



**RIV** CAPITAL

# INVESTOR PRESENTATION

JANUARY 2024

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All amounts in this presentation are stated in CAD unless otherwise noted.

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## Disclaimer (continued)

Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “expect”, “intend”, “seek”, “positioned”, “project”, “risk”, “plan”, “estimate”, “mission” or, in each case, their negative and words of similar meaning are intended to identify forward-looking information. Forward-looking information in this presentation includes, but is not limited to, information and statements regarding: the Company’s, Etain’s and the Investees’ expected future financial results, goals, plans, business activities and opportunities, competitive advantages and ability to create value as well as consumer and industry trends, including the Company’s analysis thereof; market size; growth opportunities; the Company’s and Etain’s expectations regarding the expansion of the Chestertown facility, including the timing thereof and expanded cultivation capacity; the Company’s expectations regarding its Buffalo Facility, including timing for completion thereof; the Company’s liquidity position, including its ability to finance its long-term expansion plans with cash on-hand; the Company’s belief that operating businesses in the U.S. cannabis market experience restricted access to capital; the growing momentum of the U.S. cannabis market and the long term growth prospects associated therewith; the Company’s strategy to invest in and/or acquire US-based cannabis companies; ; expectations with respect to the establishment of the Strategic Growth Committee; expectations regarding strategic M&A opportunities the Company’s beliefs regarding opportunities available in the US cannabis market, including the value those opportunities create for shareholders; the possibility of broader cannabis reform of federal and state regulations of cannabis in the U.S. and the impacts thereof; the anticipated challenges facing the Company and the cannabis industry; the Company’s expectations with respect to its strategic priorities, including expectations with respect to its growth platform, products and structure and operating platform; expectations regarding legal cannabis market opportunities in New York; expectations regarding the launch of adult use-sales in the state of New York; plans to expand retail sales of Etain products; the Company’s expectations regarding Etain’s position in the New York cannabis market; the Company’s plan to invest in, launch and/or develop U.S. assets to build a multistate cannabis operating and brand platform and the value to be derived therefrom; expectations regarding Etain’s and the Company’s plans to build a flagship facility, open future dispensary locations and introduce new products and brand partners; the benefits of the strategic partnership with The Hawthorne Collective, Inc. (“The Hawthorne Collective”) and The Scotts Miracle-Gro Company (“ScottsMiracle-Gro”); the Company’s intention to leverage its cannabis domain knowledge with ScottsMiracle-Gro’s expertise in operations, R&D, sales and distribution; the Company’s venture capital investments and the benefits to be derived therefrom; and expectations for other economic, business, and/or competitive factors.

Forward-looking information contained in this presentation is based on certain assumptions, including assumptions regarding the expected financial performance of the Company, Etain and the Investees, economic conditions, consumer and industry trends, market size and growth opportunities. While management believes these assumptions to be reasonable, based on information available as of the current date, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of RIV Capital or its portfolio companies. Financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks as set out herein.

