

CB1Capital



NOTHING IN THIS PRESENTATION IS INTENDED TO CONSTITUTE AN OFFER OF SOLICITATION TO SELL OR A SOLICITATION OF AN OFFER TO BUY A SECURITY OR ANY INVESTMENT INTEREST IN ANY VEHICLE.

The information contained herein is deemed to be from reliable sources; however, CB1 Capital Management LLC does not warrant its completeness or accuracy. In addition, the information and the views contained herein are subject to change at any time at the sole and absolute discretion of CB1 Capital Management. The investment performance discussed in this presentation does not necessarily represent the investments' performance and should not be used to predict the investments' returns. The investments' performance may be volatile and investors may lose all or a substantial portion of their investment. If included, index information is intended merely to show the general trend in the markets for the periods indicated and is not intended to imply that the investments are similar to the indices either in composition or risk. Any reference to a specific security in this presentation does not imply that CB1 Capital Management has, had or will have a long or short position in that security. Such securities are shown for illustrative purposes only and their mention here is not an endorsement of such securities. An investment in any strategy managed by CB1 Capital Management has not been recommended or approved by any U.S. Federal or state securities commission or regulatory authority or those of the Cayman Islands. Furthermore, the foregoing authorities have not passed upon the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. Certain statements made during this presentation are forward-looking and are subject to risks and uncertainties. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account information currently available to us. Actual results could differ materially from the forward-looking statements made in this presentation. When we use the words "believe," "expect," "anticipate," "plan," "will," "intend" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements made in this presentation are subject to the safe harbor of the private securities litigation reform act of 1995.

By accepting a copy of this presentation, you agree to keep it confidential and not to redistribute the presentation or excerpts therefrom without the prior consent of CB1 Capital Management.

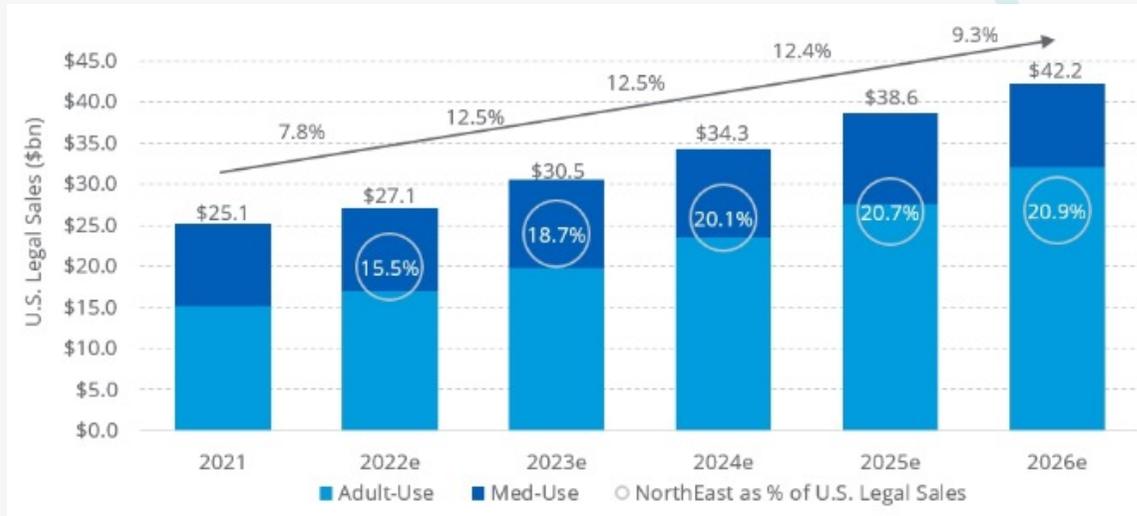
Opportunity

The background is a solid dark blue color. It features a faint, light blue DNA double helix structure that spans the width of the image. On the right side, there is a vertical column of small, light blue dots that form a starburst or particle trail shape, extending from the top towards the middle of the page.

- Majority of U.S. consumers live in legal cannabis states:
 - Over 95% live in states with CBD/low THC programs
 - Over 70% live in states with comprehensive medical programs
 - Over 40% live in adult-use states
- Larger pools of investment capital are still largely on the sideline due to lack of visibility on timing of Federal regulatory change (lack of clarity hurts investment progress/liquidity)
- Volumes of cannabis public companies fell off a cliff following SAFE Banking not passing in December 2022
- No meaningful volume in cannabis securities trading (Top 5 MSO approx. market cap of securities \$7.7B at end of January '23, average daily trading volume approx. \$18.5mm daily trading volume in January '23)*

* Top 5 MSO includes: Curaleaf, Cresco, Green Thumb, Verano, and Truelieve. Average daily trading volume in January '23 calculated using the closing price and daily volume of shares traded of company shares on the CSE and OTC Markets for each trading day in January 2023. Source: Bloomberg.

