



OVERVIEW

November 2018

www.pharmagreen.ca

QUOTED ON OTC MARKETS: PHBI.PK

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All communications or inquiries relating to the Company or this memorandum should be directed to the representative of Pharmagreen listed below.

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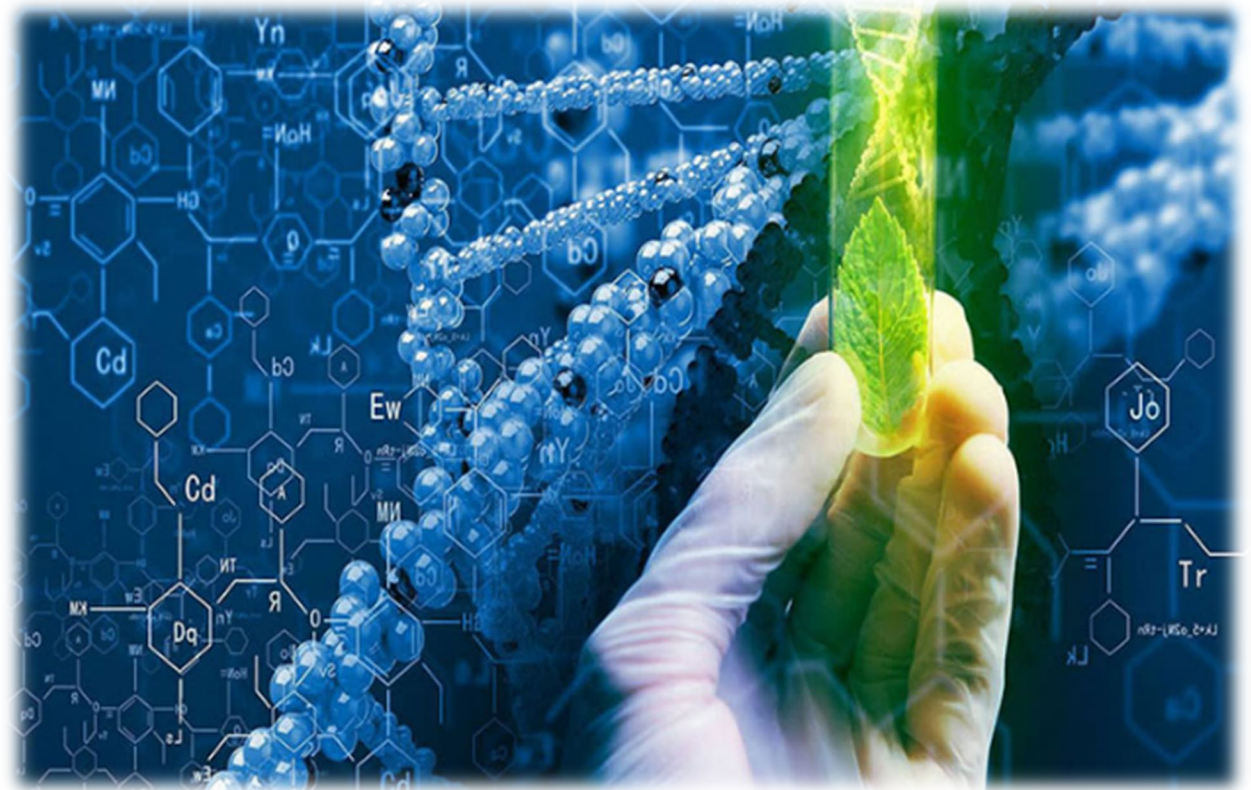
- **Company Profile**
- Industry Overview
- Products
- Competitive Advantages
- Financials and Projections
- Management

