



NanoSphere Health Sciences

Investor Presentation: August 2018

“Improving Lives Through Our Patented Nanotechnology”

CSE: NSHS
OTCQB: NSHSF

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Company Overview

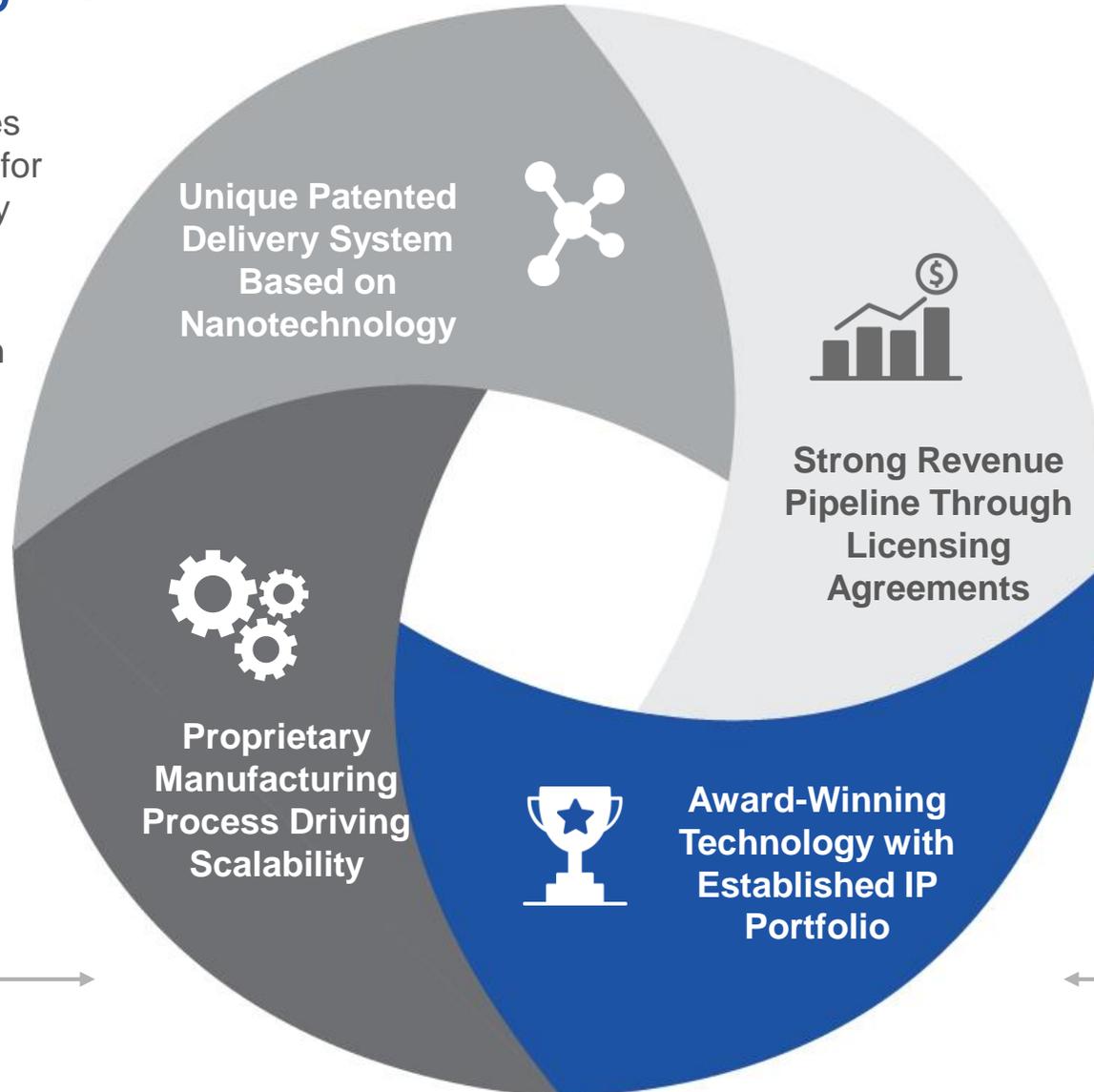
- ▶ **NanoSphere Health Sciences** is a nano-biotechnology company focused on providing next generation delivery of nutritive elements and medications
- ▶ The Company applies its **patented nanotechnology to improve the bioavailability and efficacy** of essential ingredients and medications
- ▶ A commercialized “**Evolve Formulas**” brand of products has been developed through multiple licensing agreements for distribution of its technology
- ▶ As a multi-award winning biotechnology company, NanoSphere brings to market over **20 years of research & development** on nano-delivery systems