Among the key factors that could cause actual results, performance or achievements to differ materially from those projected in the forward-looking information are the following: business strategy risk; cannabis is a controlled substance in the United States; acquisition and integration risks; risks inherent in strategic alliances and investments; risks associated with United States cannabis regulatory requirements; risks associated with investing in or acquiring United States cannabis businesses; the completion of the flagship facility and the Chestertown facility expansion; changes to the business activities, focus and plans of the Company, Etain and Investees and the timing associated therewith; The Hawthorne Collective may exercise significant influence on the Company; the timing of any changes to federal laws in the U.S. to allow for the general cultivation, distribution, and possession of cannabis; the timing of any changes to New York state laws regarding the legalization and licensing of adult-use cannabis; regulatory and licensing risks; changes in cannabis industry growth and trends; changes in general economic, business and political conditions, including changes in the financial markets; the impact of the novel coronavirus pandemic; volatility of the price of the Company’s common shares; competition risks; risks of a significant shareholder; no control over operations; potential conflicts of interest; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; changes in applicable laws; changes in the global sentiment towards, and public opinion and perception of, the cannabis industry; divestiture risks; additional financing risk; compliance with laws; changes in cannabis laws, regulations and guidelines; insurance risks; litigation; expansion into foreign jurisdictions; limited operating history; difficulty to forecast; cannabis prices; unknown defects and impairments; risks associated with divestment and restructuring; risks related to the Agricultural Improvement Act of 2018; dependence upon key personnel; risks associated with material contracts; lack of access to United States bankruptcy protections; intellectual property risks; credit and liquidity risk; security over underlying assets; internal controls; reputational risk; catastrophic events, natural disasters, severe weather and disease; management of growth; equity price risk; risks relating to anti-money laundering laws and regulation risks; anti-bribery law violations; cybersecurity and privacy risks; risk of entry bans into the United States; hedging risk; passive foreign investment company classification; dividend policy; restrictions on the acquisition or use of properties by foreign investors; reliance on Etain’s and the Investees’ licenses; failure of Etain and certain Investees to obtain necessary licenses; operating risks for Etain and the Investees; increased operational, regulatory and other risks; access to capital for Etain and the Investees; competitive conditions for Etain and the Investees; reliance on Etain and Investee facilities; compliance with extensive government regulation, including RIV Capital’s, Etain’s and/or the Investees’ interpretation of such regulation; compatibility of existing technologies in cannabis; testing and trials for Etain’s and certain Investees’ products; certain Investee’s operations in emerging markets; ability to forecast Etain’s and certain Investees’ production; the ability of Etain and the Investees to acquire customers; constraints on Etain’s or the Investees’ ability to market products; risks inherent in an agricultural business; wholesale price volatility; risks regarding vaping products; product recalls by Etain and the Investees; product liability risks for Etain and the Investees; insurance risks for Etain and Investees; slow acceptance of Etain’s and the Investees’ products; environmental and employee health and safety regulations; reliance of Etain and certain Investees on key inputs; dependence of Etain and the Investees on suppliers and skilled labour; research and development; rapid technological change; inflation; corruption and fraud risk; intellectual property risks for Etain and the Investees; vulnerability to rising energy costs; transportation risks associated with the delivery of Etain’s and certain Investees’ products; and the risk factors set out in RIV Capital’s most recent management’s discussion and analysis and annual information form filed with the Canadian securities regulators and available on RIV Capital’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

RIV Capital has invested in and acquired, and intends to in the future invest in and/or acquire companies that are involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where such operations occur permit such activities however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with recreational and medicinal cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve RIV Capital of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against RIV Capital. The enforcement of federal laws in the United States is a significant risk to the business of RIV Capital and any proceedings brought against RIV Capital thereunder may adversely affect RIV Capital’s operations and financial performance.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although RIV Capital has attempted to identify important risks, uncertainties, and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. RIV Capital does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

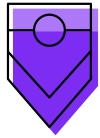


RIV Capital is an acquisition and investment firm with a focus on building a leading multistate platform with one of the strongest portfolios of brands in key strategic U.S. markets.

# Our Evolution



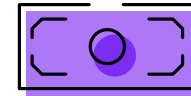
# Competitive Advantages



**One** of only **10** active vertically integrated licences in **NY** in an adult-use market potentially worth **\$2.4B** by 2027<sup>1</sup>




Backed by The Scotts Miracle-Gro Company (SMG) through **The Hawthorne Collective**, a one-of-a-kind strategic partner




**Strong** balance sheet and liquidity to facilitate growth in NY and nationwide

# Strategic Priorities



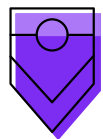
- Cultivate and manufacture premium products at scale
- Introduce new products and form factors




- Develop, curate, and partner with the best brands in the cannabis industry
- Introduce the nation's most successful brands to the New York market



- Become New York's trusted wholesale supplier
- Expand retail sales of Etain products to other approved medical dispensaries and AU dispensaries



- Drive a consumer-focused retail experience
- Offer a differentiated portfolio of top-tier brands and products



- Employ balance sheet strength to drive shareholder value
- Pursue M&A opportunities in strategically valuable states to build a multi-state platform



