

vireo

Canaccord Genuity Cannabis Conference
May 14, 2019

CNSX: VREO

Disclaimer

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CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION: To the extent any forward-looking information in this presentation constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading "Cautionary Note Regarding Forward-Looking Information". Vireo's actual financial position and results of operations may differ materially from management's current expectations and, as a result, Vireo's revenue and expenses may differ materially from the revenue and expenses profiles provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of Vireo's actual financial position or results of operations.

CANNABIS-RELATED ACTIVITIES ARE ILLEGAL UNDER U.S. FEDERAL LAWS

The U.S. Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Accordingly, cannabis-related activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis and cannabis products are illegal under U.S. federal law. Strict compliance with state and local laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal prosecution which may be brought against the Company with respect to adult-use or recreational cannabis. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance. Prospective investors should carefully consider the risk factors described under "Risk Factors" in this presentation before investing directly or indirectly in the Company and purchasing the securities described herein.



"We are building the cannabis company of the future by bringing the best of science, medicine and engineering to the cannabis industry."

- Kyle Kingsley, M.D.
  Founder & CEO

Corporate Timeline

July 2014
Broke ground on Minnesota production facility

June 2015
Awarded 1 of only 5 vertically integrated licenses in New York

September 2015
Midwest Hemp Research harvests first crop in Minnesota

May 2017
Launched first cannabis ad campaign in NYC subway history

August 2017
Participation in $3.8MM NIH Study

July 2018
Awarded cultivation, processing, and dispensary pre-license in Maryland

December 2018
Awarded 3 Retail Licenses in Pennsylvania

March 2019
Executed RTO transaction; listed on CSE (symbol "VREO")

December 2014
Awarded 1 of 2 vertically integrated licenses in Minnesota

July 2015
First Vireo patient registered in Minneapolis

April 2017
Launched NYC and Long Island's first-ever medical marijuana home delivery program