Investment Highlights

- Technology that nano-encapsulates biological agents in phospholipids for increased bioavailability, bioactivity and overall therapeutic value
- U.S. patent no. 9,925,149 – core technology behind production
- U.S. patent no. 10,028,919 – delivery system for cannabinoids

- Cost-efficient manufacturing process that will create ease of adoption
- Scalability will drive partner revenues and thus licensing revenues for NanoSphere



- Recurring revenue model through the licensing of the delivery platform
- License agreements currently in place in multiple US States
- Partnership with Delta 9 Cannabis to bring products from its cannabis brand, Evolve Formulas, into the Canadian market

- Winner of numerous awards including the prestigious 2018 Frost & Sullivan Technology Innovation Award¹
- Continuously drive innovation to improve suite of patents across all product lines

¹ Please see appendices for further details on awards received

Management Team & Board of Directors

MANAGEMENT TEAM



Robert Sutton
Chairman & CEO

- Current Manager of Preferred Holdings Group, a venture capital development company
- 25+ years of successful investment and entrepreneurial experience
- Spearheaded the growth of companies in industries such as real estate, oil and gas and venture capital, valued at \$4 billion



David Sutton
President, COO, Director

- Previously consulted for CeeLite Technologies, an innovator and developer of new lighting sources
- Holds an MBA in finance from the Daniels College of Business at the University of Denver
- Mr. Sutton has worked in industries from nano-technology to financial services, transforming concepts into profitable businesses by raising millions in funding and establishing successful growth strategies



Dr. Richard Kaufman
Chief Science Off., Director

- Previous Co-Director of the Center for Biogerontology Life Extension Medical Clinic & research center in Los Angeles
- Distinguished scientist, highly respected researcher, author and product developer
- Dr. Kaufman wrote the patents on delivery system nano-biotechnology
- Ph.D. in BioNutritional Chemistry from the University of Brussels



Dr. Terry Grossman
Chief Medical Officer

- Founder & Medical Director of the Grossman Wellness Center in Denver, Colorado
- Board certified and member of the American Academy of Anti-Aging Medicine as well as the American Holistic Medical Association
- Dr. Grossman is a widely sought lecturer on longevity medicine throughout the United States and has presented keynote addresses at anti-aging seminars in Japan, South Korea, South Africa and elsewhere



Victor Goncalves
Executive Vice President

- Victor has nearly 15 years experience in the financial markets as both an analyst and with public issuers
- Mr. Goncalves was the top analyst at Harvard Management Fund (\$8B) where he consulted and evaluated financing opportunities for mining projects globally
- Held several management and directorship positions in multiple public companies, where he raised in excess of \$30M



Jim Ewing
Chief Financial Off. (U.S.)

- Jim has over 13 years experience working with SEC compliance, reporting, SOX compliance and risk management
- Mr. Ewing has industry experience in life sciences, pharmaceuticals, manufacturing and high technology
- He has his CPA and has his MSBA in Accounting from Colorado State University

Management Team & Board of Directors Cont'd

MANAGEMENT TEAM



Bennet Liu

Chief Financial Off. (CAN)

- Previously served as CFO for GAR Limited, a diversified metals and mining company, and Green 2 Blue Energy Corp. a renewable energy company
- Mr. Liu has acquired considerable experience in the areas of financial reporting, regulatory compliance, treasury, and audit in Canada & in the United States
- Mr. Liu holds a diploma in Accounting from the British Columbia Institute of Technology



Kate Wells

Chief Marketing Officer

- Founder & Creative Director of Birdie LLC, where she partnered with a global licensing agency to expand the product line worldwide
- Kate's work has been featured in more than 26 national and international publications including *The New York Times* and *The Denver Post*
- Kate offers a broad range of skills including developing brand vision, values, and goals to establish a competitive position in today's marketplace



Stephanie Hopper

Director

- Co-Founder of cannabis consulting firm Root Strategies
- Previously the COO of Ballpark Holistic Dispensary, managing operations for cultivation facilities
- Served as Board Member & Legislative Council Chairwoman for the Colorado Cannabis Chamber of Commerce, actively working with legislators & regulators
- Previously worked for BDO Seidman, KPMG and Verizon