- Still more state markets to come online



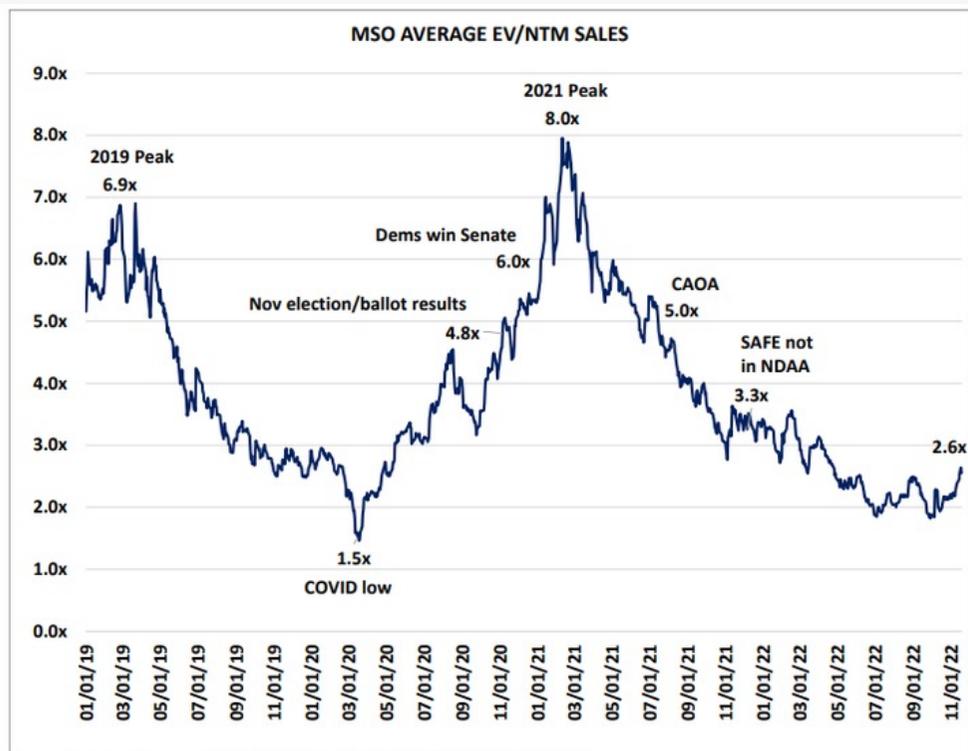
From BDSA's Fall Market Update dated October 6, 2022, sourced from BDSA and ATB Capital Markets Inc. Data showing estimated sales.

- As markets mature, customer are choosing tested, regulated, and consistent products in legal channels vs. black market/traditional channels
- Slow state program rollouts will need to expanded programs to increase revenue and need skilled operators to expand (see NY, where revenues are delayed, but coming)

Where is Upside / Fundamentals / Valuation?

Multiple Contraction

Valuations are severely depressed, following SAFE not passing, all operators (good and bad) lost significant valuation, good operators have more upside potential regardless of size.



Source: Factset consensus, Stifel GMP; MSOs=CURA, GTII, TRUL, VRNO, TER, CL

MSO Valuation – Stifel report Shows EV/NTM Sales for basket of MSOs=CURA, GTII, TRUL, VRNO, TER, CL from FactSet consensus data.

Ticker	EV / Projected Sales		
	2023	2024	2025
USA			
CURLF	1.99x	1.69x	1.43x
GTBIF	1.61x	1.45x	1.11x
VRNOF	1.25x	1.07x	
TCNNF	1.24x	1.15x	1.06x
CRLBF	1.07x	0.92x	0.65x
TRSSF	1.81x	1.55x	1.40x
AYRWF	0.78x	0.68x	0.61x
CCHWF	0.86x	0.64x	0.45x
AAWH	0.91x	0.79x	
JUSHF	0.68x	0.42x	

Ratios based on Bloomberg projections and data.. As of January 31, 2023.

Price of Commodity Normalizing and CAPEX Largely Spent in New Markets

- Cannabis price compression / cannabis pricing normalizing in all markets:
 - CO, OR, WA, & CA have been experiencing this to the benefit of some operators, but to the detriment of most for all '22
 - MA, IL, AZ, NM in the early stages to the benefit of consumers (more volume)
 - Upside, producers of manufactured cannabis products benefit from lower input costs, increasing margins on packaged goods
- Cannabis companies are in the end of most CAPEX programs with facilities built out in key markets:
 - Great operators will capitalize on CAPEX spent in rollout of new markets
 - Companies that overspent will become depressed if they cannot adapt
 - CAPEX for cohort #2 will not die on a vine, as cohort #1 will use their strength to acquire & take over facilities to bolster operations

- Federal advancements continue to lag states
- State rollouts slower hurting companies with no access to capital
- Broader macroeconomic headwinds persist, and cannabis looks too risky in comparison to other investment alternatives
- Access to investment capital continues to be non-existent or severely burdensome due to continued regulatory delay

- New markets and states bucking the trends of slow-roll out of adult use programs (see MO, approved adult-use in November, first weekend of adult-use sales February 3-5, 2023, sales topped \$12.6mm)
- Any Federal advancement along with a more coordinated effort by cannabis operators - lessons learned that a united voice is needed, and steps being taken to correct are in motion
- Uplisting clarity following Canopy Growth restructuring - Canopy consolidated their US investments and working with TSX/NASDAQ on path to integrate US assets and keep listings, which could/should be followed by current US MSOs
- Improved business operations - whether it is less CAPEX or focus on per-units economics/cost, the industry has shifted to generating cash when capital is hard to access, which will clean up balance sheets
- Healthy alternative, with a shift away from alcohol for millennial and younger generations, creating growing addressable market

