

Sproutly



MOOSEHEAD

▸ BREWERIES ▸

SPROUTLY AND MOOSEHEAD
BEVERAGE JOINT VENTURE

*Creating a Technology Enabled
Cannabis Beverage Platform*

April 2019

NOTICE TO READER

Certain information set forth in this presentation contains “forward-looking information for the purposes of applicable securities legislation (collectively referred to herein as forward-looking statements) including but not limited to statements about the Company’s expectations with respect to timing and implementation of the joint venture, anticipated commercial results of the joint venture, future performance, the Company’s expectations regarding legislation, regulations and licensing related to the cultivation, production and sale of cannabis products and the business to be carried on by the joint venture.

Generally, but not always, forward-looking information and statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

Forward-looking statements are based on the reasonable assumptions, estimates, internal and external analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. The material assumptions upon which forward-looking statements in this presentation are based include, among others, assumptions with respect to the anticipated benefits of the joint venture, that the joint venture will achieve anticipated commercial results, that the parties will successfully negotiate the terms of the unanimous shareholders’ agreement and other related agreements for the implementation of the joint venture and assumption regarding general economic and regulatory conditions.

Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements, including, among others, failure to complete or realize anticipated benefits and synergies from the joint venture described in this presentation; potential negative consumer, investor or public perception of the joint venture; changes in consumer preferences and product trends; and political, legal and regulatory uncertainty relating to cannabis products generally that could negatively affect the business of the joint venture, as anticipated. Other Important factors that could cause actual results to differ materially from the Company’s projections and expectations are disclosed in the Company’s Annual Information Form and

continuous disclosure filings with the Canadian Securities Administrators, which are available on SEDAR’s website at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of the presentation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements. The Company does not undertake to update any forward-looking statements except as required by applicable securities laws.

This presentation and the material contained herein are confidential and are not to be disclosed to the public. This presentation is for information purposes only and may not be reproduced or distributed to any other person or published, in whole or part, for any purpose whatsoever. This presentation does not constitute a general advertisement or general solicitation or an offer to sell or a solicitation to buy any securities in any jurisdiction. Such an offer can only be made by prospectus or other authorized offering document. This presentation and materials or fact of their distribution or communication shall not form the basis of, or be relied on in connection with any contract, commitment or investment decision whatsoever in relation thereto. The information in this presentation is not intended in any way to qualify, modify or supplement any prospectus, listing statement, information circular or other information disclosed under the corporate and securities legislation and stock exchange policies of any jurisdiction relating to Sproutly. No securities commission or similar authority in Canada or any other jurisdiction has in any way passed upon the adequacy or accuracy of the information contained in this presentation.

SPROUTLY MOOSEHEAD JOINT VENTURE



- Licensed producer with state-of-the-art indoor cannabis production facility in Greater Toronto Area
- Proprietary recovery process APP Technology recovers truly naturally water soluble cannabinoids (“Infuz₂O”)
- Infuz₂O delivers the cannabis effect as early as 5 minutes and last up to 90 minutes
- Processing license and current capacity allows for production of up to 33 million doses⁽¹⁾ of Infuz₂O
- Technology based on 13+ years of science-based research & development
- In-house formulation expertise including recreational and functional beverages

Moosehead Sproutly Joint Venture



- Canada’s oldest and largest independent beer company
 - 4th largest brewery in Canada
- Over 152 years of experience in building and operating adult beverages in Canada
- More than 140 million cans/bottles of beer sold annually in every Canadian province, US state and in 15 other countries
- Moosehead’s established infrastructure will allow the Joint Venture to fast track its go-to-market strategy
 - Oland family’s proven ability in building premium adult beverage brands (Moosehead, Alpine, Hop City)

Leveraging 152+ years of adult beverage experience with a ground breaking cannabis technology to create leading beverage platform

(1) 10 mg doses

JOINT VENTURE HIGHLIGHTS



Partnership with the Oldest and Largest Independent Brewery in Canada

- Over 152 years of brewing experience through six generations of family ownership
- More than 140 million cans/bottles of beer sold annually throughout Canada, the United States and in 15 other countries around the world
- Oland family's proven ability in building, marketing and selling industry leading beers such as Moosehead Lager, Moosehead Radler, Alpine, and Hop City Barking Squirrel

Competitive Advantage Driven By Infuz₂O

- The JV beverages can deliver the cannabis effect as early as 5 minutes and last up to 90 minutes, providing an edible cannabis experience similar to traditional flower cannabis without the need to inhale smoke
- Ability to address the industry challenges of overconsumption of oil-based edibles and beverages
- Capability to produce a clear cannabis beverage that is much easier and faster to formulate than its competitors who will be using emulsifiers, encapsulation or chemical modification techniques
- Ability to deliver functional beverages that address a "need state" by producing cannabis strain specific experiences
- Natural Infuz2O process allows for a premium consumption experience and taste profile

JV Well Positioned to Enter Cannabis Beverages Upon Legalization

- Moosehead's beverage experience and R&D formulation capabilities will ensure that the cannabis beverages produced will be premium in quality and have a great taste profile
- Moosehead's established operational infrastructure will allow the Joint Venture to fast track its go-to-market strategy
- Sproutly's cultivation facility and processing license will advance the formulation work that has already been completed to date

Alignment of Interests

- The Joint Venture is structured as a 50/50 equity ownership
- Mathew Oland, one of Moosehead's senior executives and Oland Family member, to lead the Joint Venture as Chief Executive Officer
- Moosehead to provide infrastructure support such as R&D, operations, procurement, finance, and distribution
- Sproutly to provide proprietary custom compositions using Infuz2O for cannabis beverages in Canada
- JV will have exclusive rights to utilize Infuz2O for cannabis beverages for a period of 5 years with a possible 2-year extension
- Ability for the JV to enter the European market once recreational cannabis use is legalized