BOARD OF DIRECTORS



Michael Iverson

Director

- 30+ years of success in the financial markets
- Developed and sold Niogold to Osisko Mining
- Currently CEO of Volcanic Gold Mines & previously the President, CEO and Founder of Fortuna Silver Mines (FVI.T) which he was integral at building it to a silver producer with a \$1.5B market cap
- Mr. Iverson has a rounded career having worked both in the resource space and the technology sector

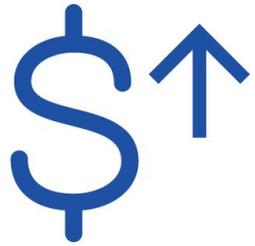


Toby Lim

Director

- Founding partner of Vantage Law Corp
- Has nearly 20 years experience in securities law
- Has been vital to the success of some very large corporate mergers

Outdated Cannabis Delivery Platforms



Low Bioavailability
Creating Higher Cost
Per User

Lack of Absorption of
Cannabinoids

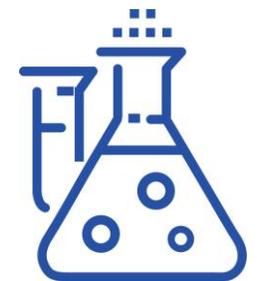


No Reliable Dosages
When Smoking

**Cannabis
Delivery Sector**

Unpredictable Time to
Onset

Minimal Proven Science
Through Human Testing

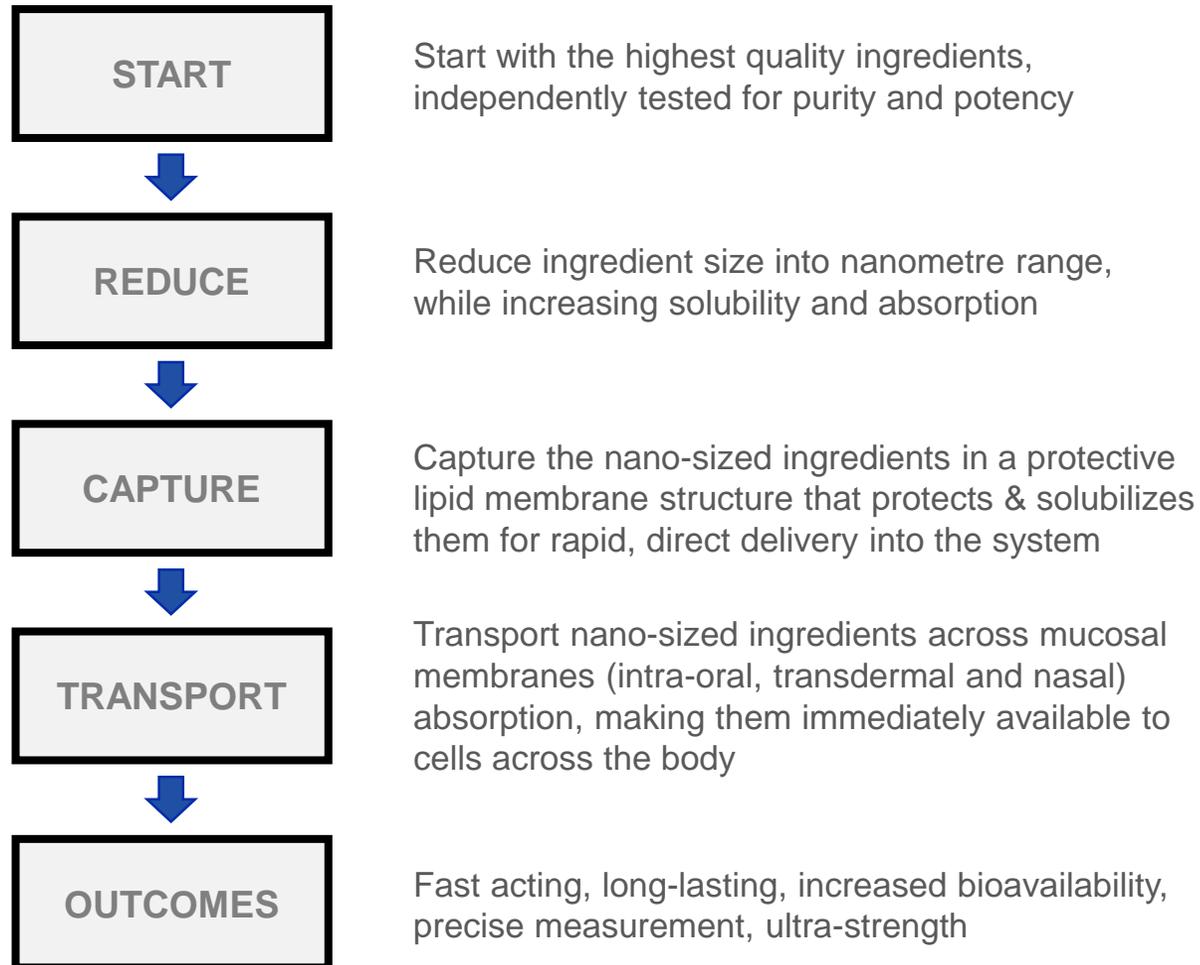


NanoSphere's Solution

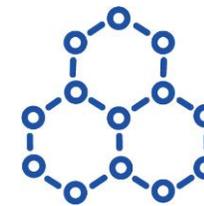
-  **NanoSphere Delivery System™**
NanoSphere encapsulates cannabinoids from pharmaceutical quality cannabis extracts in protective all-natural nano-sized lipid spheres
-  **Targeted Delivery to Cannabinoid Receptors**
Encapsulated cannabinoids bypass first pass liver effect and avoids pre-systemic metabolism
-  **Direct & Rapid Absorption**
Supplies a high concentration of cannabinoids to the bloodstream and reaches target sites in a short period of time
-  **Consistent & Standardized Dosing**
Precision-metered, microlitre dose packaging system, which allows for standardization and consistent usage making it convenient and easy-to-use anywhere

