



# A Paradigm Shift in the Cannabis Industry Consumer Products with Whole Cannabis Experience

(CSE: SPR) (OTCQB: SRUTF) (FSE: 38G)

**Corporate Presentation**

October 2021

[www.sproutly.ca](http://www.sproutly.ca)

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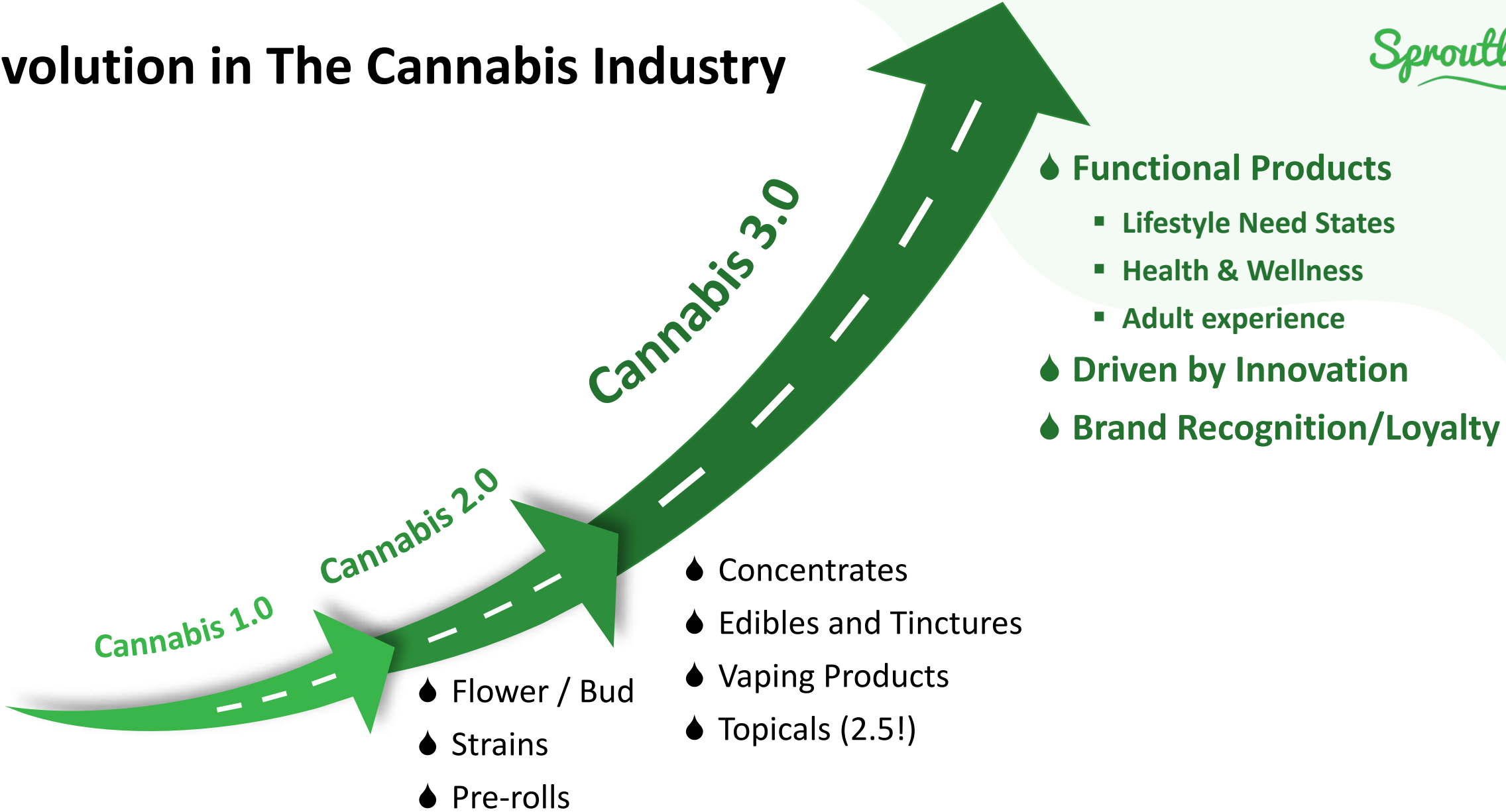
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# Evolution in The Cannabis Industry



**The Future: Real Innovation / Market Expansion / Functional Products for Modern Lifestyle**

# Technology that Delivers Real Function to Consumers

## Cannabis Industry's Future Requires A Paradigm Shift Consumer Appeal of Functional ["3.0"] Products



Consumer appreciation of real cannabis experience can only be delivered by the whole plant



The cannabis industry has to date pursued a one dimensional approach that is focused on products that only deliver individual cannabinoids with minor add-ons



Individual cannabinoid and terpene combinations will take a back seat to function



