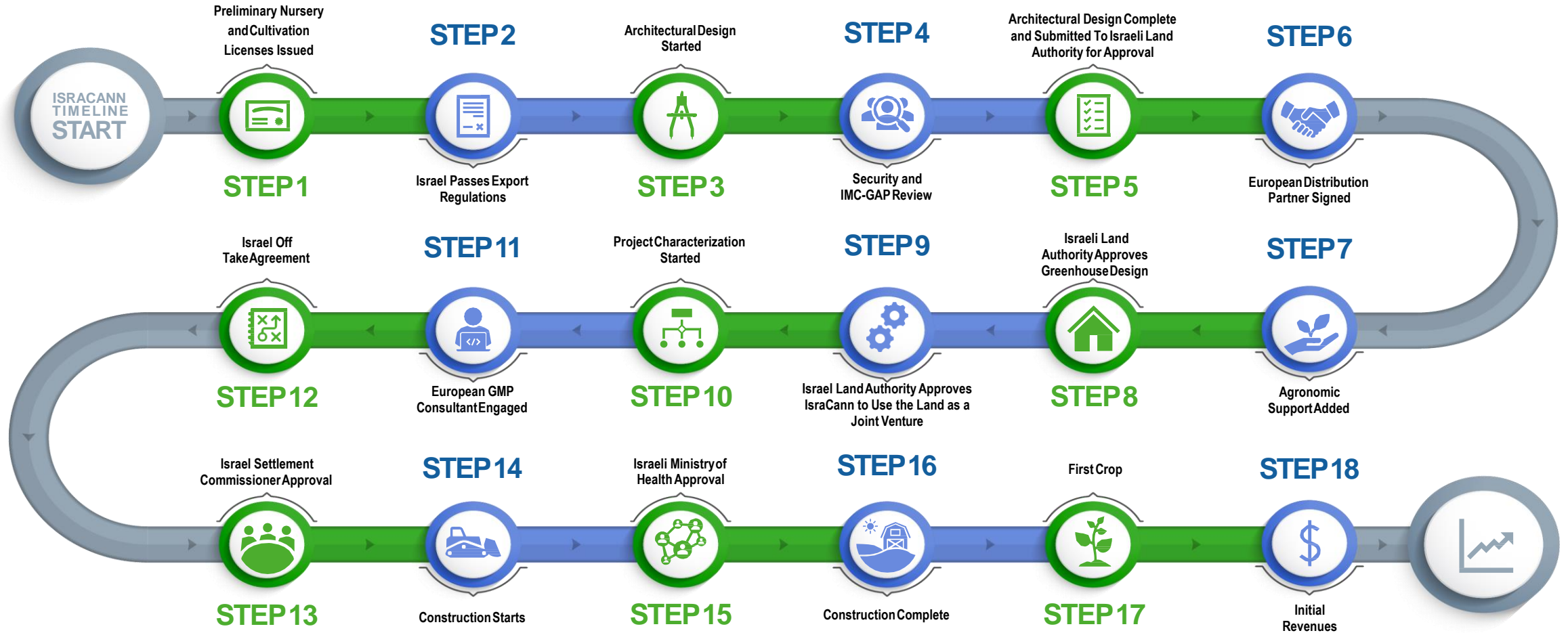


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**isracann**  
BIOSCIENCES



# TIMELINE



# The Team

## **Darryl Jones, President & CEO**

Mr. Jones has over 15 years of capital market experience and an established financial network. Prior to joining Isracann in 2018, Mr. Jones was an Investment advisor with PI Financial Corp Canada and Raymond James Ltd Canada. He was responsible for raising significant risk capital for growth companies in all sectors, with a particular focus on medical cannabis and natural resources. Mr. Jones took True Leaf Medicine public in early 2014 at \$10MM valuation and exited in 2016 at \$150MM market capitalization.

## **Matt Chatterton, COO**

Mr. Chatterton brings over 15 years of experience in the design, development and execution across a variety of projects and manufacturing operations. His expertise includes project management, facility management, logistics, supply side processes and procedures at a number of international manufacturing operations in Canada, China, Bulgaria, the Philippines and now in Israel. He is a Professional Engineer and graduate of Canada's Queens University with a Master's degree in Chemical Process Engineering (2003).