- Any federal advancements: SAFE Banking, HOPE Act, Biden review of cannabis on CSA schedule, cases moving up to Supreme Court
- Functioning state regulations for expanding markets & constructive changes for established markets
- Tax reforms around 280e: most states have noticed this and are providing legislation to abate or remove 280e provisions from state tax (CA, NY, NJ, PA to name a few)
- Scientific research on cannabinoids, flavonoids, terpenes, and other components of the plant

Cannabis isn't about getting high; it's about getting well.™

Given longstanding legalities, we've arrived at a unique juncture in scientific history: the pending realization that properly-dosed cannabinoids promote health and wellness in all living things and beings.

We believe medical efficacy will lead to FDA approvals and CSA reclassification; and the global mindset will shift from "reefer madness!" to "Wait - it's good for me?"

We believe institutions will follow the money to the fastest growing industry on earth; and it will encompass disease treatments, wellness supplements, anti-aging creams and assorted vanities, sleep remedies, pet food and therapies, nutraceuticals, industrial hemp and more; all while alleviating the societal dependence on opioids.

And we believe this strategy has the ultimate edge - our bodies are already hardwired for success.





Todd Harrison

Chief Investment Officer
Founding Partner

Todd Harrison is the Founding Partner of CB1 Capital Management and our Chief Investment Officer. Mr. Harrison has spent three decades on Wall Street managing risk, navigating booms and busts and researching global market strategies. His institutional experience includes Morgan Stanley Global Equity Derivatives (VP), The Galleon Group (MD-Derivatives) and Cramer, Berkowitz LLC, where he served as President and Head of Trading.



Loren DeFalco

Director of Research
Partner

Loren DeFalco is a Partner of CB1 Capital Management and our Director of Research. He has over 20 years of industry experience and has been covering the cannabis sector for over a decade.

Loren cured himself of an epilepsy condition ten years ago through an ECS-focused diet, exercise and a regimen of cannabinoids that he developed based on his research of the ECS. We believe that his unique experience and his in-depth research of the ECS (through medical journals and scientific developments) and related nutraceutical arena make him an ideal choice to lead our research efforts.



Jon Tyras

Chief Operating Officer & CFO
Partner

Jon Tyras is a Partner of CB1 Capital Management and our Chief Operating Officer, Chief Financial Officer and Chief Compliance Officer. He has spent over 25 years in the industry. Jon was most recently the Chief Financial Officer and General Counsel of the public securities platform of Brookfield Asset Management, a leading global alternative asset manager with over \$550 billion in AUM. Prior to spending over a decade at Brookfield, Mr. Tyras spent eight years as a capital markets attorney at Paul Hastings and four years at Ernst & Young.



Gary Johnson

Twenty-ninth governor of New Mexico, two-time Presidential candidate. Founder, Big J Enterprises; Former CEO of Cannabis Sativa, Inc.



Lorne Gertner

Chairman of HG2 Capital Corp, CEO of Hill & Gertner Capital Group; Co-Founder, The Cronos Group; Director, Emblem Corp.; Co-Founder & Chairman Tokyo Smoke; Investment Partner and Director, Green Acre Capital.



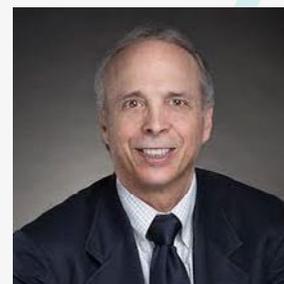
Dr. Julie Holland

Psychiatrist and psychopharmacologist, Author of the bestsellers “Weekends at Bellevue” and “Moody Bitches”, editor of “The Pot Book: A Complete Guide to Cannabis”, medical monitor for a clinical study examining the efficacy of using cannabis in the treatment of PTSD in veterans.



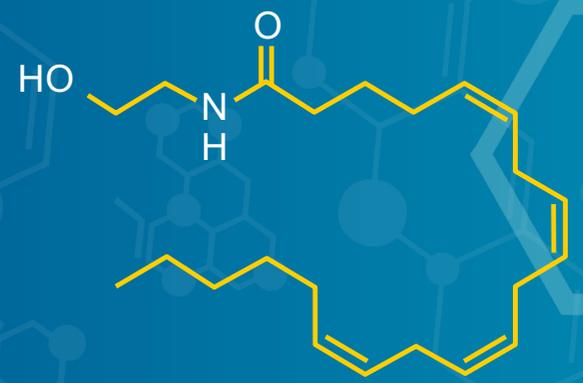
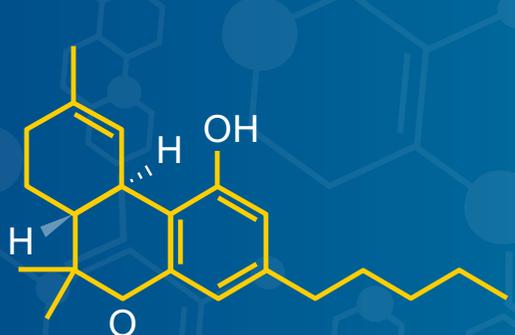
Dr. Jeff Chen

Founder/Executive Director of the UCLA Cannabis Research Initiative. Co-founder, managing partner, investor, and advisor to companies, not-for-profits, and venture firms in the life science, sustainability, tech, and media sector. David Geffen Fellow, U.S. patent holder, Mentor for U.S. National Institutes of Health Innovation CORPs, part of the Medical Team at Healthline. MD and MBA from UCLA, B.S. from Cornell.