Sproutly's APP technology to deliver whole plant experience will bring to consumers the advances of cannabis genetics and cultivation



**Sproutly is targeting the growing functional products market for *need states of modern lifestyle* of all consumers - beyond cannabis users**

# Sproutly: A Fiscally Balanced Business Strategy

Achieve near term financial stability while pursuing long term market leadership

Cost Efficient	Cost-efficient operation/execution approach
<b>Near Term Revenues</b>	Leverage 2.0 sales license to distribute near term products of other producers for near term revenues
<b>Provincial Exposure</b>	Maintain exposure to provincial purchasing authorities
<b>Brand Development - Lifestyle Products from “Flower to 3.0”</b>	Brand development to introduce "cannabis & hemp experience and benefits" in functional products for the growing need states of modern lifestyle
<b>Rapid Technology to Products</b>	“Technology to Product Acceleration” that rapidly develops consumer-centric product iterations with broad consumer appeal to support sustained growth
<b>Leverage US R&amp;D Operations</b>	Leverage “Technology to Product” intellectual property from Infusion Biosciences' product successes in the US.
<b>Partnerships for International Markets EU, UK, Israel, Australia</b>	Capitalize on the ability of offer technology and product partnerships leveraging proven products in Canada and US

# Exclusive Rights to Infusion Biosciences' Technology

Sproutly has the exclusive license to :



Infusion Biosciences' patent-pending APP Technology to produce unique all natural whole plant extracts from cannabis and hemp - a result of 15+ years R&D

License includes major international markets including Canada, EU, and UK

<b>Infuz<sub>2</sub>O</b>	All water soluble phytochemicals including natural water-soluble cannabinoids
<b>BioNatural Oil</b>	All plant oils, including cannabinoids, in a chosen natural carrier oil

*Whole plant APP extracts carry **natural forms and compositions** of the total spectrum of natural plant molecules (phytochemicals) to deliver a “true to strain” experience*

*Clearly differentiated from unidimensional effects of individual cannabinoids and terpenes or their limited combinations (so called “full spectrum”)*



# APP Technology - Designed for “3.0” Products










- ◆ Natural, whole-plant, full-spectrum, full entourage extracts
- ◆ Naturally water soluble cannabis bioactives
- ◆ No chemicals/organic solvents, chemical taste/aftertaste
- ◆ True-to-strain experience in water or oil enables combination with other natural products to produce novel functional products
  
- ◆ High (>90% of total bioactives in **finished** ingredients) recovery
- ◆ No special facility requirement for safety
- ◆ Easy to scale up in a modular fashion – avoid over capacity
- ◆ Lower total capex (equipment + facility) set up

# Infuz2O: Overview & Advantages

Infuz2O is a natural whole plant cannabis solution that displays a natural plant flavor (like iced tea) [does not need emulsification or encapsulation with artificial chemicals for uniform “dispersion”]



	<b>Rapid and Predictable</b>	<5 mins to feel, 15 minutes to peak, and <90 mins to wear off
	<b>Strain-Specific</b>	True to strain experience delivered by the natural composition
	<b>Precise Dosing</b>	A homogeneous water solution allows accurate dosing
	<b>Formulation Versatility</b>	Ready to add to any water-based beverage
	<b>Natural</b>	Only natural food grade ingredients used in processing
	<b>Appealing</b>	True water solubility
	<b>Taste</b>	No chemical taste to mask – natural flavors create great tasting beverages!