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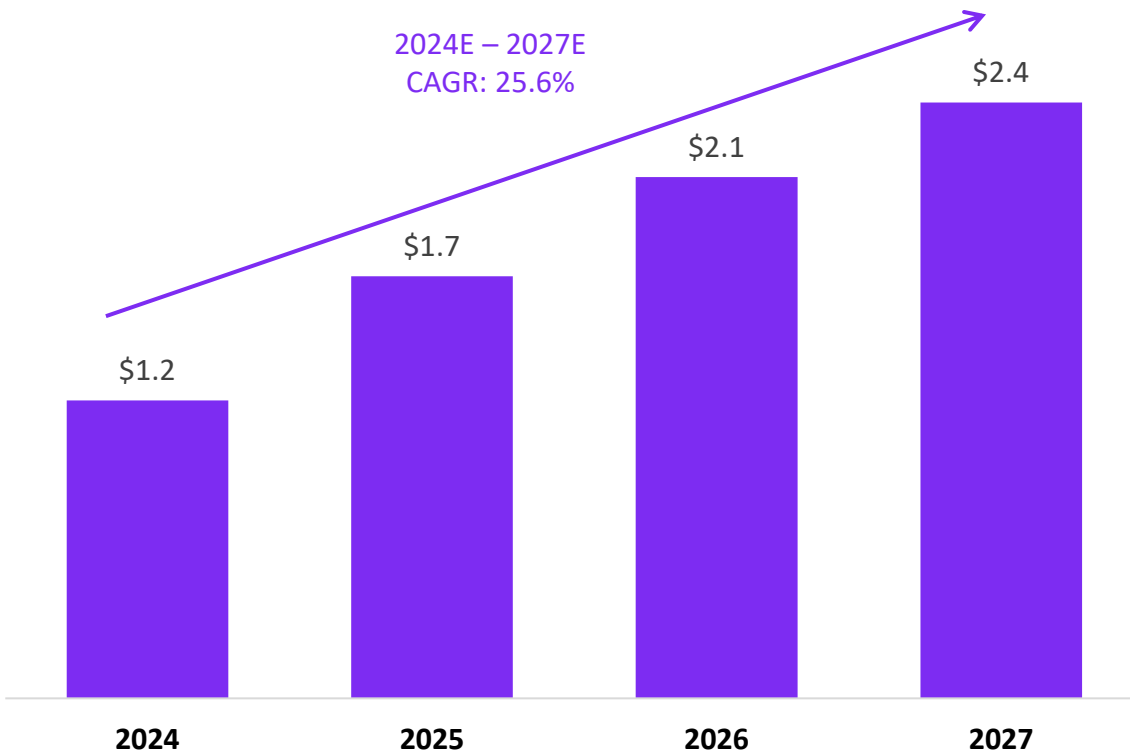
# OPERATIONALIZING & OPTIMIZING NEW YORK




# New York: One of the Largest Legal Cannabis Opportunities

High-potential market in a densely populated epicenter for tourism, art, and commerce


Annual Legal Adult-Use cannabis sales (US\$B)<sup>1</sup>



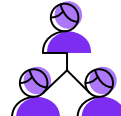
## The Opportunity




Work with regulators to support the development of a **strong AU market**



Bring the nation's **best cannabis brands** to the New York market



Develop **robust wholesale program**; build relationships with CAURD retailers, conditional processors



Entering the AU wholesale and retail markets to establish early mover advantage

1. BDSA New York Market Forecast Update (published September 27, 2023)

# Cultivation Assets: Chestertown, NY



Recent Chestertown cultivation facility expansion expected to result in a three-fold increase in capacity, anticipated to enable RIV to become a leading premium wholesaler in the NY market