June 2017
Awarded Pennsylvania cultivation and processing license

June 2018
Raised $17MM in a Series D Round

July 2018
Awarded Ohio processor license

January 2019
Acquisition of RI License

April 2019
Completed MA, NM, NV, and AZ acquisitions

1

Opportunistic Growth

Organic Growth Through Merit-Based License Wins

Cost-Effective M&A Activity

Existing Market Augmentation

2

Best-in-Class Customer Experience

Highly Professional Retail Apparatus

Home Delivery

E-Commerce

Brands

3

Real Intellectual Property

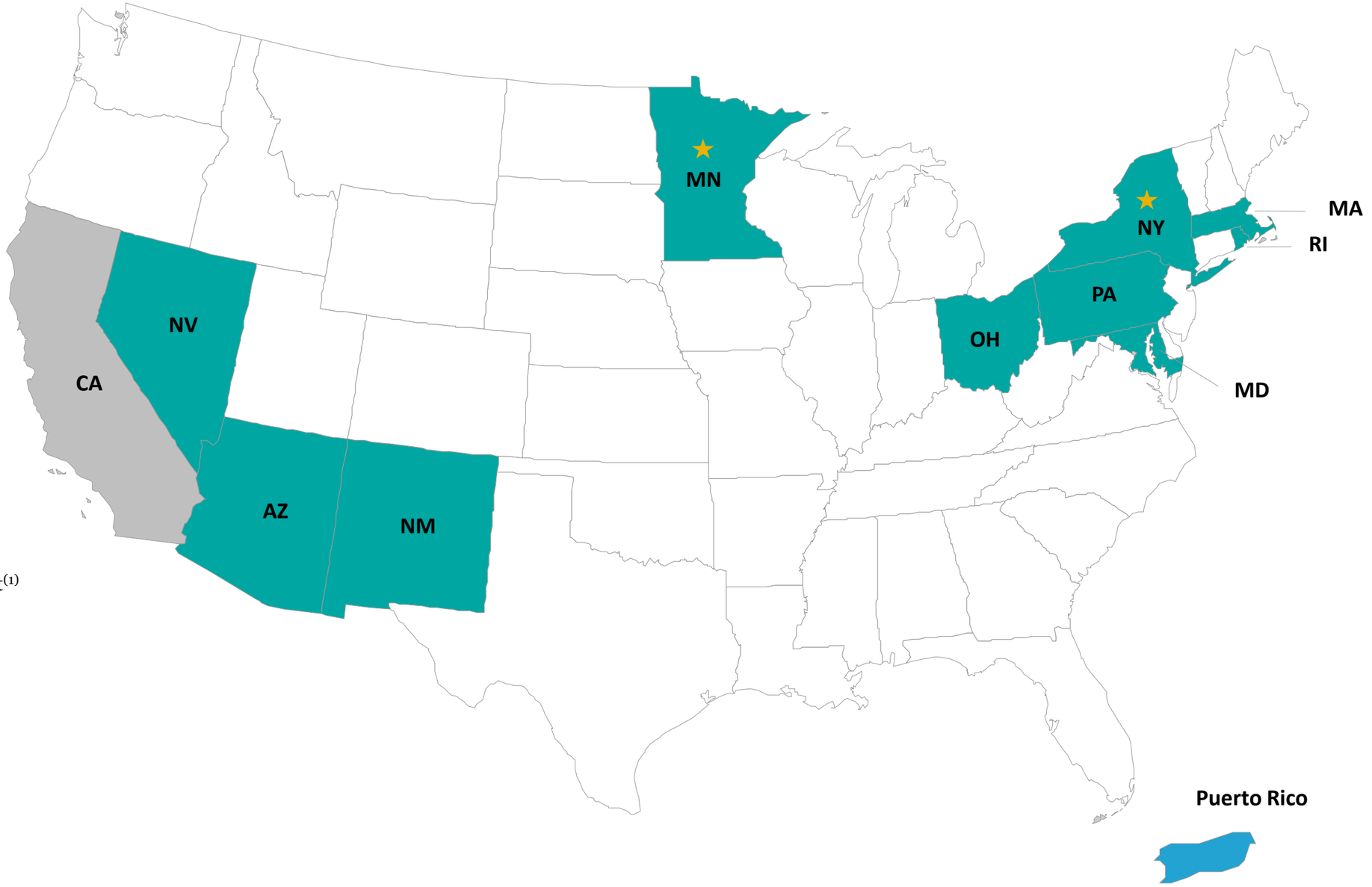
Industrial Scale Process and Equipment

Novel Proprietary Cannabis Formulations

Hemp Strategy

Ancillary IP

Vireo's Footprint



- Current Footprint
- Binding Purchase & Sale Agreement[1]
- Subject to pending transactions
- Hemp assets

(1) Vireo expects this transaction to close during the second-quarter of 2019, subject to customary conditions of closing.

State-by-State Snapshot of Operations:

	Minnesota	New York	Pennsylvania	Maryland	Ohio	Rhode Island	Arizona	Puerto Rico [1]	Nevada	Massachusetts	New Mexico	California [2]
Population (MM)	5.6	19.9	12.8	6.0	11.7	1.1	7.0	3.7	3.1	6.9	2.1	39.8
Status	Current	Current	Current	Current	Current	Current	Current	Purchase and Sale Agreement	Current	Current	Current	LOI
Ownership	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	-
Cultivation	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	-
Processing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
License Regime	Medical	Medical	Medical	Medical	Medical	Medical	Medical	Medical	Medical and Adult Use	Medical and Adult Use	Medical	Medical and Adult Use
Year Received	2014	2015	2017	2018	2018	2018	2018	2018	2018	2019	2019	N/A
Manufacturing Facilities	36,800 sq. ft. greenhouse / warehouse	59,300 sq. ft. greenhouse/ warehouse	89,000 sq. ft. warehouse	22,500 sq. ft. warehouse	11,300 sq. ft. lab and processing facility	4,500 sq. ft. warehouse	48,900 sq. ft. greenhouse	32,000 sq. ft. warehouse	Permitted for 16 greenhouses	1 facility pre-operational	3,000 sq. ft. warehouse	-
Retail Footprint					-	-			-			
Other	Hemp license	wholesale + delivery + hemp license	wholesale	wholesale	wholesale	wholesale	wholesale	wholesale	wholesale	wholesale	wholesale	-