COMPANY PROFILE



Pharmagreen Biotech, Inc. – Company Snapshot

- Founded: 2008 pursuant to articles of merger of two predecessor companies
- The business was changed to cannabis industry in 2018
- Name change occurred in May 2018
- Acquired 100% of WFS Pharmagreen Inc., a Canadian company in May 2018 through an RTO transaction
 - WFS Pharmagreen Inc. was founded in 2014
- Industry: Cannabis
- Sector: Cannabis – Biotechnology
- Product(s): Tissue culture, Plants, Wholesale and Retail Pharmagreen Branded Cannabis oil extracts
- Service(s): Plant certification via DNA testing technology, Storage and preservation of strains using cold storage
- Headquarter: Coquitlam, British Columbia (Greater Vancouver)
- Publicly traded on OTC Markets (SYMBOL : **PHBI.PK**)





PHARMAGREEN BIOTECH INC. SHARE STRUCTURE

Issued and Outstanding : 71,620,110

Held by Insiders: 54,317,500

Free Trading Shares: 272,500

Held at DTC: 40,000

PHARMAGREEN BIOTECH INC

<https://www.otcm Markets.com/stock/PHBI/overview>

Common Stock PHBI.PK

Previous Close \$3.62

Current Bid \$2.90 / Current Ask \$3.60

Quoted on: 11/05/2018



- ✓ PHBI is filing its S1 Registration Statement in mid December of this year.
- ✓ Upon approval of the S1, PHBI will apply to list on the OTCQB as a reporting issuer.

COMPANY PROFILE



Pharmagreen Mission

- Advancing the technology of tissue culture science in a clean room environment, to provide the highest quality, 99.99% germ and disease free starter plantlets of cannabis and other flora with no genetic drift whether you make one or a trillion
- Provide full spectrum DNA testing, low temperature storage of various horticultural plants; extraction of plant product mainly CBD oil and to deliver unparalleled laboratory based services to the North American Agricultural sector deliver



Focus Areas – Cannabis Botany Biotech Complex

- One of a kind Cannabis/Botany Biotech Complex may serve as model for future build-out in other parts of Canada and abroad
- Large scale production of 10 Million plus sellable cannabis tissue culture plantlets on an annual basis, including research and storage of genetically identical disease and pest free plants with consistent and certifiable constituent properties ensure the highest standards for safety and quality of cannabis as medicine
- Innovative proprietary eco friendly, semi automated tissue culture, clean room laboratory and research complex. The complex is 63,000 sq. ft. being built on a 25 acres land located in Deroche, British Columbia
- The licensing for this complex is pending approval under Health's Canada Access to Cannabis for Medical Purposes Regulations (ACMPR) and the office of controlled substances and will allow for several original, complimentary and cannabis industry leading services

COMPANY SNAPSHOT



Partnerships

- Botanical Research in Motion Inc. (B.R.I.M.)
 - Privately held company focused on the cannabis propagation proprietary technology for the production of tissue culture for exclusive use by Pharmagreen's Cannabis Botany Center
 - Owner of CHIBAFREEN & CBD Dana technology, which is licensed for exclusive use by Pharmagreen
- Alliance Growers Corp (CSE : ACG)
 - Strategic minority equity investment partner in Pharmagreen's Biotech Complex, under construction in Deroche, B.C., Canada (90 minutes East of Vancouver, B.C.)
- Cannabis Compliance Inc.
 - Canada's original cannabis consulting firm. Whose objective is to obtain Health Canada approval for our clients
- Green Light Innovation Partners
 - Group of entrepreneurs that has two decades of experience creating, funding and bringing technology to market
- Grey Fields Architecture
 - Full service firm established on owner's platform of experience in architecture, planning, urban design, environment and construction.