Patented NanoSphere Delivery System

How Our Delivery System Works



Key Benefits



Unparalleled Bioavailability



Targeted & Improved Cellular Transport

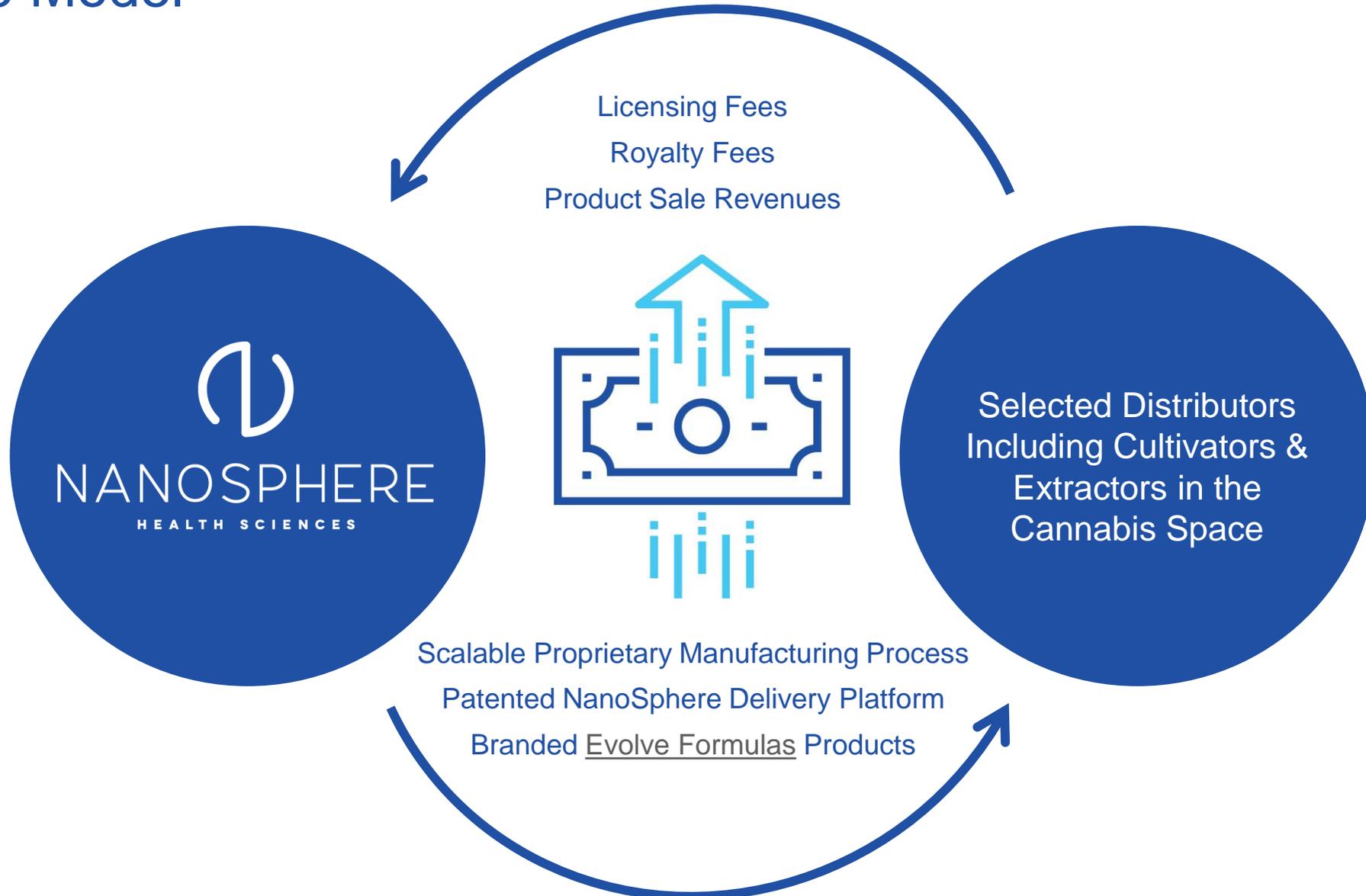


Longer Half-Life & Greater Stability



Decreases Dosages & Adverse Effects

Revenue Model



Product Overview



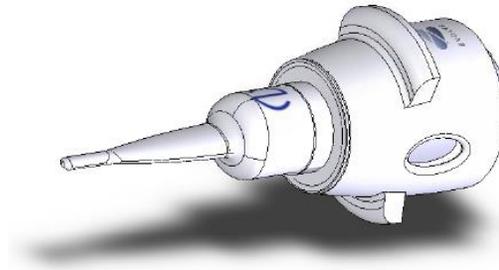
Transdermal Systemic Delivery

Controlled, consistent & sustained
cannabinoid delivery



Intra-Nasal Brain-Targeted Delivery

Fastest direct cannabinoid delivery



Intra-Oral Systemic Delivery

Rapid controlled cannabinoid delivery



Transdermal Systemic Delivery

OVERVIEW

- Transdermal delivery utilizes skin as a site for continuous administration into the systemic circulation
- Rapidly transports cannabinoids applied on the skin's surface to the dermis and systemic circulation for distribution to receptors of the endocannabinoid system
- Avoids first-pass liver metabolism, lowers dosages due to increased bioavailability, and serves as an alternative to problematic patches

TARGETED SYMPTOMS

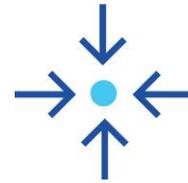
- Peripheral, Acute, & Chronic Pain
- Neurogenic or Inflammatory Pain
- Cramps, Headaches, Inflammation & Muscles Soreness
- Anti-Anxiety & Chronic Stress
- Clinical Endocannabinoid Deficiency