(1) Binding Purchase & Sale Agreement subject to closing
(2) Subject to closing pending transaction

Best-in-Class Customer Experience:
Retail Dispensaries

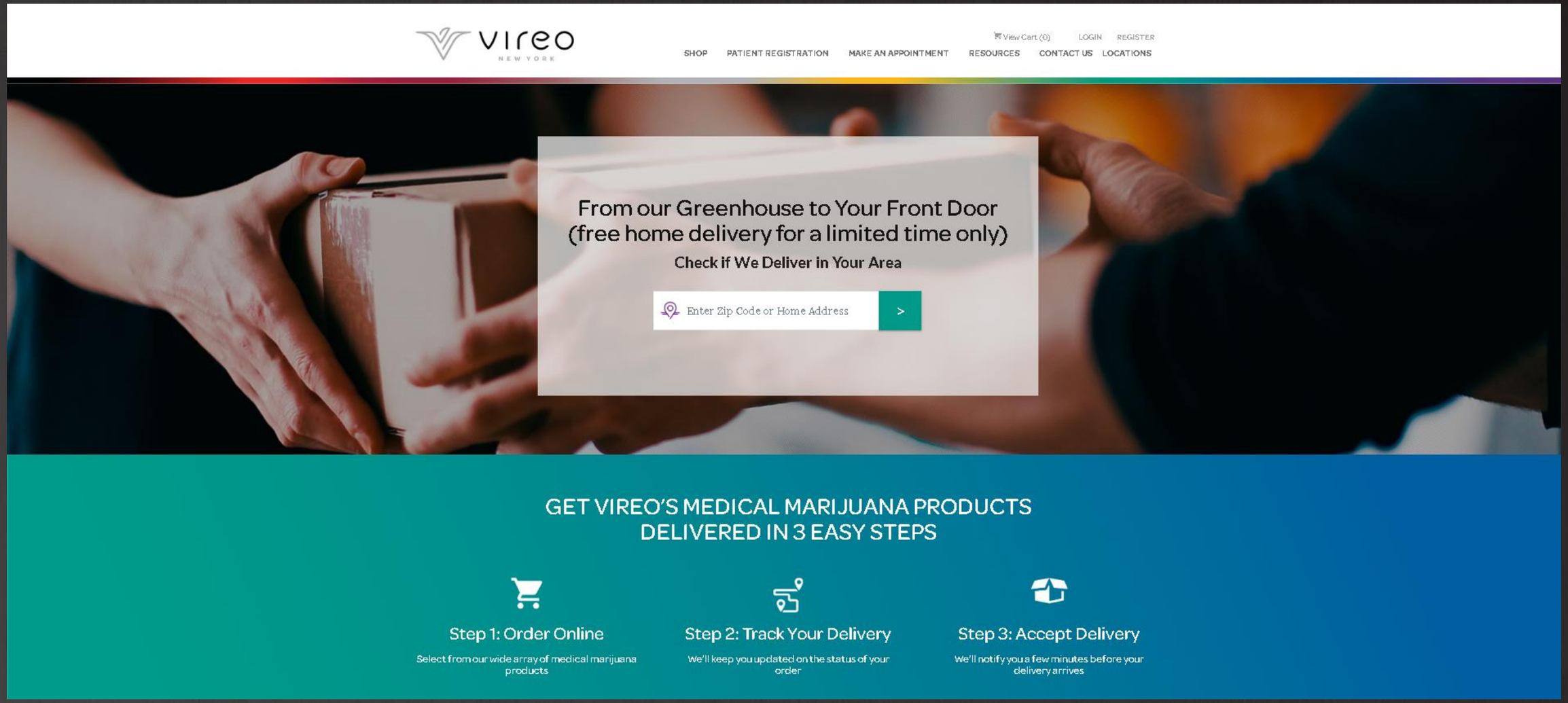
Green Goods™ Dispensary Concepts Launching in 2Q19

