CannTrust

Opportunity Overview

May 2020

Greenhill

CannTrust (the "Company") – Opportunity Overview

Opportunity to invest in a remediated business with a clear, actionable and focused path forward that provides significant upside and long-term optionality

Summary

On March 31st, 2020, CannTrust obtained an initial order under the Companies' Creditors Arrangement Act ("CCAA") by the Ontario Superior Court of Justice (the "Court"). The order appointed Ernst & Young Inc. as Monitor of the Company (the "Monitor").

On May 8th, 2020, CannTrust received Court approval of the sale and investment solicitation process (the "SISP"), to solicit interest in an acquisition or refinancing of CannTrust or a sale of the assets and/or the business of CannTrust by way of merger, reorganization, recapitalization, primary equity issuance or other similar transaction. The Monitor will be overseeing, assisting and be in consultation with CannTrust throughout the SISP.

If you are interested in pursuing this opportunity, please sign back the non-disclosure agreement ("NDA").

Review of Key Events Relating to Strategic Review and Remediation Events

July 8th, 2019	July 12th, 2019	July 22nd, 2019	July 25th, 2019	Oct 24th, 2019	Feb 13th, 2020	Mar 31st, 2020	Apr 24th, 2020
Announces receipt of a compliance report from Health Canada that its greenhouse facility in Pelham, Ontario is non-compliant with certain regulations	Announces voluntary hold on product sales and formation of an independent Special Committee	Announces composition of the Special Committee; confirms that the Company had responded to Health Canada on 17-Jul-2019	Announces removal of former CEO and Chairman from the Company, following a review of the interim findings of the Special Committee's investigation	Announces the completion of the Special Committee investigation and submission of detailed remediation plan to Health Canada	Announces submission to Health Canada for license reinstatement for the Niagara Facility and the appointment of a new CEO	Announces that the Company has obtained an order from the Court granting protection under CCAA	The Company submitted a package to Health Canada for reinstatement of its partially suspended licenses with respect to the Vaughan facility

Key Investment Highlights

- ✓ Remediated operations awaiting license re-instatement from Health Canada in Niagara
- ✓ Strong historical brand recognition in the Canadian medical market with existing patient database
- ✓ Efficient cultivation operations with estimated unit costs of less than $0.75/g from seed to completed dry products
- ✓ Vertically-integrated manufacturing facilities capable of producing cannabis 2.0 products and driving margins
- ✓ Strong pipeline of long-term growth opportunities
- ✓ Clear, actionable and focused path forward providing significant financial upside potential
- ✓ Experienced workforce, retrained in best-practices and rejuvenated culture of compliance and safety
- ✓ CannTrust uses a holding company structure that differentiates between the publicly-traded holding company structure and its operating subsidiaries

Niagara Greenhouse

Overview	• Low cost producer with scale: ▸ Perpetual harvest results in a higher yield per square foot compared to traditional cultivation ▸ Uses cogeneration equipment for lower power costs and heat recovery
Size	• Total area: 450,000 sq.ft. • Potential 390,000 sq.ft. facility expansion with enhanced technology
Key Stats	• Less than $0.75 cost per gram (estimated) • Historical peak yield average of 225g per square foot • 50,000kg current greenhouse production capacity with option to expand to 100,000kg

CannTrust – Opportunity Overview

Vaughan Processing Facility

Highlights

- **State of the Art Technology:**
  - Multihead weigher machinery to quickly and accurately weigh product
  - Capper and labeler technology
  - Premier extraction capabilities
- **Best in Class Operating Expertise:**
  - Operating expertise and technology that enables efficient encapsulation
  - Hard shell vegan capsules with banding technology
- **Efficient Processing**
  - Reduced labour requirement through automation
  - 10,000+ finished good products per day

Selected Growth Opportunities

Brew Budz

- Cannabis patents on single-serve beverage pods for Keurig, Nespresso, and Tassimo-type brewers
- Patents issued in the U.S., Canada and Australia with patents pending in the China and European patent office
- Whole flower extract with tea, coffee, and hot chocolate

B.C. Facility

- Purchased 81 acres of land in BC for outdoor grow in 2019
- Primarily intended to produce oil products as well as future product innovations
- 50,000 to 100,000kg estimated annual capacity
- $0.15 cost per gram (estimated)

Key Contacts – Greenhill & Co. Canada Ltd.

Michael Nessim

Managing Director
Phone: +1 416 601-2577
E-mail: michael.nessim@greenhill.com

Usman Masood

Principal
Phone: +1 416 601-2578
E-mail: usman.masood@greenhill.com

Roy Cui

Associate
Phone: +1 416 601-2567
E-mail: roy.cui@greenhill.com

Disclaimer