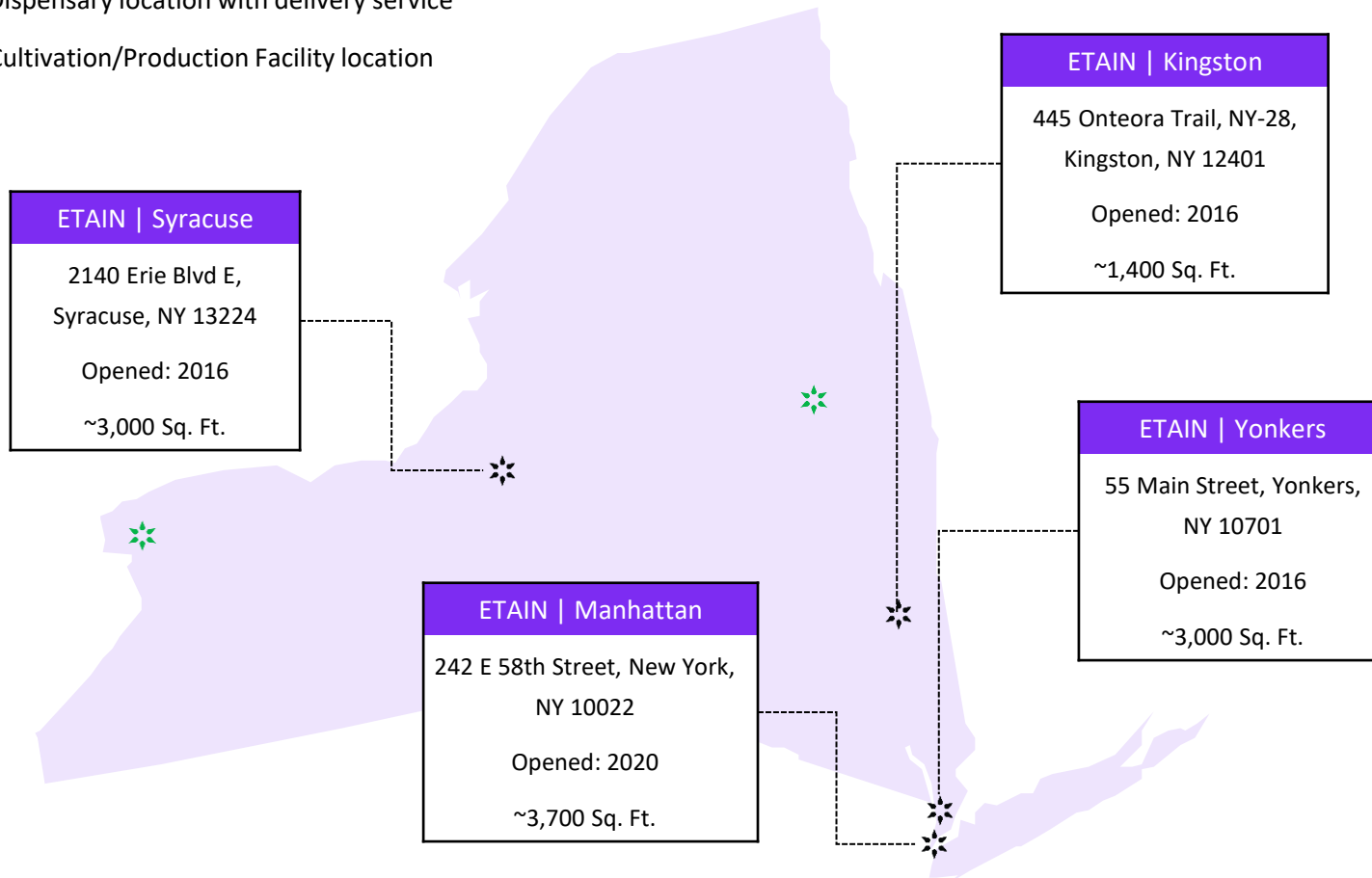
- ~78,500 sq. ft. of cultivation, manufacturing and processing space
  - 12 Greenhouses
  - Dedicated production areas for extraction, powder and edibles
  - Target production of over 8,000 lbs. per year



# Current Operating Dispensaries

Evaluating locations for medical footprint optimization and future AU retail opportunities

-  Dispensary location with delivery service
-  Cultivation/Production Facility location





# Etain: Exceptional Quality, 9 Form Factors

Robust, growing portfolio well positions RIV to capitalize on the Adult Use opportunity



Flower & Pre-rolls



Vaporizers



Lozenge



Powder



Lotion



Tincture



Oral Spray



Capsule

## Key Product Qualities

- Proprietary products with precise THC:CBD ratios
- Organic, gluten-free and cruelty-free
- Certified pharmaceutical-grade