Use of Proceeds – USD 20M

- USD \$20 Million to complete the buildout of the Cannabis Botany Biotech Complex





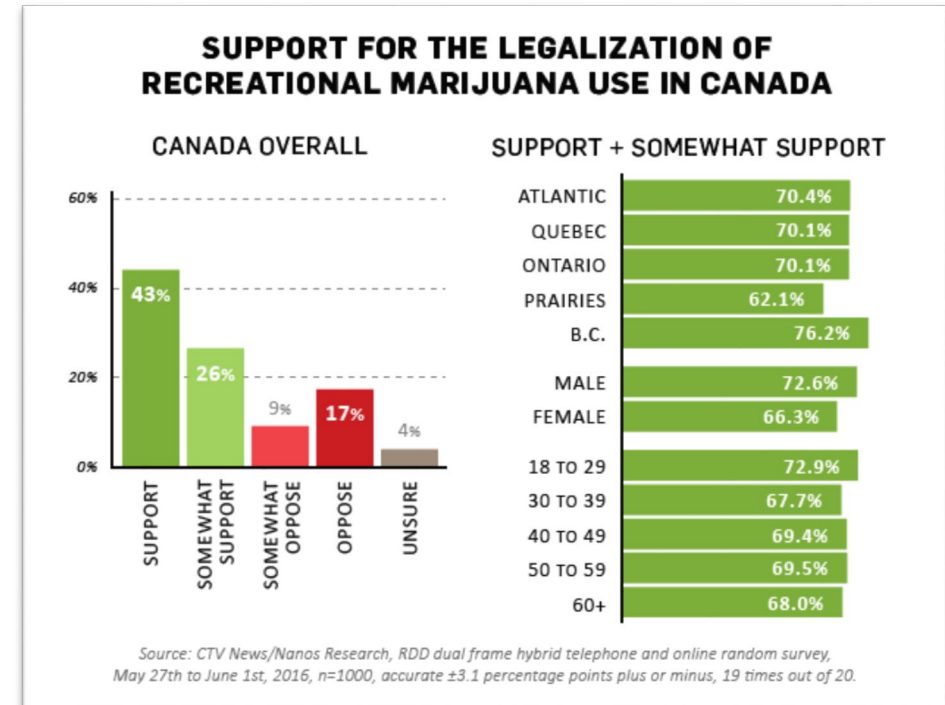
AGENDA

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INDUSTRY OVERVIEW

Legalization of the Cannabis Industry

- As of early 2008 cannabis is legal for medicinal purposes in Canada under the conditions outlined in the Access to Cannabis for Medical Purposes Regulations (ACMPR)
- The legislation to legalize cannabis for recreational use (Cannabis Act, Bill C-45) was passed by the House of Commons of Canada in late November 2017; it passed a second reading in the senate of Canada on March 22, 2018; as of June 19, 2018, the bill was officially approved by Canada's Senate waiting for royal assent to launch estimated 4 billion cannabis industry
- Cannabis became officially legal in Canada on October 17, 2018
- Industrial Hemp cultivation is legal in Canada for seed, grain and fiber production and flower
- Cannabis has been decriminalized in many countries around the world including Netherlands, Spain, and Switzerland
- As of 2018, Cannabis have been legalized in 33 states & District of Colombia in the US for medical use and 10 states for recreational use