## **Desmond Balakrishnan, Director**

Partner, McMillan LLP, a commercial and business law firm since January 2004

## **Nitin Kaushal, Strategic Advisor**

Mr. Kaushal is a managing director with PwC in the Corporate Finance Practice in Toronto 25 years experience in the healthcare industry Mr. Kaushal has participated in capital market transactions ranging from private placements, IPO's, and bought deal underwritings in excess of \$2B. He has been involved in over 40 M&A, strategic advisory & licensing assignments for a range of companies from early stage biotechs to large pharmas. Previously the Managing Director of leading healthcare investment banking teams in Canada, Mr. Kaushal was also awarded "Top-gun" investment banker in Canada for healthcare industry (Brendan Wood 2008/09). He was also previously Senior Investment Manager with MDS Capital Corp. responsible for sourcing, evaluating, and negotiating investments in US/Canadian healthcare companies. Mr. Kaushal holds a CA, CF qualifications from Canadian Institute of Chartered Accountants; BSc (Chemistry) University of Toronto.



# The Team

## **Irit Arbel, Ph.D, Director**

Dr. Arbel serves as CEO, Co-Founder and Director of Neurocords Ltd., a company focused on developing new treatments for peripheral and spinal cord regeneration, and previously served as Director & President of Brainstorm Cell Therapeutics, and as Executive VP of R&D at Savicell Diagnostic and previously as Chairperson of Real Aesthetics (cellulite ultrasound) and BRH Medical (wound healing). Previously, Director of M&A at RFB Investment House (early stage technology-related focus). President and Chief Executive Officer of Pluristem Life Systems, and Israeli Sales Manager of Merck, Sharp & Dohme pharmaceutical. Earned her PhD in 1997 in Neurobiology, and holds a Chemical Engineering degree from the Technion, Israel's Institute of Technology

## **Yana Popova, CFO, Corp. Secretary & Director**

CFO of the Issuer since November 15, 2017; Controller at Fortuna Investment Corp. since September 2017; Accountant at Platinum Group Metals (2015-2017); Accountant at PowerOne Capital Markets Limited (2011-2014); Director and CFO of Big Sky Petroleum since 2018; director of Upper Canyon Minerals Corp. since 2018.

## **Sean Bromley, Director**

Mr. Bromley works in corporate finance at a boutique merchant bank. A former investment advisor with experience working with public companies, he is currently a director of White Gold Resources (WGO.V) and Pacific Rim Cobalt (CSE:BOLT).

## **Brett Allan, Advisory Board Member**

Mr. Allan has over 10 years of investment and capital markets experience. Mr. Allan has assisted in raising \$400MM in the cannabis sector as the VP of Corporate Development for Organigram (OGI:TSXV), founding member of Emblem Health (EMC:TSXV), and founding member of The Green Organic Dutchman (TGOD:TSX).

## **Justin Cooper, Advisory Board Member**

Mr. Cooper is Co-Owner of Green Planet Wholesale, the largest privately-owned hydroponics chain in Canada. For +25 years he has built manufacturing, wholesale, & retail locations servicing some of the biggest growers in the world. Currently supplying products to over 50 licensed producers (LPs).

# Sector Comparables

Company Name	Ticker	Share Price	<u>Capitalization</u>	FY 2021	FY 2021	<u>Valuation Statistics</u>	
			Enterprise Value (\$CAD)	Revenue (\$MM)	EBITDA (\$MM)	Enterprise Value / Revenue (\$MM)	EV (\$MM) / EBITDA (\$MM)
IMC Cannabis	IMCC	\$2.60	403	44.0	12.0	9.2 x	33.6 x
Intercure Ltd	INCR.TA	\$378.31	174	22.5	N/A	7.7 x	N/A
Pharmaciolo Ltd	PCLO	\$2.07	239	65.0	43.7	3.7 x	5.5 x
Khiron Life Sciences	KHRN	\$0.36	39	34.0	N/A	1.2 x	N/A
Avicanna	AVCN	\$1.12	32	14.0	N/A	2.3 x	N/A
Average			\$ 288.3	35.9	27.8	4.8 x	19.5 x
Isracann Biosciences			\$ 0.27	\$ 32.9	21.2	2.4	1.5 x
Implied Valuation						\$ 101.7	\$ 46.8

(As of January 12, 2021)





# Thank You


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A large, circular inset image on the right side of the slide showing a close-up of a cannabis plant. The plant has green serrated leaves and a central, developing flower bud. The image is overlaid with a semi-transparent green filter.

CSE: IPOT