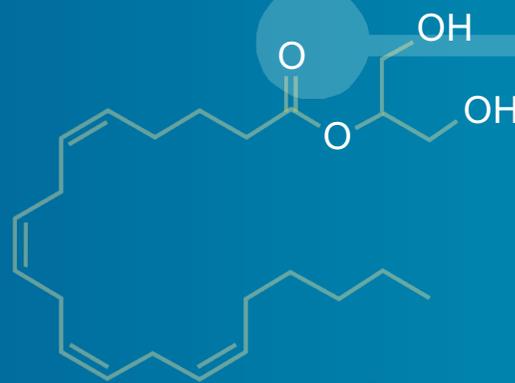
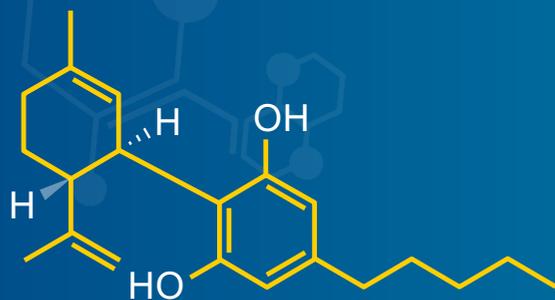


Dr. Ethan Russo

Board Certified Neurologist, psychopharmacology researcher; Director of Research & Development, International Cannabis and Cannabinoid Institute (ICCI), former Senior Medical Advisor, GW Pharmaceuticals; former Medical Director, PHYTECS.



History



History

Cannabis has had a relationship with humanity since ancient times...



26,900 BC

Evidence of human use of cannabis goes back about 30,000 years with hemp rope dating back to 26,900 BC found in Czechoslovakia.

2737 BC

Emperor Shen Neng of China introduces first pharmaceutical uses of cannabis “ma” prescribing it for gout, malaria and rheumatism.



1500 BC

Ancient Egypt's Papyrus Ebers notes possible use of cannabis as a way to alleviate pain and inflammation.



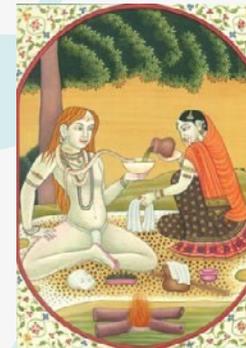
6000 BC

Cannabis seeds and oils used for food in China.



2000-1400 BC

Cannabis spreads from China to India with the sacred Indian Atharvaveda listing cannabis as a holy plant that could relieve stress and anxiety.



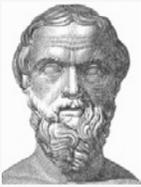
4000 BC

Pollen deposits found at Pan-p'o village provide earliest evidence of cannabis cultivation by people.

1400-500 BC

Scythians and other nomadic Central Asian peoples are thought to have spread cannabis use into Eastern and Northern Europe.





207

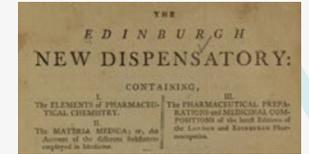
Hua T'o becomes the first recorded physician to use cannabis as an analgesic, using a mixture of cannabis and wine to anesthetize patients.

1532

French monk and writer François Rabelais writes of a plant called Pantragruelion identified as cannabis said to have healing powers, ease gout pains, cure horses of colic and treat burns.

1764-1794

The *New England Dispensatory* recommends hemp roots to treat inflamed skin and the *Edinburgh New Dispensatory* prescribes cannabis oil for incontinence, coughs and venereal disease.



440 BC

Herodotus writes of Scythian funeral ceremonies where cannabis seeds are ritually burned for euphoric effect.



77-79 AD

Pliny the Elder notes use of cannabis root tea for the relaxation of the joints, for gout and similar maladies.



900

Persian physician Abu Bakr Muhammad ibn Zakariya al-Razi, known in the West as Rhazes, is accounted to have used cannabis to treat epilepsy.



1838-1840

Cannabis introduced to modern Western medicine for numerous maladies by Irish physician William O'Shaughnessy, increasing its popularity.



200

Roman doctor Claudius Galen writes about use of cannabis and notes analgesic properties if consumed in large amounts.

1619

A decree by King James I requires all American colonists to grow "Indian hemp" for export to England.



1860

Ohio State Medical Society meets to summarize medical uses of cannabis, noting favorable outcomes for treating pain, inflammation and cough.



1860-1900

Cannabis can be readily found in over the counter pharmaceuticals for the treatment of a variety of ailments from chronic cough, menstrual cramps and even fussy babies.



