

# CannRx Technology, Inc.


Investment Thesis

July 2014

# Forward Looking Statements


This presentation contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein or which are otherwise made by or on behalf of the Company that are not statements of historical facts may be deemed forward-looking statements. Without limiting the generality of the foregoing, words such as “may,” “will,” “to,” “plan,” “expect,” “believe,” “anticipate,” “intend,” “could,” “should,” “would,” “estimate,” or “continue,” or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. Shareholders are cautioned that all forward-looking statements involve risk and uncertainties which may cause results to differ materially from those set forth in the statements. Such risks and uncertainties include, but are not limited to the following: the success of research and development activities and the speed with which regulatory authorizations and product launches may be achieved; government regulation generally; competitive developments; the ability to successfully market products domestically and internationally; difficulties or delays in manufacturing or issues relating to manufacturing capacity; commercial obstacles to the successful introduction of brand products generally; legal defense costs, insurance expenses, settlement costs, and the risk of an adverse decision or settlement relating to product liability, patent protection, governmental investigations, and other legal proceedings; the Company’s ability to acquire and protect patents and other intellectual property both domestically and internationally; the absence of certainty regarding the receipt of required regulatory approval or the timing or terms of such approvals; any changes in business, political and economic conditions; business interruption due to hurricanes or other events outside of the Company’s control.

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**”Cannabis has no accepted  
medical use in treatment”**  
**- Food and Drug Administration (2006)**

# Mission



**Develop high-quality pharmaceutical and analytical products utilizing cannabis by leveraging patented technology**

# Management

- **Dr. Barry Hahn, MD, FACEP**  
***Chief Executive Officer and President***  
15 years experience as practicing physician, 8 years overseeing clinical research, including Phase 2-3 pharma studies, over 50 publications and lectures, IRB member, ACEP research committee member, editor of peer reviewed journals
  
- **Leslie Kraus**  
***Chief Financial Officer***  
25 years experience as CFO of public and private companies
  
- **Shmuel Cohen, Ph.D.**  
***Lead Scientist***  
Project leader with a doctorate in cellular immunology, a background in the genetic engineering of crop plants and a Master's degree in agricultural biotechnology
  
- **Dr. Gabriel Nussbaum, MD, PhD**  
***Director of Scientific Affairs***  
A physician and researcher, conducts studies at the Weizmann Institute of Science, an international center of scientific research, has numerous publications

# Directors

- **Dr. William Levine**  
*Executive Director*  
Founder of Izun Corp., multiple issued patents, successful dental practice
- **Dr. Elliot F. Hahn**  
*Executive Director*  
Co-Founder Andrx Corp., IVAX Corp., Executive Chairman Accu-Break Pharmaceuticals, Director of Public and Private Companies
- **Oscar Schafer**  
*Lead Board Director*  
Founder OSS Capital, Chairman Rivulet Capital, Barron's Round Table
- **Jeremy Kon**  
*Director*  
Personnel and Training Director, amongst others, JP Morgan, UBS, Merrill Lynch, Salomon and the Financial Services Authority – the UK financial regulator
- **Alan Lipton**  
*Director*  
Founder Jan Bell Corp., Manager Majel Holdings LLC, CEO D.I.A. Marketing, Investor and Entrepreneur

# Overview – Why CannRx?

## Company strategy is multi-faceted

- Employing in-house-developed and validated assays
  - ▣ assist in developing cannabis-based medical products
  
- Patent-pending delivery system
  
- Developing antibody-based rapid assays kits
  
- Strategic relationship with established grower

# Unique Product Development Strategy

- Utilize IPL's patented botanical analytical expertise
  - ▣ Quantifies biologic effect of cannabis constituents as they function within the whole plant
  
- Provides method to scientifically enhance cannabis's pharmacologic effects by identifying "activity zones" and their composition

**Result – development of high quality and safer products for therapeutic use**



# CannRx Achievements to Date

- Filed patent for a proprietary delivery system
- Developed reliable / validated testing methods
  - ▣ Including THC, THCa, CBD, CBDa, CBN, CBG, CBGa
- MOH approval from Netherlands and Israel to import and conduct research
- Research Development Committee decision to focus on:
  - ▣ Pain
  - ▣ Parkinson's Disease

# Projections

Financial Overview								
	2014	2015	2016	2017	2018	2019	2020	2021
Gross revenue	0	645,000	774,000	6,032,000	21,161,000	24,473,000	27,785,000	34,352,210
Gross Profit	0	365,500	438,600	584,800	657,900	877,200	1,096,500	1,096,500
License & Milestone Fees	0	0	0	5,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Royalties	0	0	0	0	0	2,925,000	5,850,000	12,417,210
Sundry Income	0	0	0	0	0	0	0	0
Operating Expenses	1,585,584	3,323,945	5,460,943	5,262,425	4,827,123	4,863,245	4,784,039	3,855,465
EBITDA	-1,585,584	-2,958,445	-5,022,343	322,375	15,830,777	18,938,955	22,162,461	29,658,245
Interest, Depreciation & Other	145,833	498,500	636,775	649,664	411,197	363,573	193,827	197,218
Net Profit before tax	-1,731,418	-3,456,945	-5,659,118	-327,289	15,419,580	18,575,381	21,968,633	29,461,026
Gross Margin Percent		56.67%	56.67%	9.69%	3.11%	3.58%	3.95%	3.19%
EBITDA Percent		-458.67%	-648.88%	5.34%	74.81%	77.39%	79.76%	86.34%
Capital Raising	2,600,000	8,000,000	0	0	0	1,625,000	0	0
Net Cash Flow	959,416	4,430,655	-5,152,173	167,048	11,011,581	14,254,559	14,737,732	19,794,675
Cash Balance	959,416	5,390,071	237,898	404,945	11,416,526	25,671,085	40,408,817	60,203,492

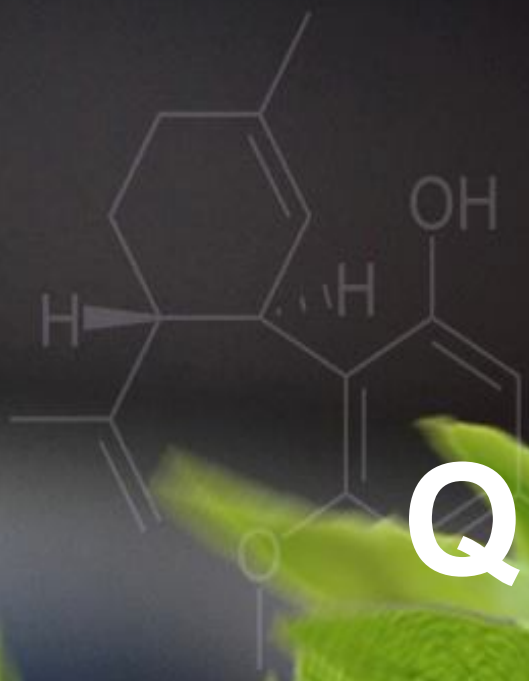
# Proposed Financing

- Convertible note with warrant
  - Maximum raise of \$2.6 MM
  - Pre-money valuation of \$8 MM
  - Deferred Interest 5% / annum
  - Every \$4 loaned entitles the lender to a 5 yr warrant with exercise price at \$2.50
  
- Current outstanding shares 8 MM

## Summary

# CannRx – A Timely Investment Opportunity

- Experienced and successful leadership team with creative drive to achieve results
- Challenging status quo in cannabis research by differentiated technology
  - ▣ Utilizes IPL's unique approach to botanicals via patented development methods
- Multifaceted strategy which provides numerous “shots on goal” to result in commercial success



# Questions

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