- Opioid Alternative & Complement

▶ NanoSerum is available in THC 5ML / 10ML, CBD 5 ML and sample sizes 0.25ML

Key Benefits



Clinically-proven to rapidly transport cannabinoids to the bloodstream and cells for fast, systemic healing



Beneficial for localized pain relief, muscle soreness, tension and inflammation



Available in precise CBD/THC ratios for therapeutic effects



Formulated with pharmaceutical-grade cannabis. Tested for purity and refined for quality

Intra-Nasal Brain-Targeted Delivery

OVERVIEW

- Intra-Nasal allows for the Direct Nose-to-Brain Transport of cannabinoids to be delivered to the central nervous system
- Cannabinoids are transported into fluids for distribution throughout the brain, as well as for distribution to the spinal cord via cerebrospinal fluids
- Provides a platform for a new generation of cannabinoid therapeutics, including brain trauma, neurodegenerative diseases, central pain, as well as neurological & psychiatric remedials

TARGETED SYMPTOMS

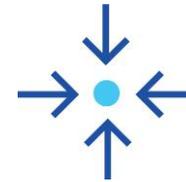
- Epilepsy, Parkinson's Disease
- Anxiety Disorders, ADHD, Depression, Insomnia
- Concussions, Inflammation
- Epilepsy, Seizures, Convulsions
- Dementia, Migraines, Cognitive Decline

➤ NanoSphere intranasal “smart nanoparticle” cannabinoid gels can enter the brain in minutes