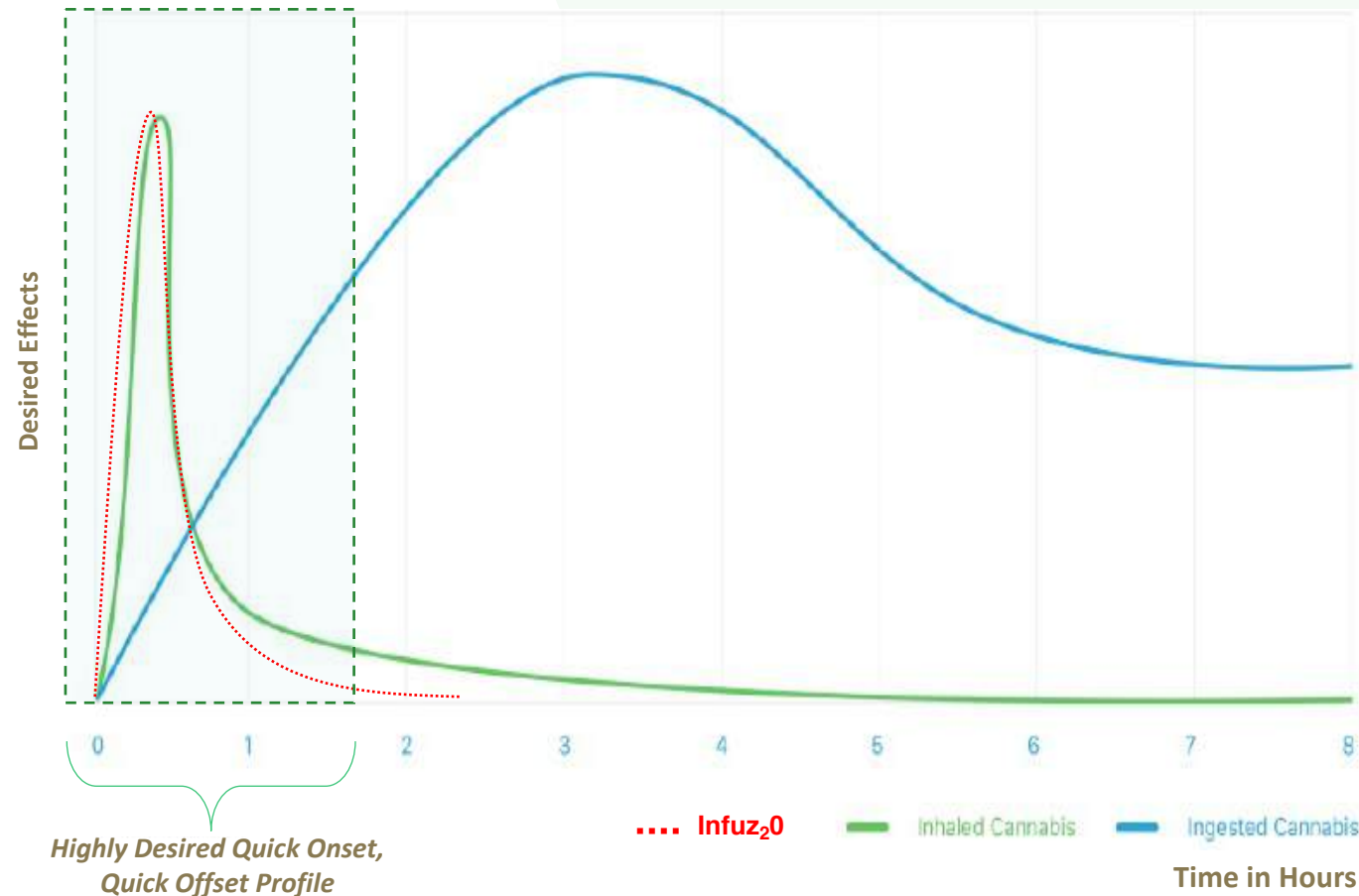


# APP Onset and Offset vs. Other Edibles

## Infuz<sub>2</sub>O Characteristics

- Predictable** – less than 5 mins to feel effects, less than 90 to wear off
- Experience** – Superior effects comparable to smoking and vaping
- Safe Discrete Consumption** – odorless and smokeless without adverse effects of smoking/vaping
- Formulation Versatility** – numerous end-user applications including 'functional' beverages
- Precise Dosing** – ability to deliver a measurable amount of cannabis
- Strain Specific** – APP Extractions retains the full suite of cannabinoids and terpenes in the biomass,

## Hemp and Cannabis Impact Over Time: Inhaled vs. Ingested








Technology delivers a truly natural water-soluble liquid with fast onset and offset, without the need for formulation techniques such as emulsification or encapsulation, that mimic those of inhaled hemp or cannabis

# Bionatural Oil: Overview & Advantages

BioNatural Oil is a natural whole plant oil composition directly recovered from the plant in a natural oil *not a selective, extracted sub-fraction that is blended in a carrier oil*



-  **A Whole Plant Oil** Ready to consume or add to a recipe (no additional processing)
-  **GRAS Ingredients** Never exposed to any non-dietary ingredient
-  **Versatility** Directly recovered in a **chosen** carrier oil (a homogeneous blend) - contains all that is natural in the plant (form/composition):  
Cannabinoids, Terpenes, Oil soluble vitamins, Other beneficial oils (omega oils, phytosterols)
-  **True-to-Strain** Delivers strain experience (not only THC/CBD effect) -  
reproducible onset (15-20 min), peak (40-50 min), offset (3-5 hr)
-  **Novel Functional Oil Products** Easily formulated with other natural oils to achieve novel functions; may be encapsulated/emulsified as a superior alternative to isolates/distillates

# Proven Product Performance in US Markets



- Successful and growing beverage sales (one of top 3 in US)

- [drinkkalo.com](http://drinkkalo.com)

- [rijuice.com/collections/hemp-infusions](http://rijuice.com/collections/hemp-infusions)



- First whole plant gummy with CBG and CBG:CBD hemp launched in Pennsylvania (positioned for national launch)



- **KALO** (choice of 8 flavors) distributed by a large independent Pepsi bottler targeting 10 states within the year