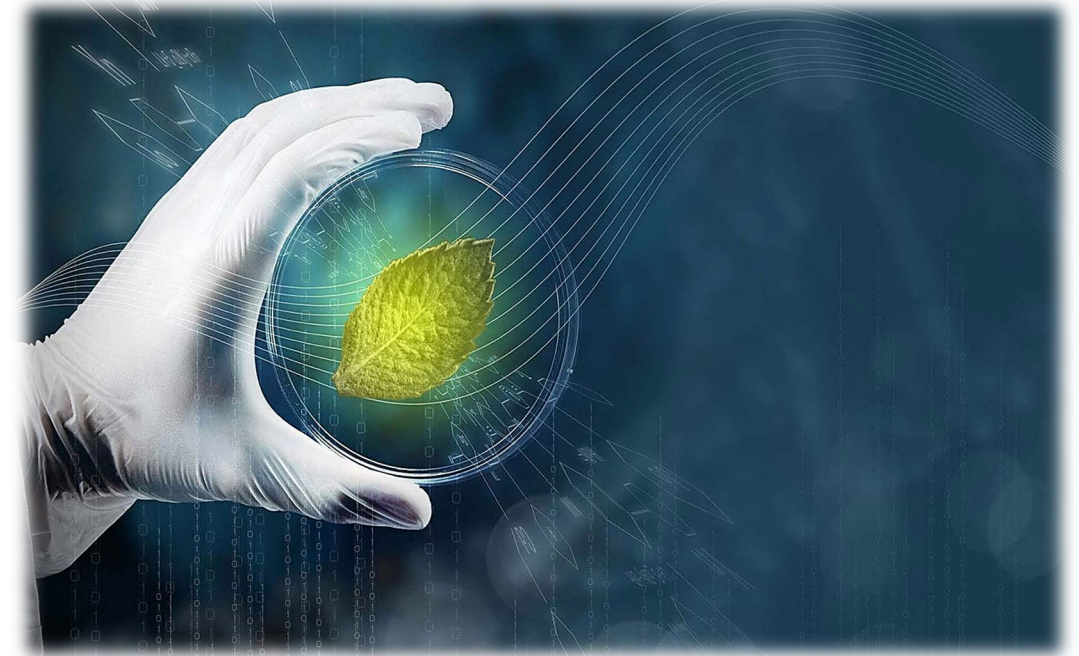


INDUSTRY OVERVIEW



Industry Performance

- According to the Hemp Business Journal, the CBD market will grow to a \$50B market in consumer sales by 2026
- A new report on Canada's impending legalization of recreational cannabis has found that the country's residents are eager to smoke more weed than ever, which could push sales over \$7B over the next year
- Deloitte estimates a market worth \$12.7-\$22.6B annually, demonstrating an upside of more than \$20B
- According to StatsCan estimate, Canadians may have spent roughly CAD 6.2B (\$4.8B) on marijuana in 2015
- Current demand for Cannabis plantlets for THC indoor licensed producers is currently over 40 Million in Canada
- Current demand for industrial hemp strains plantlets with high CBD is in the tens of millions as the plantlets can be sold Internationally





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PRODUCTS

Focus Areas – Plant Tissue Culture Unit

- CHIBAFREEN is a proprietary in-vitro plant production method which was developed by Dr. Fawzia Afreen
- CHIBAFREEN in-vitro system for production involves 3 stages instead of 4 stages that comprises the conventional vitro system, which reduces the production period, production cost and the space required for production drastically
- The Cannabis Botany Complex will produce over 10 million sellable tissue cultured starter plantlets on annual basis at full capacity
- Over 1 Million cannabis strains plantlets per month supplying licensed growers domestically as well as internationally with its proprietary hemp strain “CBD Dana” and other marijuana strains
- “CBD Dana” has less than 0.3% THC and over 14% CBD making it a top desired strain for CBD farming around the world



PRODUCTS

DNA Testing Services Unit

- Only DNA commercial facility in operation west of Ontario, Canada
- Develop extensive database for several corps
- Using DNA testing growers can ensure they have the right genetics of plants to grow
- Protects their corps from uncertified plant species investment
- Mitigate the risk of plant to yield ratios, reduce losses from environmental conditions

Cold Storage Unit

- First of its kind service to preserve clients plants strains and propagate them when necessary
- Maintain variety of plant species indefinitely with the immediate ability to mass reproduction
- Flexible production schedule on a commercial scale is possible
- Lowering temperature can slow the metabolic processes and prevent undesirable loss of dry mass and associated deteriorations of quality
- The proper combination of air temperature, light intensity and propriety techniques during storage would contribute to minimizing in dry weight and preserving photosynthetic ability to provide immediate regrowth of plantlets after storage.