## Product category expansion opportunities

- Solventless Concentrates
- 10mg Dissolvable Powder Packs

# State-of-the-Art Buffalo Facility

## Development in Buffalo, NY

- Continued development of two buildings totaling ~75,000 sq. ft.
  - 13 Indoor Grow Rooms
  - 3,500 sq. ft. of Manufacturing
  - Target production of over 12,000 lbs. per year
- Committed to hiring a diverse work force of >50 employees
- Construction underway; on track to commission in H2 2024





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STRONG  
STRATEGIC  
PARTNERSHIP

# The Hawthorne Collective: Partnership Overview

## A one-of-a-kind strategic partner

- The Hawthorne Collective is a wholly-owned subsidiary of SMG
- Hawthorne Gardening, also an SMG subsidiary, is a leader in lighting, nutrients, growing media and hardware products for the North American legal cannabis industry
  - Brings best-in-class cultivation expertise; and cannabis domain knowledge in operations, R&D, sales, and distribution
  - Worked closely with to optimize the Etain cultivation operation in Chestertown
- RIV Capital is The Hawthorne Collectives' preferred vehicle for investments not currently under their purview
  - RIV Capital believes that financial strength, operational expertise makes The Hawthorne Collective an invaluable partner in a capital-starved industry trying to lower production costs

“The addition of The Hawthorne Collective into our portfolio allows us to explore and pursue new opportunities in an industry that is poised for significant growth in the years ahead. We are confident in our partners at RIV and that our long-term approach ultimately will drive meaningful value for our shareholders.”



- Jim Hagedorn, CEO of Scotts Miracle-Gro

# The Hawthorne Collective: Investment in RIV

## \$175M strategic investment in RIV Capital to accelerate launch and expansion of its U.S. cannabis operating and brand platform

- Initial \$150M strategic investment on August 24, 2021
  - Conversion price of CAD\$1.90 / common share resulting in 103.225mm<sup>1</sup> shares and ~40% partially-diluted ownership
- Additional US\$25 million investment on April 22, 2022
  - Conversion price of CAD\$1.65 / common share resulting in 19.723mm<sup>1</sup> shares and ~8% partially-diluted ownership
- Notes automatically convert upon U.S. cannabis legalization
- Both notes carry an effective interest rate of <1%
- Ability to further unilaterally “top up” to 49% ownership on an as-converted and partially-diluted basis
- RIV cannot prepay the notes without consent of The Hawthorne Collective
- The Hawthorne Collective has the right to nominate up to four directors on a nine-person Board

1. Assumes full conversion of The Hawthorne Collective Notes into common shares, including the full amount of the accrued interest over The Hawthorne Collective Notes' term





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# EXPLORING M&A OPPORTUNITIES