# Formulation Intellectual Property



Topical products for **skin health** concluded test marketing - launch ready

- Soreness/pain relief
- Blemishes/rash repair



Multi-component **health & wellness** products - 3 formulations completed

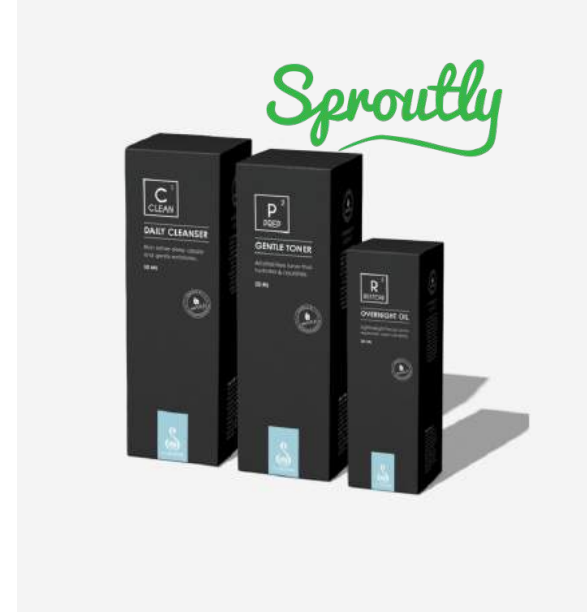
- Immune support
- Sleep support
- Mental state/focus and Energy



Novel **adult experience** products - multiple formulations in progress

- Blends of different cannabis and hemp strains to create unique “molecular fingerprints”

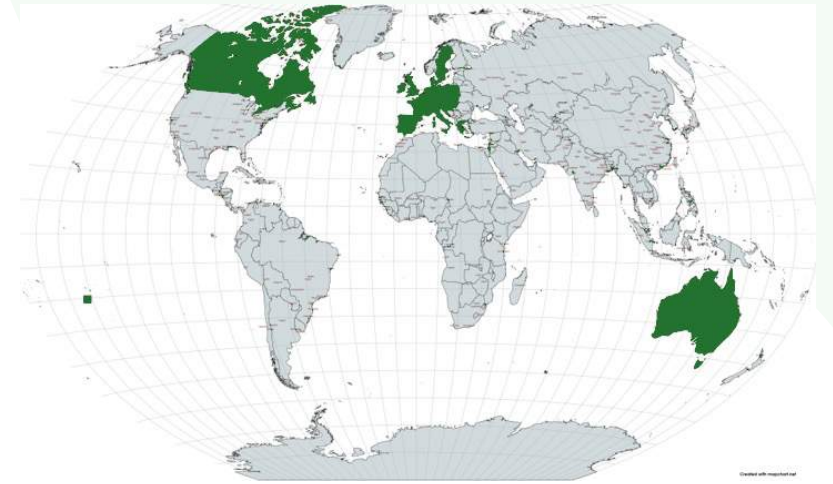




# Positioned for International Markets with Proven Products



- ◆ Sproutly has exclusive license for APP and Infusion's product intellectual property in:
  - **Canada, EU, UK, Australia, Israel**
- ◆ Pursuing partnerships / licensing arrangements as the regulations in ex-Canada territories mature



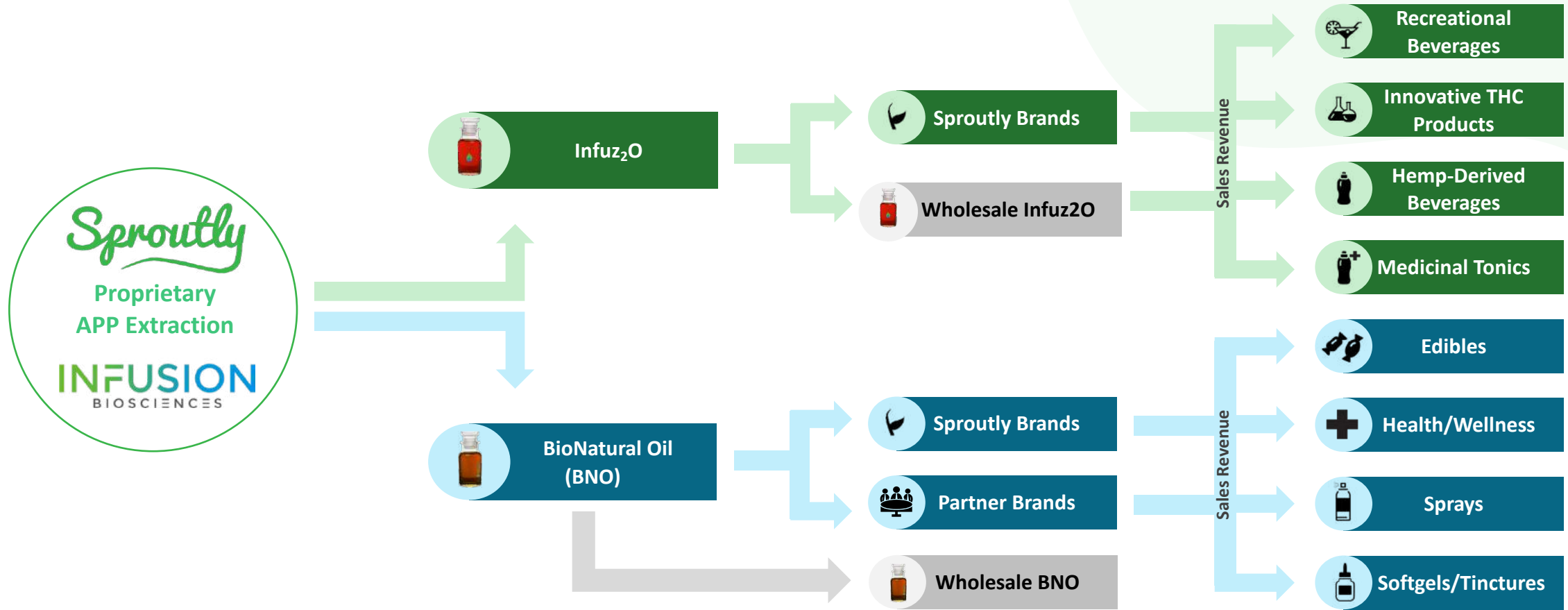
**Europe's** legal cannabis market predicted to reach high of 3.2 billion euros by 2025