1906

The U.S. Food and Drug Administration (FDA) is created to prevent another morphine addiction crisis as many people became addicted to unregulated drugs like heroin, opium and morphine.

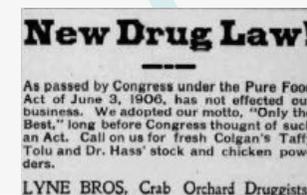


By the late 19th century, people living in Europe and America could buy cannabis extracts in pharmacies and doctors' offices to help with stomach aches, migraines, inflammation, insomnia and numerous other ailments. More than 100 papers had been published on its therapeutic uses.

In addition to cannabis being widely available, so were many other substances like morphine, opium, heroin and cocaine; each were causing large-scale social and health problems...

1914

The Harrison Narcotics Tax Act is passed regulating and taxing certain drug use with those moving to criminalize drugs making baseless, racially charged arguments to bolster support for the bill.



1914 AD

El Paso becomes the first city in the United States to ban cannabis in a panicked response to the flood of immigrants crossing the southern border fleeing the Mexican Revolution. First recorded use of the word “Marahuana.”



1930s

Use of the word “marihuana” in American English increases, being preferred as an exotic-sounding name for prohibitionists during debates on cannabis use. By using the newly emerging mass media and support from publisher William Randolph Hearst, Anslinger propels anti-marijuana sentiment.

1936

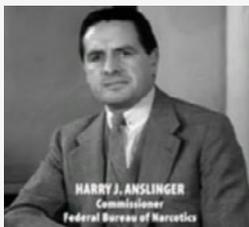
Reefer Madness film is released.



Go to: <https://vimeo.com/295187841>

1930

The Federal Bureau of Narcotics is established within the Department of the Treasury. Harry J. Anslinger is appointed as the first commissioner by Secretary of the Treasury, Andrew Mellon.



1933

Anslinger is credited with saying, “There are 100,000 total marijuana smokers in the US, and most are Negroes, Hispanics, and entertainers.” The 21st Amendment repeals the 18th, ending Alcohol Prohibition.

1937

The Marihuana Tax Act of 1937 is passed levying taxes on hemp products and sales of cannabis products. Farmers could pay for tax stamps for the cultivation of fiber hemp, physicians were charged a tax for prescribing cannabis and pharmacists taxed for selling cannabis. The American Medical Association strongly opposed the act citing that use of the largely unknown word “marihuana” prevented physicians from realizing the Act meant they would lose cannabis as medicine.



BILLION-DOLLAR CROP



1938

Popular Mechanics publishes the “Billion Dollar Crop” article proclaiming Hemp the next great cash-crop as mechanical decorticators solve a problem over 6,000 years old, processing hemp in large quantity.

“...Postulated theories include the cotton industry, the paper industry, the petrochemicals industry, the alcohol industry and/or the emerging pharmaceuticals industry had various collusive efforts to see government further regulate, criminalize and demonize the cannabis plant and its uses. This only speaks to the versatility and disruptive impact cannabis has across numerous industries...”

1969

Leary v. United States, Supreme Court declares Marijuana Tax Act unconstitutional.



1970

Nixon signs the Controlled Substances Act and cannabis is assigned Schedule 1 classification as a drug with high potential for abuse and no accepted medical use alongside heroin and cocaine.

1942

Hemp for Victory encourages hemp production for the war effort.

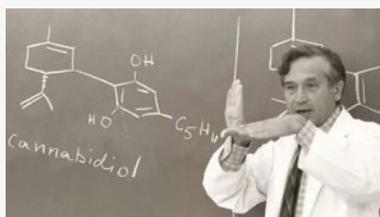


1961

Single Convention on Narcotic Drugs ratified by the U.N.

1964

Raphael Mechoulam isolates the molecule tetrahydrocannabinol (THC).



1968

The Federal Bureau of Narcotics never exceeds 330 employees or a budget of \$3 million. Nixon campaign speech asserts “Narcotics are a modern curse of American youth... I will take executive steps necessary to make our borders more secure against the pestilence of narcotics.”



"This is your brain on drugs"

1973

The DEA is created to replace the Federal Bureau of Narcotics.

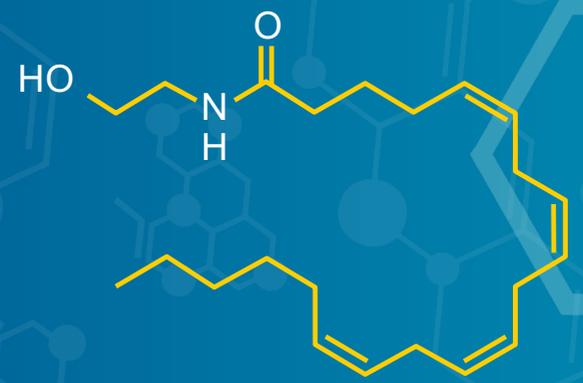
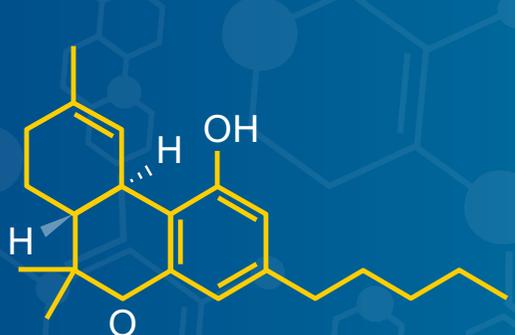