SUMMARY JOINT VENTURE TERMS

Ownership Structure	<ul style="list-style-type: none">50 / 50 ownership of joint venture with OCC Holdings Ltd., an affiliate of Moosehead Breweries Limited (“Moosehead”)
Governance	<ul style="list-style-type: none">6 Board members<ul style="list-style-type: none">3 to be appointed each of Sproutly and MooseheadSproutly to appoint the Chair of the Board
Leadership	<ul style="list-style-type: none">Matthew Oland of Moosehead to be appointed CEO
Supply Agreement	<ul style="list-style-type: none">5-year exclusive supply agreement for Infuz₂O2-year option to extend exclusive supply agreement<ul style="list-style-type: none">Subject to a revenue target in year 5
Brand Agreement	<ul style="list-style-type: none">Moosehead to license its brands and related intellectual property owned by Moosehead including the “Moosehead” brand to the JV (subject to Canadian branding regulations)
Resource Contribution	<ul style="list-style-type: none">Moosehead to provide product planning, distribution logistics, financial reporting, legal, admin, information technology and other resources to the JV as requiredSproutly to provide formulation, research & development, marketing and other resources to the JV as required
Jurisdiction	<ul style="list-style-type: none">JV to operate in and serve the Canadian market initiallyAbility for the JV to enter the European market once recreational cannabis use is legal

The logo for Sproutly, featuring the word "Sproutly" in a green, cursive script font with a green underline.

The joint venture is structured to ensure maximum alignment of Sproutly and Moosehead

MOOSEHEAD CORE BRAND PORTFOLIO

Core Brands



Moosehead Breweries has developed a strong portfolio of premium brands that cover a large degree of consumer segments

MOOSEHEAD'S CANADIAN FOOTPRINT

Moosehead's Canadian Footprint

15

Additional Countries



Production

Saint John, New Brunswick

- Moosehead's Main Brewery & Small Batch Brewery
- Currently brewing/packaging 500,000 hectoliters

Brampton, Ontario

- Hop City Brewing Co. - Craft Brewery
- 15-20,000 hectoliter annual capacity

Distribution

Etobicoke, Ontario

- Premium Beer Company; Wholly-owned subsidiary
- Distribution center for packaged products and kegs.
- Core brands as well as Partner brands.

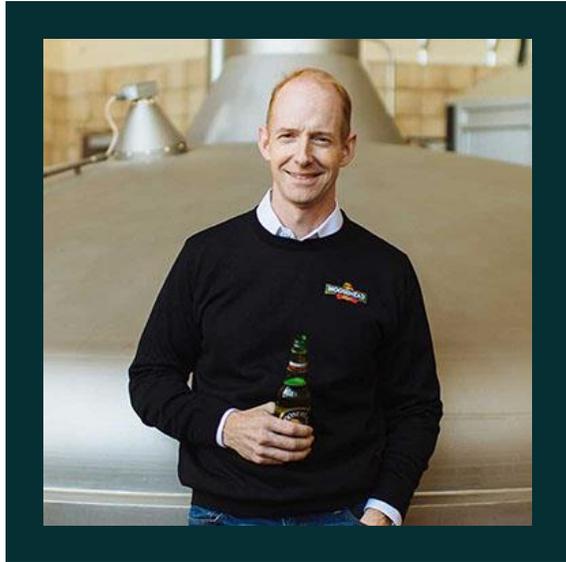
Marketing

Liberty Village, Ontario

- Sales and marketing hub

Moosehead's distribution network extends across 17 countries around the world, including all Canadian provinces and US States

JOINT VENTURE LEADERSHIP



Matthew Oland, CEO

- 6th generation Oland family member and current Moosehead Vice President, Supply Chain
- Joined Moosehead in 2012, assuming responsibility for distribution, warehousing and draught services at Premium Beer Company.
- Two decades of experience in the CPG industry
- Bachelor of Commerce from Dalhousie University and a MBA from Queen's
- Seasoned Consumer Packaged Goods veteran with decades of experience in branding & promoting regulated products
- Experience covers a wide breadth of consumer products

Experience Includes:



Under the proven leadership of Mr. Oland, Moosehead Sproutly Cannabis Company plans on creating a leading cannabis beverage brand

INFUZ₂O TECHNOLOGY ADVANTAGES

Predictable

Less than 5 mins to feel effects, less than 90 mins to wear off¹

Precise Dosing

Ability to deliver a measurable amount of cannabis

Formulation

Versatility

Numerous end-user applications



Experience

Effects comparable to smoking/vaping

Discrete Consumption

Odorless and smokeless

Clear

Water-solubility prevents clouding and residue in beverage

Infuz₂O delivers a truly natural water-soluble cannabis liquid without the need for formulation techniques such as emulsification or encapsulation

(1) Based on 100+ Users Feedback

KEY MATTERS & NEXT STEPS

Key Matters & Next Steps

1. **Incorporation of Joint Venture**
2. **Material Agreements**
 - Shareholders agreement
 - Supply agreement
 - Services agreement
 - Brand agreements
3. **Closing Date**
 - Transaction to close on or about the 31st of May, 2019

Contact Information



Keith Dolo
Chief Executive Officer
investors@sproutly.ca



Stella Mok-Sutherland
Craft Public Relations
stella@craftpublicrelations.com

Moosehead and Sproutly look forward to the legalization of cannabis-infused beverages in Canada this coming October