“The **Australia** legal cannabis market size was valued at USD 171.7 million in 2019 and is projected to expand at a compound annual growth rate (CAGR) of 42.1% from 2020 to 2026. “

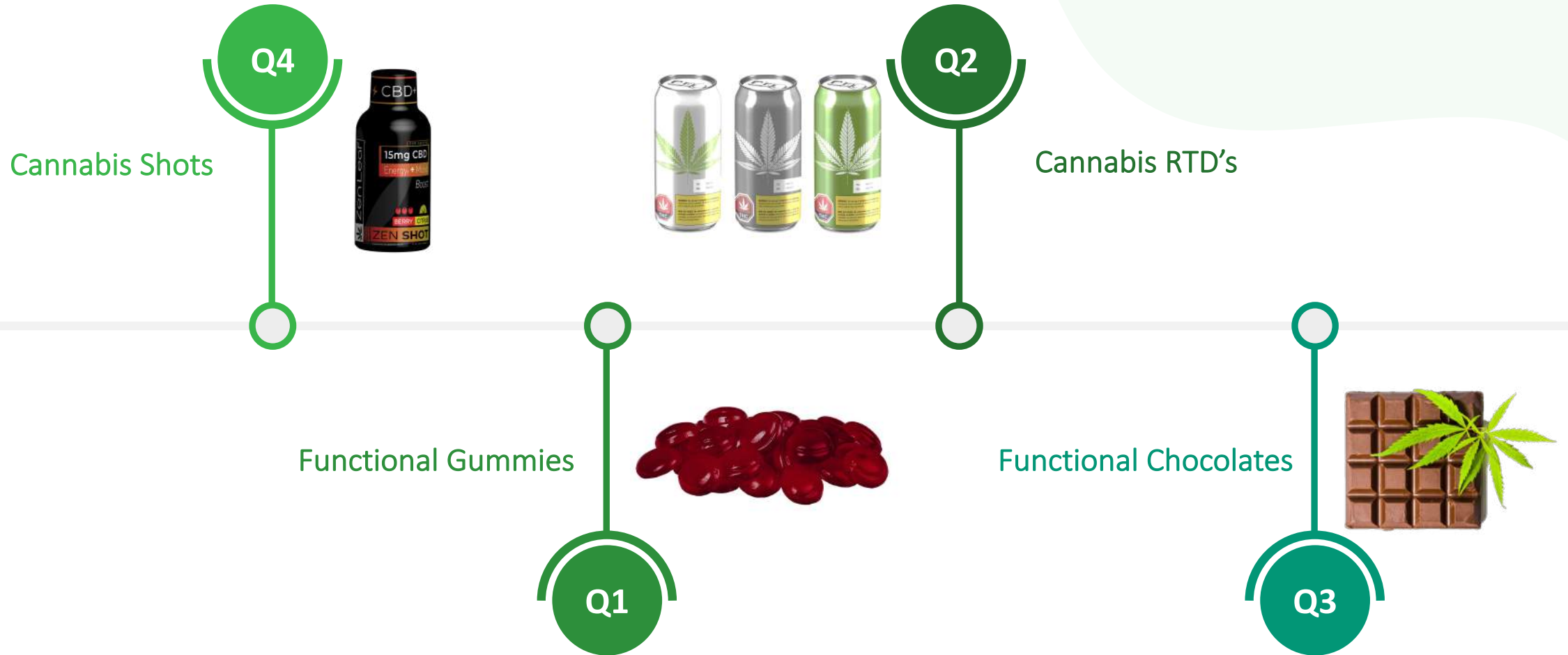
**UK** CBD market ‘the world’s second largest behind US’, association body claims