Video - click to play or go to: <https://vimeo.com/295188127>

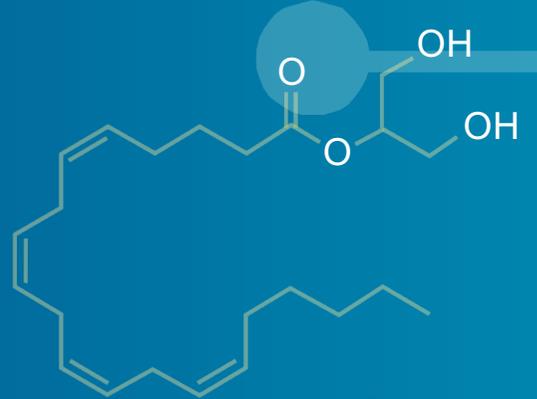
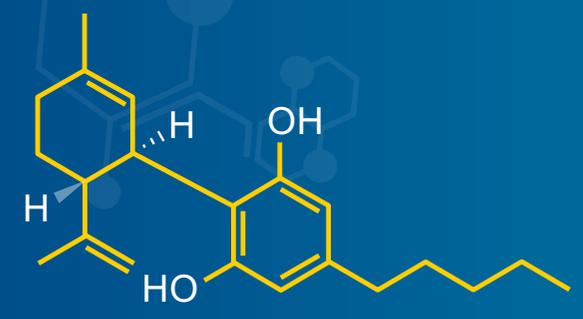


1983

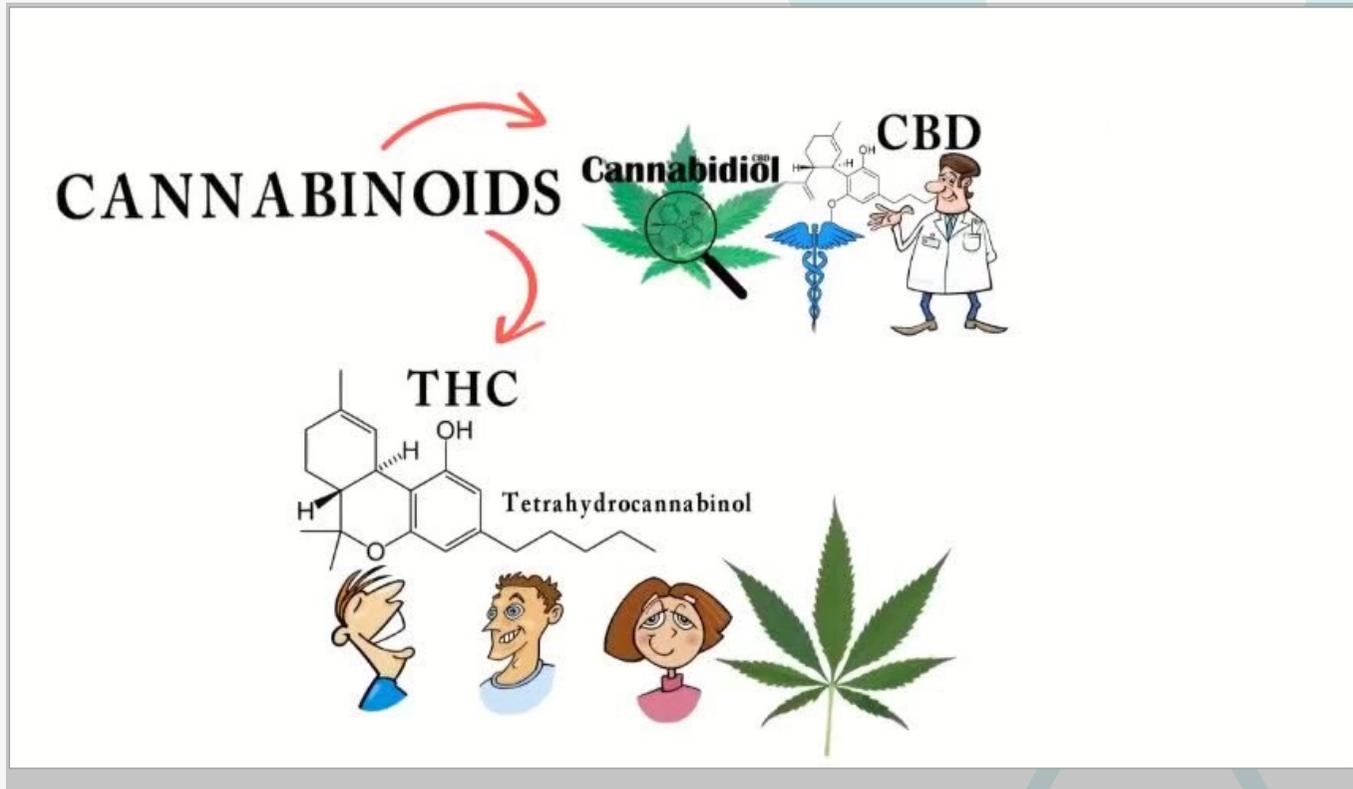
Both D.A.R.E. program and "Just Say No" campaign are launched.