PRODUCTS

Nursery Unit

- Work closely with hemp farmers to produce hemp strains with high CBD content
- “CBD Dana” which content is +14% in CBD and below 0.3% THC
- State of the art, Year-round greenhouse structures will be built on the property to provide nursery service for cannabis plants inclusive of Indica, Sativa and hemp strains for the cannabis cultivators domestically and internationally

Extraction Unit

- Extraction Services for cannabis plant oils will be licensed and run by B.R.I.M. while all the extracts will be sold under Pharmagreen’s brand and name
- The extraction and distillation equipment will be certified medical grade equipment with a capacity for commercial scale production
- Additional planned expansions for the cannabis Biotech Complex once completed, includes the construction of 20,000 Sq. Ft. facility to accommodate extraction and distillation of 100,000 kilos of raw flower plant material

Formulations

- With over a decade of formulation experience, company will produce topical, sprays and capsulated formulations for Human use.





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CHIBAFREEN

- A new, semi-automated state of the art in vitro plant production introduced by the company (B.R.I.M.) Inc, for exclusive use by Pharmagreen Inc.
- CHIBAFREEN reduces the production time from 6 months to 2.5 months by eliminating one of the stages used in a traditional vitro system
- CHIBAFREEN reduces the production cost drastically because it saves both resource cost, and labor cost and requires less space
- CHIBAFREEN is eco friendly technology

Recession Proof Technology

- Pharmagreen Cannabis Biotech Complex is recession proof because the complex is scalable to produce tissue cultured plantlets for any plant species not only cannabis, without having to alter its production, simply replace the plant species and continue production.

Legalization

- Canada is the first G7 country to legalize Cannabis on a federal level
- Legalization will allow Pharmagreen to work with clients around the world and become a global company



Company Snapshot of Exclusively Licensed Proprietary Technologies

Propagation Technology & Cold Storage Unit

- Cold Storage technology will provide for long-term plant tissue sample preservation and banking of specific life live plant strains for future research and production
- The pioneering micro-propagation technology for new growth plantlets from an existing plant strain while limiting genetic variance and mutation
 - Allows large scale production of precise and consistently robust quality suitable plantlets for even the most sizable commercial ventures

“CBD Dana” Hemp Strain Genetics

- This hemp strain has 14% plus CBD and less than 0.3% THC making this ideal strain for domestic as well as International supply of tissue cultured plantlets to cultivators of CBD hemp

Design of the Tissue Culture Production Area

- The design of the plantlet production area is a specifically engineered one directional flow of goods and people designed to eliminate the possibilities of contamination in a large scale commercial facility such as this one



Formulations

- With over a decade of formulation experience, company will produce topical, sprays and capsulated formulations for Human use.



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FINANCIALS AND PROJECTIONS, CDN DOLLARS