# Sproutly Product Roadmap

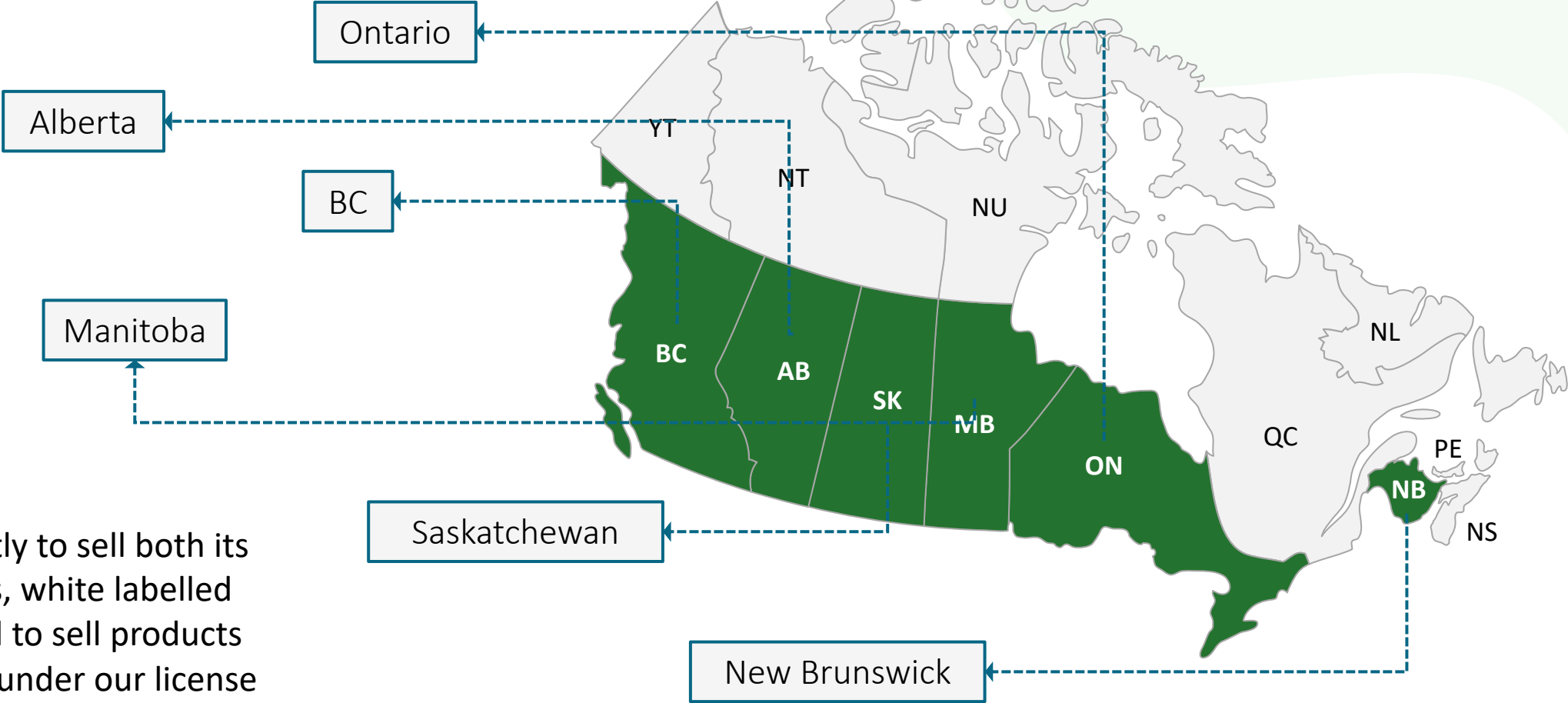


# Product Launch Schedule



# Signed Provincial Supply Agreements

Provincial supply agreements with:



Allows Sproutly to sell both its own products, white labelled products, and to sell products for other LPs under our license

# Commercialization Partners Leverage Sproutly Assets







Commercialization Partners leveraging existing licensed facility and sales license to develop full suite of near-term cannabis products

Sproutly receives administrative fees and toll on revenue generated

- ◆ High margin / Cash Generation
- ◆ Increase facility utilization
- ◆ Spread fixed overhead costs



Cannabis Manufacturers Guild (CMG) is a brand development, marketing, and distribution company.