Slide content reflects layout of Bethlehem, PA location





Best-in-Class Customer Experience:
Home Delivery & In-Store Pick-Up



Best In Class Customer Experience: Brands

vireo™

Kingsley™ LEGENDARY CANNABIS

HISTORIC 1937™ CANNABIS

honeyreen Cannabis Wellness



Pharmaceutical-grade Products Geared Toward Patients



High Potency Products for a Sophisticated Consumer



High-Quality, Innovative Products for a Curious, Socially-Conscious Consumer



Balanced, Comfortable, Reliable Products for Everyday Wellness

Real Intellectual Property: Research Partners

Exclusive agreement to study the use of Captisol in the development and commercialization of pharmaceutical-grade cannabinoid-based products

Randomized trial of medical cannabis in patients with newly diagnosed, stage IV cancer to assess impact on cancer-related symptoms

Study to evaluate cannabis use among older adults – how they consume, why they consume and how often

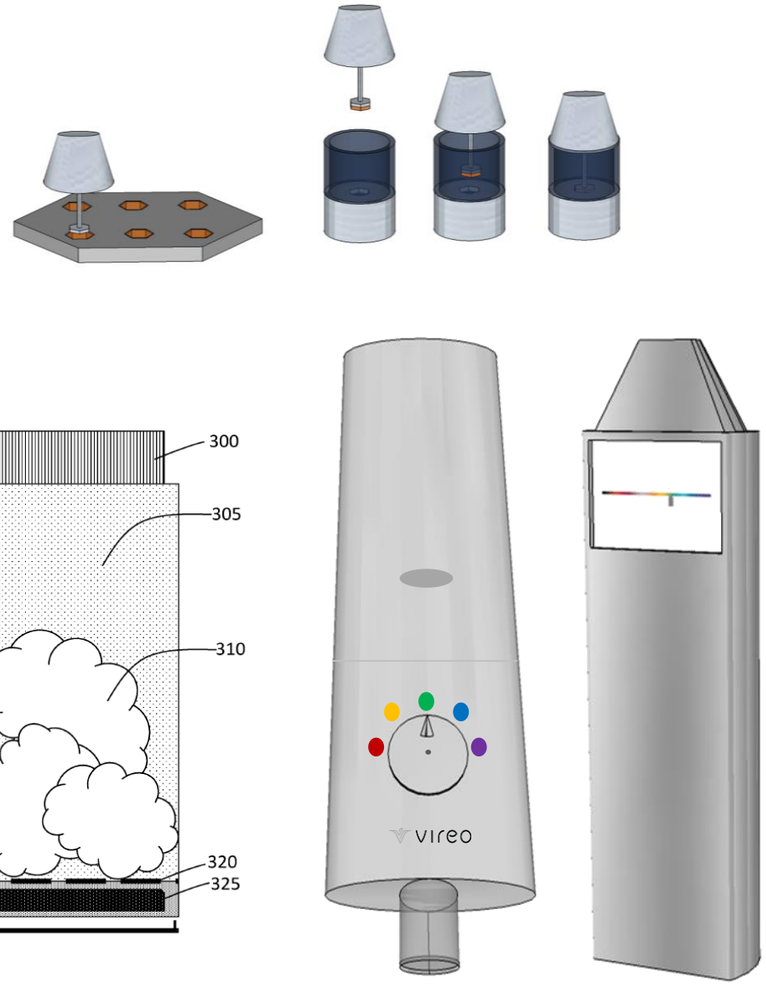
IRB-approved research study to examine older adults' use of medical cannabis for chronic pain

National Institute of Health R01 $3.8MM research grant for the first, long-term study of medical cannabis' impact on opioid use in adults with chronic pain

Initiative to bring together diverse stakeholders in the cannabis therapy space, to advance scientific understanding of medical marijuana and its derivatives, and to provide evidence-based resources for patients and their caregivers