Research



What is a Cannabinoid?



Video - click to play or go to: <https://vimeo.com/295188180>

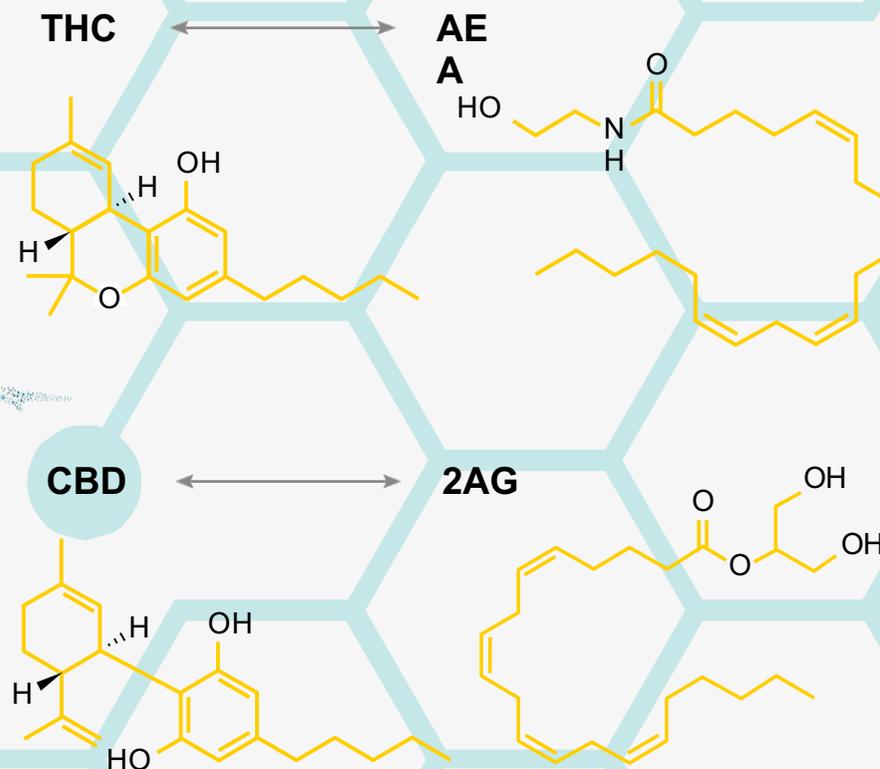
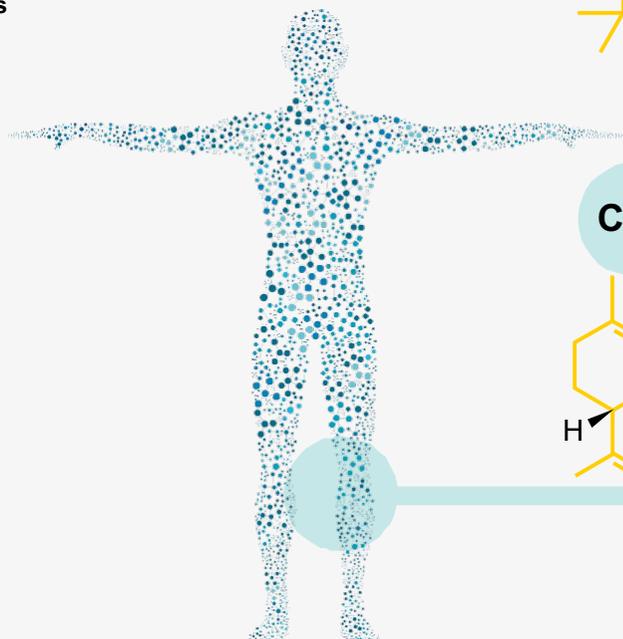
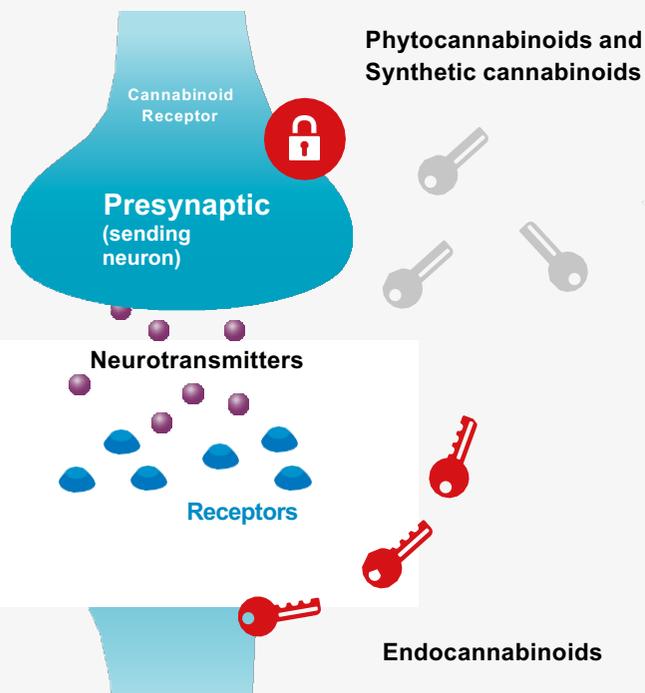
What is the Endocannabinoid System (ECS)?