 FLAG TRADING CO.			 elder
<b>Premium Hash</b>	<b>Value Priced Edibles – Soft Chews</b>	<b>Speciality Chocolates</b>	<b>Organic Pre-Rolls</b>
1g Pressed Coins	Initial Favours: Pineapple & Green Apple	Injection Molded Blister Pack	7 x .5gram Pre-Rolls

# Competitive Advantage: Form Factor & Performance

## What are the most notable areas of industry innovation?

Top 10 Innovation Areas	Notable Areas of Innovation		
Human biology, medicine and data	Endocannabinoid system research	Biomarker identification and person-to-person variability	Drug development, clinical trials and safety data
Genetics	Genome editing	Selective breeding	Stabilized feminized auto-flowering seed lines
Production	Biosynthesis and chemical synthesis	Yield optimization	Post-harvest and derivative production
Business	Monetization	Distribution	Branding and marketing
Capital Equipment	Automated industrial scale planting, maintenance and harvesting	Extraction, isolation and purification	Finished goods manufacturing
Digital	Precision agriculture	Supply chain and product provenance	Product development and formulation
Product form factor and format	-	Flavour, palatability and formulation	Function or use occasion
Performance	Consistent/controlled onset and duration	Bioavailability and solubility	Enhanced pharmacokinetic profile
Devices and delivery systems	AI-enabled metered dosage	Nasal inhalation	Non-combustible route of administration
Customer	Education, engagement and activation	Experiences	Services

“Down the road, individuals may consume cannabis as a supplement with their morning breakfast for a boost of energy, apply cannabis-infused topicals to soothe localized pain from a round of golf, or drink a beverage before bed to promote relaxation.”

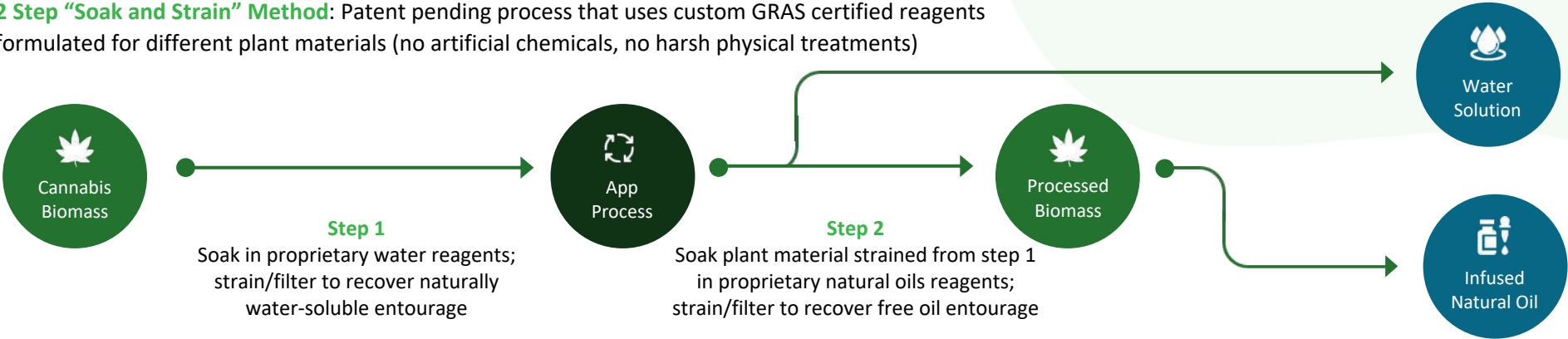


# Comparing Extraction Technologies

## “Naturally Water Soluble” – Infusion Biosciences’ Proprietary APP Technology

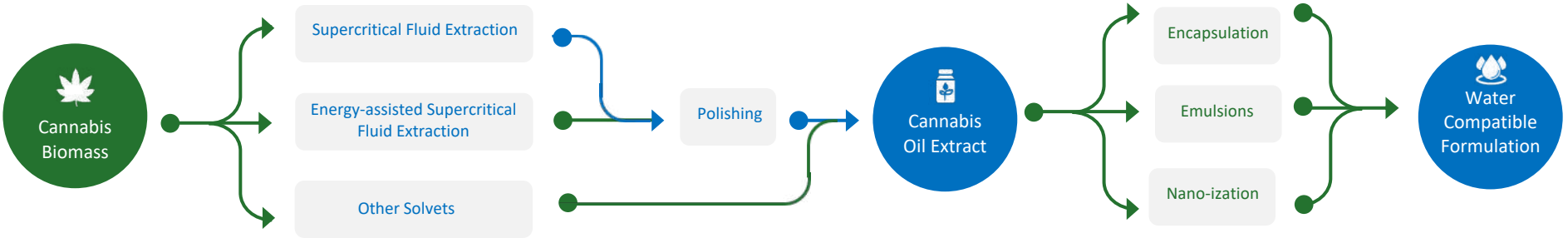
INFUSION  
BIOSCIENCES

**2 Step “Soak and Strain” Method:** Patent pending process that uses custom GRAS certified reagents formulated for different plant materials (no artificial chemicals, no harsh physical treatments)