# Strategic Growth Committee

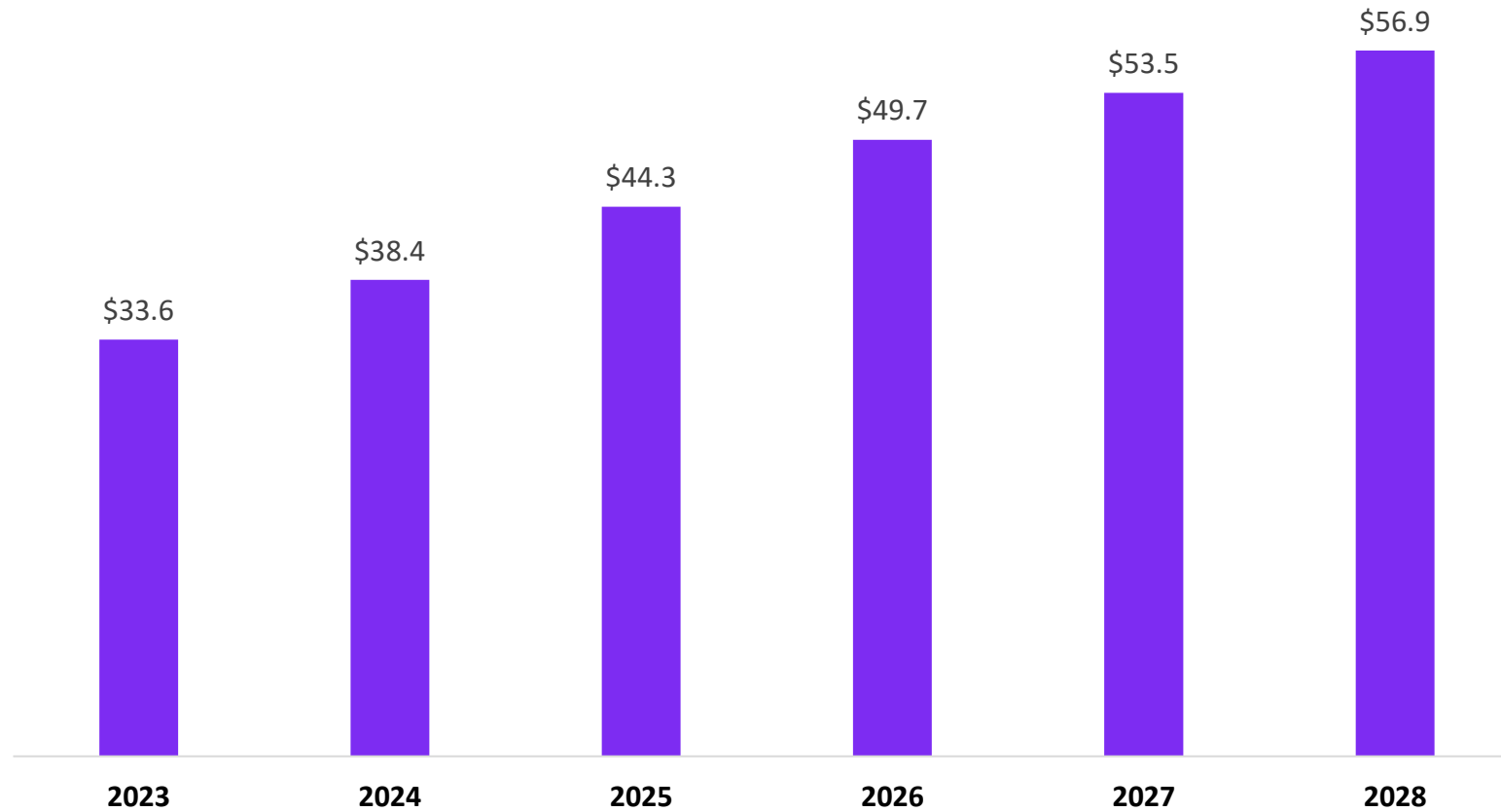
Focused on developing and leading growth strategies, including potential strategic M&A

- With slow NY development and unique industry circumstances, RIV is also prioritizing inorganic growth opportunities to drive near-term value for shareholders
- In March 2023, RIV announced the formation of the Strategic Growth Committee (SGC)
  - Mandate: explore a range of initiatives to capitalize on the Company's unique strengths, including unique NY asset, strategic partnership with the Hawthorne Collective, and strong cash position
  - Chaired by Chris Hagedorn, Board member and President of The Hawthorne Collective
  - Includes independent Board members Dawn Sweeney and Richard Mavrinc, as well as Amy Peckham (as observer)
- The Company has engaged an investment bank to advise on strategic transactions