We can easily recount bodily systems such as the respiratory system, lymphatic/immune system, cardiovascular system, nervous system or others. The endocannabinoid system may ultimately be seen as equally important in time.

The ECS is a group of neuromodulatory lipids, enzymes and receptors involved in numerous behavioral and physiological processes, ubiquitous in all people.

CB1 & CB2 receptors are two ECS receptor sites where cannabinoids (either the body's own endocannabinoids or the plant's phytocannabinoids) engage with endocannabinoid receptors, facilitate neurotransmission and promote homeostasis.

The ECS produces many cannabinoids including anandamide, AEA, which is identical in action to THC, and 2-Arachidonoylglycerol, 2AG, which is a phytocannabinoid mimetic to CBD.



cannabisculture.com
<https://www.cannabisculture.com/content/2017/12/28/cannabis-roots-humanitys-ancient-plant-ally/>

advancedholistichealth.org <http://www.advancedholistichealth.org/history.html>

“History of medical cannabis” Jan 2016

“Understanding Marijuana: A New Look at the Scientific Evidence” by Mitch Earleywine [wikipedia.org](https://en.wikipedia.org/wiki/History_of_medical_cannabis)
https://en.wikipedia.org/wiki/History_of_medical_cannabis

visualcapitalist.com
<http://www.visualcapitalist.com/wp-content/uploads/2018/06/history-of-medical-cannabis.html>

antiquecannabisbook.com
http://antiquecannabisbook.com/chap2B/Greco_Roman/Pliny.htm

druglibrary.org <http://druglibrary.org/schaffer/hemp/history/first12000/1.htm>

researchgate.net
https://www.researchgate.net/publication/311737721_Cannabis_and_epilepsy_An_ancient_treatment_returns_to_the_fore

civilized.life <https://www.civilized.life/articles/5-facts-about-how-cannabis-was-used-during-the-renaissance/>

hightimes.com <https://hightimes.com/culture/high-history-cannabis-in-the-ancient-world/>

history.com <https://www.history.com/news/why-the-u-s-made-marijuana-illegal>

popularmechanics.com
<https://www.popularmechanics.com/science/environment/a19876318/popular-mechanics-billion-dollar-hemp/>

wikipedia.org https://en.wikipedia.org/wiki/Harrison_Narcotics_Tax_Act

leafly.com <https://www.leafly.com/news/cannabis-101/facts-about-the-marijuana-tax-act-of-1937>

druglibrary.org
<http://www.druglibrary.org/Schaffer/hemp/taxact/woodward.htm>

theguardian.com <https://www.theguardian.com/society/2018/jan/29/marijuana-name-cannabis-racism>

newsweek.com <https://www.newsweek.com/2018/08/24/legal-weed-republicans-love-marijuana-1072761.html>

wikipedia.org https://en.wikipedia.org/wiki/Prohibition_in_the_United_States

wikipedia.org https://en.wikipedia.org/wiki/Hemp_for_Victory

cbsnews.com <https://www.cbsnews.com/news/harry-anslinger-the-man-behind-the-marijuana-ban/>

wikipedia.org https://en.wikipedia.org/wiki/Legal_history_of_cannabis_in_the_United_States

edwardjayeinstein.com <http://www.edwardjayeinstein.com/>

vice.com https://www.vice.com/en_us/article/mvxd4/raphael-mechulam-father-cannabis-discover-thc

wikipedia.org
https://en.wikipedia.org/wiki/Federal_Bureau_of_Narcotics

leafly.com <https://www.leafly.com/news/cannabis-101/what-is-rick-simpson-oil>

ncbi.nlm.nih.gov
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3997295/>

wikipedia.org https://en.wikipedia.org/wiki/Just_Say_No

leafly.com <https://www.leafly.com/news/cannabis-101/cannabis-and-the-constitution-a-brief-history-of-cannabis-in-the-u-s>

altmed.co <http://www.altmed.co/doctors/history-medical-cannabis/>

coloradohempproject.com
<http://www.coloradohempproject.com>

wikipedia.org
<https://en.wikipedia.org/wiki/cannabinoid>

fundacion-canna.es <https://www.fundacion-canna.es/en/cannabinoids-and-inflammatory-skin-diseases>

wikipedia.org https://en.wikipedia.org/wiki/Cannabinoid_receptor

sciencedirect.com
<https://www.sciencedirect.com/science/article/pii/S0278584615300105>

frontiersin.org
<https://www.frontiersin.org/articles/10.3389/fphar.2018.00632/full>

Identifying the Cannabis Compounds that Kill Cancer
https://www.youtube.com/watch?time_continue=6&v=txywY2CyfKA

norml.org <http://norml.org/library/item/introduction-to-the-endocannabinoid-system>

the-scientist.com <https://www.the-scientist.com/features/your-body-is-teeming-with-weed-receptors-31233>

For additional information, please contact:

John Clair
Investor Relations

Email: jclair@cb1cap.com

Office: (516) 734-6304

Cell: (917) 747-8292