Discounted Cash Flow

Base Case	Projection Period										
Unit: CAD	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue	-	\$47,525,978.5	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4	\$114,062,348.4
% growth	-	-	140.0%	-	-	-	-	-	-	-	-
Cost of Goods Sold	-	5,710,138.8	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4	14,050,097.4
Gross Profit	-	\$41,815,839.7	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0	\$100,012,251.0
% margin	-	88.0%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%
Operating expenses	782,500.0	7,742,402.2	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0	7,906,542.0
EBITDA	(\$782,500.0)	\$34,073,437.5	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0	\$92,105,709.0
% margin	-	71.7%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%
Depreciation & Amortization	-	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7
EBIT	(\$782,500.0)	\$33,188,688.8	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3	\$91,220,960.3
% margin	-	69.8%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Taxes	-	7,784,282.3	23,679,481.2	23,696,038.7	23,696,038.7	23,696,038.7	23,696,038.7	23,696,038.7	23,696,038.7	23,696,038.7	23,696,038.7
EBIAT	(\$782,500.0)	\$25,404,406.5	\$67,541,479.1	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5	\$67,524,921.5
Plus: Depreciation & Amortization	-	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7	884,748.7
Less: Capital Expenditures	(18,054,974.6)	-	-	-	-	(110,408.1)	-	-	-	-	(1,054,430.2)
Less: Inc./(Dec.) in Net Working Capital	-	(698,941.1)	2,724.5	3,177.4	3,177.4	3,177.4	3,177.4	3,177.4	3,177.4	3,177.4	3,177.4
Unlevered Free Cash Flow	(\$18,837,474.6)	\$25,590,214.1	\$68,428,952.4	\$68,412,847.7	\$68,412,847.7	\$68,302,439.6	\$68,412,847.7	\$68,412,847.7	\$68,412,847.7	\$68,412,847.7	\$67,358,417.5
WACC		20%									
Discount Period	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0
Discount Factor	0.83	0.69	0.58	0.48	0.40	0.33	0.28	0.23	0.19	0.16	0.13
Present Value of Free Cash Flow	(\$15,697,895.5)	\$17,770,982.0	\$39,600,088.2	\$32,992,306.9	\$27,493,589.1	\$22,874,348.8	\$19,092,770.2	\$15,910,641.9	\$13,258,868.2	\$11,049,056.8	\$9,065,633.7
Net Present Value		\$193,410,390.5									
Internal Rate of Return		209.3%									

FINANCIALS AND PROJECTIONS

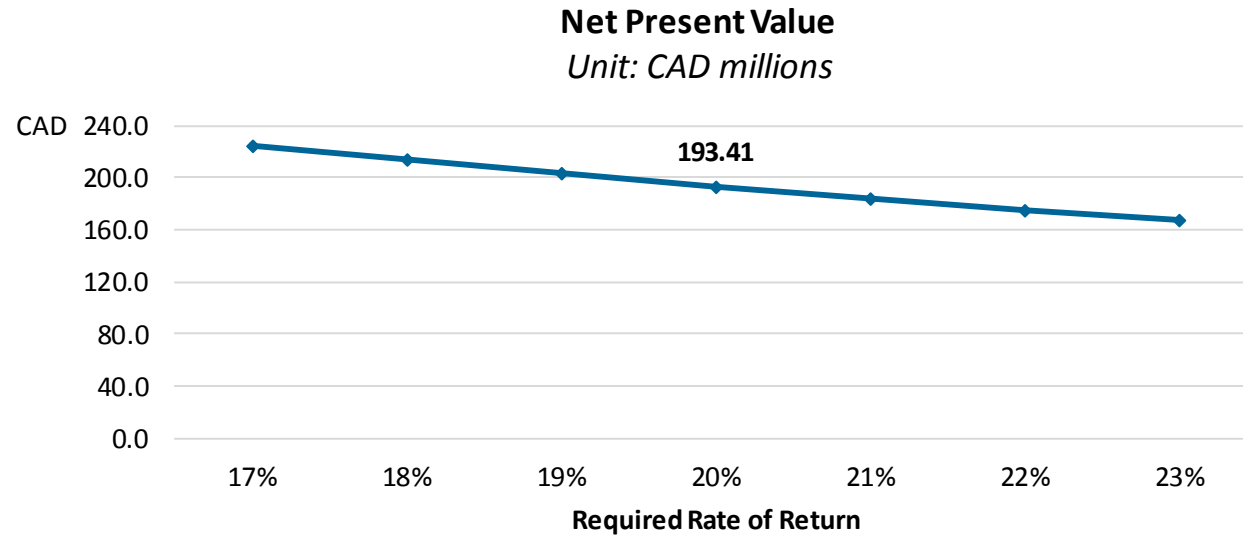


Discounted Cash Flow

Net Present Value (CAD)

Required Rate of Return

17%	18%	19%	20%	21%	22%	23%
224,796,897.2	213,633,254.9	203,189,878.1	193,410,390.5	184,243,500.5	175,642,489.0	167,564,754.2