# The Near-Term Cannabis Opportunity in the U.S. is Significant

U.S. Cannabis Retail Sales Estimates (USD, B)<sup>1</sup>



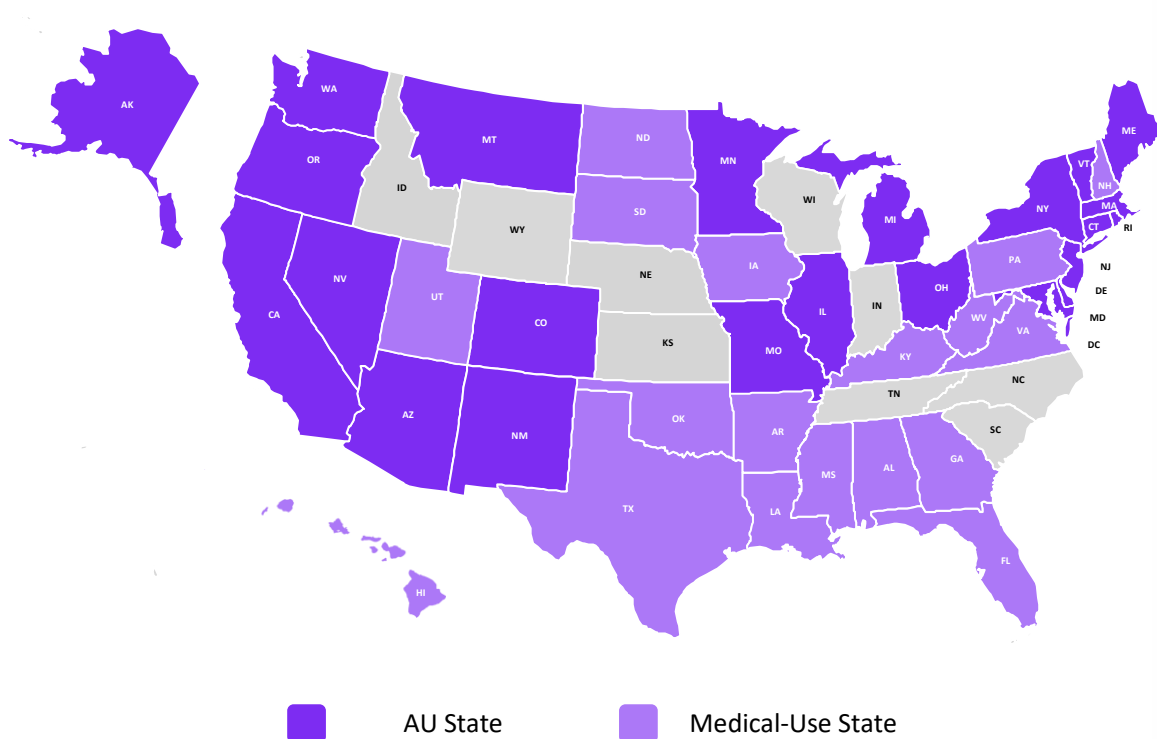
US\$57B

Estimated Potential U.S.  
Market Size<sup>1</sup>  
(2028)

1. 2023 MJBiz Factbook, 11<sup>th</sup> Edition (published April 11, 2023)

# Market momentum supports long-term growth prospects

## Current and prospective legal states



## Key potential catalysts for reform

- **Job Creation, Tax Revenue Benefits:** Additional full-time-equivalent jobs and state tax revenue generation arising from reforms.
- **Legalizing Markets:** CT launched in January 2023; MO launched in February 2023; MN launched in May 2023; MD launched in July 2023; and Ohio voted to legalize recreational sales in November 2023
- **Cannabis Rescheduling:** In October 2022, President Biden called on the Secretary of Health and Human Services (HHS) and the Attorney General to begin a process to potentially move cannabis out of the most restrictive class, Schedule 1.<sup>1</sup> Subsequently, the HHS formally recommended that the Drug Enforcement Administration (DEA) should reclassify marijuana in Schedule III of the Controlled Substances Act (CSA).<sup>2</sup>
- **Federal Legalization:** 75% and 52% of Democrat and Republican voters, respectively, favor legalizing marijuana for AU.<sup>3</sup>
- **Passage of the SAFER Banking Act** would allow banks to do business with companies operating legally within states that have legalized cannabis, without the risk of prosecution by federal regulators.
- **More States Are Reducing the 280E Tax Burden:** Legislators in California, Connecticut, Illinois, New Jersey and New York passed legislation that will allow cannabis companies to deduct business expenses from their state income taxes, despite those companies remaining illegal under federal law.<sup>4</sup>

1. The White House: *Statement from President Biden on Marijuana Reform* (published October 6, 2022) <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/06/statement-from-president-biden-on-marijuana-reform/>

2. Marijuana Moment: *Top Federal Health Agency Says Marijuana Should Be Moved To Schedule III In Historic Recommendation To DEA* (published August 30, 2023) <https://www.marijuanamoment.net/top-federal-health-agency-says-marijuana-should-be-moved-to-schedule-iii-in-historic-recommendation-to-dea/>

3. Marijuana Moment: *Majority Of American Voters—including Most Republicans—Back Federal Marijuana Legalization And Social Equity, New Survey Finds* (published January 17, 2023) <https://www.marijuanamoment.net/majority-of-american-voters-including-most-republicans-back-federal-marijuana-legalization-and-social-equity-new-survey-finds/>