## “Water Compatible” – In the Market Today

Competitors



**APP yields two truly unique cannabis extract products, including the world’s only naturally water-soluble cannabis liquid without the use of artificial chemicals and harsh physical treatments.**



# Another APP Difference - Whole Plant Extraction



## Starting Biomass Profile

## Extracted Infuz<sub>2</sub>O Content Profile

## Extracted BNO Content Profile

<b>Cannabinoids Present</b>	THC, THCV, CBC, CBN, CBG	THC, THCV, CBC, CBN, CBG ~30% Recovery Rate of Water-Soluble Cannabinoids	THC, THCV, CBC, CBN, CBG ~60% Recovery Rate of Oil-Based Cannabinoids
<b>Terpenes Present</b>	a-Pinene, 8-3-Carene, a-Terpinene, Terpeneolene, Isopulegol, Guaiol, a-Bisabolol	a-Pinene, 8-3-Carene, a-Terpinene, Terpeneolene, Isopulegol, Guaiol, a-Bisabolol All Terpenes Present	a-Pinene, 8-3-Carene, a-Terpinene, Terpeneolene, Isopulegol, Guaiol, a-Bisabolol All Terpenes Present
<b>Vitamins Present</b>	Vitamin B1, Vitamin B2, Vitamin B3, Vitamin B6	Vitamin B1, Vitamin B2, Vitamin B3, Vitamin B6 All Vitamins Present	Vitamin B1, Vitamin B2, Vitamin B3, Vitamin B6 All Vitamins Present
<b>Minerals Present</b>	Calcium, Phosphorus, Sodium, Potassium, Magnesium	Calcium, Phosphorus, Sodium, Potassium, Magnesium All Minerals Present	Calcium, Phosphorus, Sodium, Potassium, Magnesium All Minerals Present

# APP Creates A Clearly Different Product

## Sproutly



## Select Cannabis Beverages in the Canadian Market



Infuz<sub>2</sub>O's true water-solubility allows the solution to fully-dissolve in water, creating a clear finished product. 'Water-compatible' cannabis beverages currently in the market show obvious signs of clouding and residue.

# Leadership Team and Board of Directors



## Dr. Arup Sen

*Chief Executive Officer & Director*

- ◆ 40+ years of experience in research and executive positions at biotechnology and pharmaceutical companies, having negotiated and managed licenses and jv with J&J, Biomet, GCC and Tokuyama Soda of Japan, Eastman Kodak and Sandoz/Novartis.
- ◆ Ph.D. in biochemistry from Princeton University and former faculty member at the National Cancer Institute and Scripps Research Institute.



## Alan Brosseau

*Executive Vice-President*

- ◆ 'Recovering Attorney' with over 20 years' leadership experience leading start-ups and high-growth organizations.
- ◆ Responsible for Sproutly's corporate affairs, business development, and international markets. Alan has sourced and led dozens of acquisitions across a wide variety of industries, ranging from biometrics, security, fintech, and food production.



## Craig Loverock

*Chief Financial Officer & Director*

- ◆ Chartered Professional Accountant and trusted executive with over 25 years' experience in finance roles in Canada, the United States, and England.
- ◆ He has held a number of CFO roles with both public and private high-growth companies, with extensive experience in M&A, financings and go-public transactions.



## Paul Marcellino

*Director*

- ◆ Mr. Marcellino holds a degree in Chemistry and has served as CEO of an award-winning nutraceutical company focused on innovative cultivation, extraction and product development.
- ◆ Mr. Marcellino brings the ability to not only see opportunity, but also provide strategic operations leadership and networking internationally through research, planning, and execution.



## Constantine Constandis

*Director*

- ◆ Global C-level executive with 34 years industry experience in the wine and spirits industry in Canada, USA, Europe, and Asia.
- ◆ Former senior executive with Pernod Ricard SA (RI:EN Paris), the EUR 37bn publicly traded producer of wine and spirits.
- ◆ Previously the CEO of Corby Spirit and Wine Ltd (TSX: CSW.A).

# Capitalization

## Cap Table & Balance Sheet Highlights

Cap Table <sup>(1)</sup>	Sproutly	% F.D.
<b>Basic Shares Outstanding</b>	<b>360.3</b>	<b>71.8%</b>
Options	19.3	3.8%
Warrants	29.4	5.9%
Convertible Debenture Units	29.2	5.8%
Infusion Biosciences Convertible Bridge Loan	34.7	6.9%
Related Party Loan	29.3	5.8%
<b>Fully Diluted Shares Outstanding</b>	<b>502.1</b>	<b>100%</b>



## **For Additional Information Please Contact**

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