University of Minnesota: Fasting, fed and chronic therapy pharmacokinetic research project combining neuropsychological testing, DNA testing and seizure control monitoring

Real Intellectual Property: Current Portfolio



Short Term Monetization

Cannabis Moist Snuff Composition

Multi-Channel Vaporizer

Non-Cannabinoid Negative Control Formulations (Placebo)

Proprietary Inflorescence Packaging

Novel Extractor Technology

Scaled Cannabis Processing Equipment

Proprietary Concentrate Delivery Method

Front-to-Back Home Delivery System

Long-Term Applications

Harm Reduction Additive for Tobacco Products

Method for Treating Antidepressant Withdrawal Syndrome

Captisol-Enabled Intravenous Cannabinoid Formulations

Custom Extract Dispenser

Agriculture-Scale Equipment

Real Intellectual Property: Hemp

Vireo is focused on the multi-billion dollar hemp market opportunity by developing combine-friendly, high-cannabinoid cannabis cultivars along with innovative consumer products.

1

Midwest Hemp Research - Minnesota

Licensed to Cultivate and Process Industrial Hemp

Growing Hemp Since 2015

Building Out Hemp Breeding Facility

2

1776 Hemp – New York

Licensed to Cultivate and Process Industrial Hemp

Cutting edge 15,200 sq. ft. Facility Under Development

Midwest Hemp Research

1776 HEMP

vireo

Fiscal Year 2019 Development Plans

During fiscal year 2019, Vireo expects to:

- Launch Green Goods™ dispensaries in Pennsylvania and expand its retail footprint in New Mexico
- Increase cultivation and processing capacity in Arizona, Minnesota, New Mexico and New York
- Begin building new facilities in Massachusetts, Nevada, Puerto Rico, and Rhode Island
- Roll out new cannabis brands and innovative products in multiple state-based markets
- Begin wholesaling Vireo branded products to third-party dispensaries in Ohio
- Plant industrial hemp crops for IP development in Minnesota and New York



Leadership Team



Kyle Kingsley, M.D. – *Chief Executive Officer*

Dr. Kingsley is a board-certified emergency medicine physician, entrepreneur, and inventor. Dr. Kingsley has a strong track record of winning and implementing medical cannabis licenses in well-regulated, medically-modelled states.



Amber Shimpa – *Chief Financial Officer*

Amber has served as the Chief Financial Officer of Vireo Health since inception. Prior to joining Vireo Health, Amber spent the nine years as Vice President of a bank, focused on commercial, nationwide lending.



Ari Hoffnung – *Chief Operating Officer*

Ari previously served as New York City's Deputy Comptroller for Budget & Public Affairs, where he oversaw the City's $70 billion budget. Prior to that, he was a Managing Director at Bear Stearns, where he worked for more than a decade.



Michael Schroeder, J.D. – *General Counsel*

Michael has been an attorney for over 25 years, including 6 years in law firm practice in the New York City area and the balance as an in-house attorney. He previously served as General Counsel for two public companies.



Stephen Dahmer, M.D. – *Chief Medical Officer*

Dr. Dahmer is a board-certified family physician and fellow of the Arizona Center for Integrative Medicine with over 15 years of active clinical experience. Throughout his career he has studied the relationships between plants and people, working closely with diverse cultures and documenting their uses of plants.



Eric Greenbaum, M.S., J.D. – *Chief Scientific Officer*

Eric is the Chief Scientific Officer of Vireo Health and has an impressive combination of scientific and legal expertise. Since joining Vireo Health, Eric has been instrumental in developing our IP portfolio and driving our R&D efforts.

Board of Directors



Kyle Kingsley, M.D. – *Chairman, Chief Executive Officer*

Dr. Kingsley is a board-certified emergency medicine physician, entrepreneur, and inventor. Dr. Kingsley has a strong track record of winning and implementing medical cannabis licenses in well-regulated, medically-modelled states.



Ari Hoffnung – *Chief Operating Officer*

Ari previously served as New York City's Deputy Comptroller for Budget & Public Affairs, where he oversaw the City's $70 billion budget. Prior to that, he was a Managing Director at Bear Stearns, where he worked for more than a decade.