4. MJBizDaily: *More states reduce 280E tax burden on cannabis industry* (published June 21, 2023) <https://mjbizdaily.com/more-states-reduce-280e-tax-burden-on-marijuana-industry/>



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# CAPITALIZATION

# Capitalization Summary

As at November 28, 2023

RIV Shares	Fully Diluted Share Count
<b>Total Common Shares Outstanding</b>	<b>135,813,304</b>
<i>Dilutive Securities (as converted)</i>	
<b>Options</b>	<b>2,586,500</b>
<b>Restricted Share Units</b>	<b>550,249</b>
<b>Performance Share Units</b>	<b>1,497,442</b>
<b>Deferred Share Units</b>	<b>163,905</b>
<b>Convertible Debt<sup>1</sup></b>	
<b>Convertible Note I<sup>2</sup></b>	<b>103,224,782</b>
<b>Convertible Note II<sup>3</sup></b>	<b>19,722,524</b>
<b>Total Dilutive Securities</b>	<b>127,745,402</b>
<b>Total Fully Diluted Shares</b>	<b>263,558,706</b>

1. Includes the principal and full amount of the anticipated accrued interest over the term of Convertible Note I and Convertible Note II under the assumption that conversion does not occur prior to interest being fully accrued on both Convertible Notes.

2. Initial investment by The Hawthorne Collective by way of unsecured convertible promissory note issued by the Company on August 24, 2021

3. Additional investment by The Hawthorne Collective by way of unsecured convertible promissory note from the Company on April 22, 2022



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# COMMUNITY ACTIVITY

# Community Activity

Our mission is to have a meaningful community impact in New York

- Provided Etain dispensary shelf space to >30 women-owned brands
- Hosted >15 events at Manhattan location mezzanine space, which Etain offers at no cost to the New York community to host events and educational talks
- Provided funds and services to The JUSTÜS Foundation, a non-profit organization dedicated to ensuring and facilitating the entry of legacy (pre-legalization) cannabis operators to the legal cannabis market
- Strategic partnerships with organizations deeply rooted in New York with missions of adult education; supporting populations that have been disproportionately impacted by cannabis prohibition; and partnering with local universities and community-based organizations
- Proudly providing ongoing support to a variety of organizations through funding and resources:







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TEAM

# Industry-Leading Professionals

Experienced team of professionals from tier-one firms



**Mike Totzke**  
**INTERIM CEO & CHIEF  
 OPERATING OFFICER**

- Sales and Operations
- Mergers & Acquisitions



**Eddie Lucarelli**  
**CHIEF FINANCIAL OFFICER**

- Mergers & Acquisitions
- Corporate Finance



**Matt Mundy**  
**CHIEF STRATEGY  
 OFFICER AND GENERAL  
 COUNSEL**

- Mergers & Acquisitions
- Corporate Governance



**Amanda Rico**  
**CHIEF HUMAN RESOURCES  
 OFFICER**

- Global HR Operations
- Diversity, Equity and Inclusion



# Governance, Leadership and Oversight

Board of directors with unique and complementary insights



**Joe Mimran**  
CHAIR AND  
DIRECTOR

- Brand Development
- Fashion Retail



**Laura Curran**<sup>1</sup>  
DIRECTOR

- Public Policy
- Communication



**Chris Hagedorn**<sup>1</sup>  
DIRECTOR

- Indoor Growing
- Marketing



**Dawn Sweeney**  
DIRECTOR

- Diversity, Equity and Inclusion
- Corporate Strategy and Retail Marketing



**Amy Peckham**<sup>2</sup>  
DIRECTOR

- Cannabis Operations
- Consulting



**Richard Mavrinc**  
DIRECTOR

- Grocery Retail
- Mergers & Acquisitions



**Katy Wiles**<sup>1</sup>  
DIRECTOR

- Legal & Regulatory
- Mergers & Acquisitions

1. The Hawthorne Collective nominee to the Board of Directors. In connection with its investment, The Hawthorne Collective has the right to nominate up to four directors on a nine-person board, subject to the maintenance of certain ownership levels.

2. Etain nominee to the Board of Directors.