FINANCIALS AND PROJECTIONS



Transactions in Specialty Pharmaceutical Products

List of Precedent Transactions							<i>(in USD millions)</i>		
Year of Transaction	Company	Domicile	Series Round	Raised to Date	Post-money Valuation	Deal Size \$	Deal Size %		
2007	Vacunek	ES	Venture	\$ 0.3	\$ 1.9	\$ 0.3	15.0%		
2012	Kindred Biosciences	US	Seed	1.0	20.0	1.0	5.0%		
2013	Tails.com	UK	Seed	8.2	23.1	8.2	35.4%		
2014	Mary Janes World	US	Seed	0.1	1.0	0.1	N/A		
2016	Skyline Vet Pharma	US	Seed	1.6	3.5	1.6	44.0%		
2017	Embark	US	Seed	6.7	16.7	6.7	40.0%		



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- **Management**

PHARMAGREEN MANAGEMENT TEAM



Peter Wojcik

*Chief Executive Officer /
Director*

Peter is a graduate of advanced degree in Economics from the University of Regina, Peter brings a past of successful business start-ups, development, growth which resulted in high valued exit strategies. Additionally, Peter has a natural compassion for the health and well-being of others, which has naturally led to his decade-plus experience in the research and application of cannabis and its extracts as a therapeutic agent, specifically in their application in the treatment of illness and disease for individuals.

Terry Kwan

*Chief Financial Officer /
Director*

Terry is a graduate from the University of British Columbia with a Bachelor of Commerce and is a chartered professional accountant with the Institute of Chartered Professional Accountants of B.C. He brings more than four decades of significant finance related experience in both the private and public sectors.

Fawzia Afreen

*Chief Operations Officer
& Science Officer*

Fawzia has a Ph.D. in Botany from University of Hull (UK). She has achieved designation as a JSPS Fellow from Chiba University, Japan, teaching M.Sc. courses in Protected Horticulture; Plant Tissue Culture, and Plant Production in Controlled Environment.

In addition to holding three international patents, publishing over 40 articles in peer-reviewed international journals and publishing two books, Fawzia brings 16 years of experience in plant horticulture, plant tissue culture, plant production and an increase of secondary metabolites in a controlled environment to the company.



November, 2018 update on Pharmagreen Biotech Inc., Symbol: PHBI.PK

Project development

- We received the regional board final approval for the development permit and are completing the design and engineering phase in the next two months.
- The pre-fill stage is planned for December/ January about 40,000 cubic yards of construction fill are to be brought in
- Completed construction and occupancy of the Cannabis Biotech Complex scheduled for Q1 of 2020
- Site work commenced in November with the drilling of 3 wells on the 25 acre property (two for use, one for backup)
- Engineer's cost estimate of total construction and equipment is about \$20 Million USD

Corporate development

- The company filed audited financial statements as of April 30 , 2018, the company will be filing to be a reporting issuer
- S1 registration draft statement is completed
- The consolidated audited financial statements will be prepared by mid December
- Pharmagreen will file the S1 registration statement in U.S. and concurrently file in Canada to be a reporting issuer (filing to be done in December)
- The shares subscription for up to 10 Million shares at \$2 per share **has registration rights** that will be filed with S1 registration
- **10 million shares will be free trading upon S1 being approved**
- Upon approval of S1 registration statement, Pharmagreen will file to become an **OTC QB listed company, reporting issuer status**
- Pharmagreen will appoint additional board members and build its corporate team

Investment opportunity

- **Documents available for PHBI offering up to 10 Million shares at \$2 per share for a total of up to \$20 Million USD**
- ✓ Pharmagreen Biotech Inc. – Cover Letter
- ✓ Pharmagreen Biotech Inc. – Term Sheet
- ✓ Business Summary
- ✓ Registration Rights Agreement
- ✓ Subscription Agreement (up to 10 Million shares at \$2.00 per share)
- ✓ Capitalization and Use of Proceeds

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