Chelsea A. Grayson, JD – *Independent Director*

Chelsea A. Grayson is the CEO and a board member of True Religion, and a Board Leadership Fellow and a Corporate Governance Fellow with the National Association of Corpo-rate Directors (NACD). Prior to taking the CEO role with True Religion, she was the CEO and a board member of American Apparel (formerly NYSE MKT: APP).



Amy Langer, CPA – *Independent Director*

Ms. Amy L. Langer, CPA, is the Co-founder of Salo Corporation. At Salo, Ms. Langer has driven growth and brand affinity through analysis of market gaps, architecting and leading innovative strategy, and establishing sustainable and scalable infrastructure. Ms. Langer also serves on the board of directors for HealthPartners and GreaterMSP.



Amber Shimpa – *Chief Financial Officer*

Amber has served as the Chief Financial Officer of Vireo Health since inception. Prior to joining Vireo Health, Amber spent the last 9 years as Vice President of a bank, focused on commercial, nationwide lending.



Chad Martinson, CPA – *Independent Director*

Chad has served as the Chief Executive Officer of ACOVA Integrated Health since November 2017. Previously he served as Chief Operating Officer and Chief Financial Officer of ACOVA Integrated Health, and CFO and Executive Vice President of Operations at Upsher-Smith Laboratories.



Judd Nordquist, CPA – *Independent Director*

As a Business Partner at Abdo, Eick & Meyers, LLP, Judd helps business owners with business and tax planning, mergers and acquisitions, cash flow management, budgeting, and overhead computations. Since 1995, Judd has specialized in providing accounting, auditing, and consulting services to the construction, real estate, and manufacturing industries.



vireohealth.com

Key Fourth Quarter and FY18 Financial Metrics

$ in millions, except per share data	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Variance	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017	Variance
Revenue	$5.6	$3.3	$2.4	$18.5	$10.9	$7.6
Gross Profit (Before Fair Value Adjustments)	$1.8	$0.9	$0.8	$8.9	$5.8	$3.2
% Margin	31.2%	28.2%	*304 bps*	48.4%	53.0%	*-460 bps*
Gross Profit (After Fair Value Adjustments)	$5.4	$1.2	$4.2	$16.8	$6.4	$10.4
% Margin	95.3%	36.1%	*5,923 bps*	90.9%	58.6%	*3,235 bps*
SG&A Expenses	$1.6	$0.3	$1.3	$3.8	$2.2	$1.7
SG&A (% of sales)	28.6%	9.3%	*1,933 bps*	20.8%	19.9%	*89 bps*
Net Income (Loss)	($1.2)	$0.3	($1.5)	($3.1)	($0.4)	($2.6)
Adjusted Net Income	$1.3	$0.3	$1.0	$1.7	$0.1	$1.6
Adjusted EBITDA (non-IFRS)	$4.3	$0.6	$3.7	$9.6	$0.7	$8.9
Adjusted EBITDA Margin (non-IFRS)	76.4%	19.5%	*5,689 bps*	51.8%	6.4%	*4,546 bps*

Reconciliation of IFRS to Non-IFRS Financial Measures

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Net income (loss) (IFRS)	$ (1,182,621)	$ 273,098	$ (3,077,353)	$ (430,689)
Transaction costs	386,882	-	448,480	-
Share-based compensation	572,869	-	2,072,706	-
New market startup costs[(1)]	1,561,645	35,010	2,051,350	530,538
Adjusted net income (loss) (non-IFRS)	$ 1,338,775	$ 308,108	$ 1,495,182	$ 99,849
Net income (loss) (IFRS)	$ (1,182,621)	$ 273,098	$ (3,077,353)	$ (430,689)
Interest income	319	(8)	-	(1,275)
Interest expense	1,122,673	267,383	2,390,422	381,960
Income taxes	1,731,000	-	5,201,000	-
Depreciation	105,757	62,547	274,319	213,356
EBITDA (non-IFRS)	$ 1,777,128	$ 603,020	$ 4,788,388	$ 163,352
Transaction costs	386,882	-	448,480	-
Share-based compensation	572,869	-	2,072,706	-
New market startup costs[(1)]	1,561,645	35,010	2,051,350	530,538
Adjusted EBITDA (non-IFRS)	$ 4,298,524	$ 638,030	$ 9,360,923	$ 693,890

(1) New market startup costs include expenses such license application fees, legal and other professional fees, and other administrative start-up expenses

Consolidated Statements of Loss and Comprehensive Loss

Vireo Health, Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2018 and 2017
(Expressed in United States Dollars)

		Year Ended December 31, 2018		Year Ended December 31, 2017
REVENUE	$	18,459,069	$	10,867,064
Production Costs		(9,519,433)		(5,104,379)
Gross Profit Before Fair Value Adjustments		**8,939,636**		**5,762,685**
Realized Fair Value Amounts Included in Inventory Sold		(16,457,419)		(5,840,818)
Unrealized Fair Value Gain on Growth of Biological Assets		24,302,031		6,443,637
Gross Profit		**16,784,248**		**6,365,504**
EXPENSES				
Depreciation		274,319		213,356
Professional fees		1,862,317		1,013,006
Salaries and wages		4,144,540		3,019,105
Selling, general and administrative expenses		3,831,634		2,159,192
Share-based compensation		2,072,706		-
		(12,185,516)		**(6,404,659)**
OTHER INCOME (EXPENSE)				
Loss on Sale of Property and Equipment		(25,065)		(398)
Interest Expense – Debt		(2,390,422)		(381,960)
Interest Income		-		1,275
Other Expense		(59,598)		(10,451)
Total Other Income (Expense)		**(2,475,085)**		**(391,534)**
INCOME (LOSS) BEFORE TAXES		**2,123,647**		**(430,689)**
Current income tax		(2,918,000)		-
Deferred income tax		(2,283,000)		-
Total income taxes		**(5,201,000)**		-
NET LOSS AND COMPREHENSIVE LOSS	$	**(3,077,353)**	$	**(430,689)**
Weighted average shares outstanding – Basic and diluted		**2,206,269**		**N/A**
Net loss per share	$	**(1.39)**		**N/A**

Consolidated Statement of Financial Position

Vireo Health, Inc.
Consolidated Statement of Financial Position
For the Years Ended December 31, 2018 and 2017
(Expressed in United States Dollars)

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash	$ 9,624,110	$ 2,595,965
Receivables	1,671,257	-
Inventories	21,379,722	14,575,040
Biological Assets	5,967,150	2,815,030
Prepaid Expenses	962,297	624,010
Deferred acquisition costs	1,885,653	-
Deferred financing costs	448,480	-
	41,938,669	**20,610,045**
Non-Current Assets		
Property and equipment	22,847,283	14,805,788
Deposits	2,259,735	966,012
Deferred Loss on Sale Leaseback Transaction	26,596	35,441
Intangible Asset	2,184,565	-
Due from Related Party	-	146,893
	27,318,179	**15,954,134**
Total Assets	**$ 69,256,848**	**$ 36,564,179**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 2,512,389	$ 1,516,300
Deferred lease inducements	341,555	-
Current portion of lease obligations	338,638	-
Current Portion of Long-Term Debt	1,010,000	-
	4,202,582	**1,516,300**
Long-Term Liabilities		
Deferred Rent	271,091	113,242
Deferred income taxes	6,508,000	-
Deferred lease inducements	4,781,770	-
Lease Obligations	11,839,152	6,431,129
Long-Term Debt	-	1,010,000
	27,602,595	**9,070,671**
Shareholders' Equity		
Share Capital	41,965,556	-
Members' Capital	-	22,910,942
Members' Units Receivable	-	(1,780)
Reserves	2,766,050	-
Retained earnings (deficit)	(3,077,353)	4,584,346
	41,654,253	**27,493,508**
Total Liabilities and Shareholders' Equity	**$ 69,256,848**	**$ 36,564,179**