Key Benefits



Rapid onset of activity (within 2-4 minutes), minimizing the lag time of oral delivery



Non-invasive, self medication. Consistent and precision-metered doses that are discrete and easy to use



Enables direct transport into the brain for immediate absorption and onset of actions



Targets dispersion of NanoGel CBDs for direct nose-to-brain delivery

Intra-Oral Systemic Delivery

OVERVIEW

- Intra-Oral is systemic delivery of biological compounds across the mucous membranes of the oral cavity into the circulatory system
- The oral cavity allows for direct access to the circulatory system, providing unique advantages that supply precise dosages, substantial blood flow rates, and easy user accessibility
- New platform of cannabis therapeutics driven by delivery time bypassing forming first pass liver metabolite

TARGETED SYMPTOMS

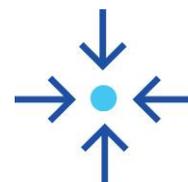
- Acute, Chronic, Localized and Peripheral Pain
- Neuropathic & Inflammatory Pain
- Anxiety & Stress Disorders
- Migraines, Irritable Bowel Syndrome
- Fibromyalgia, i.e. Musculoskeletal Pain & Fatigue

➤ Peak concentration of THC in the bloodstream from the intra-oral NanoGel THC is 141% greater than 5mg of Oral THC as proven by the pharmacokinetic study

Key Benefits



Faster time of onset compared to standard edibles.
Clinically proven to work within 10-20 minutes



The only patented nanoparticle delivery system available in cannabis



Optimized for rapid absorption and delivery to cannabinoid receptors



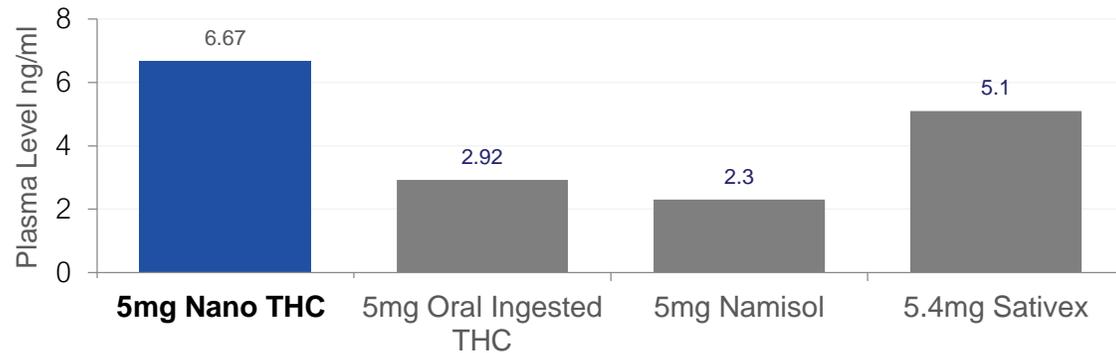
Formulated with pharmaceutical-grade cannabis.
Tested for purity and refined for quality

Pharmacokinetics Case Study

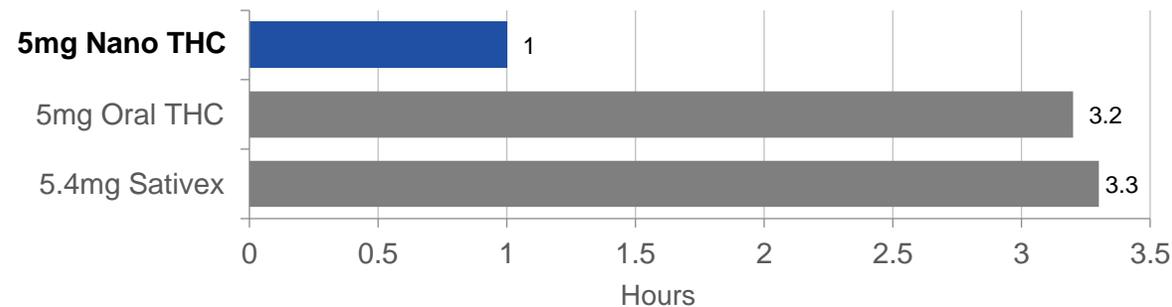
- In April 2016, NanoSphere Health Sciences completed the first pharmacokinetics blood study on its 5mg nano-encapsulated THC product
- The clinical study tested the bioavailability and bioactivity of the intra-oral products, as well as measuring the pharmacodynamic effects

RESULTS

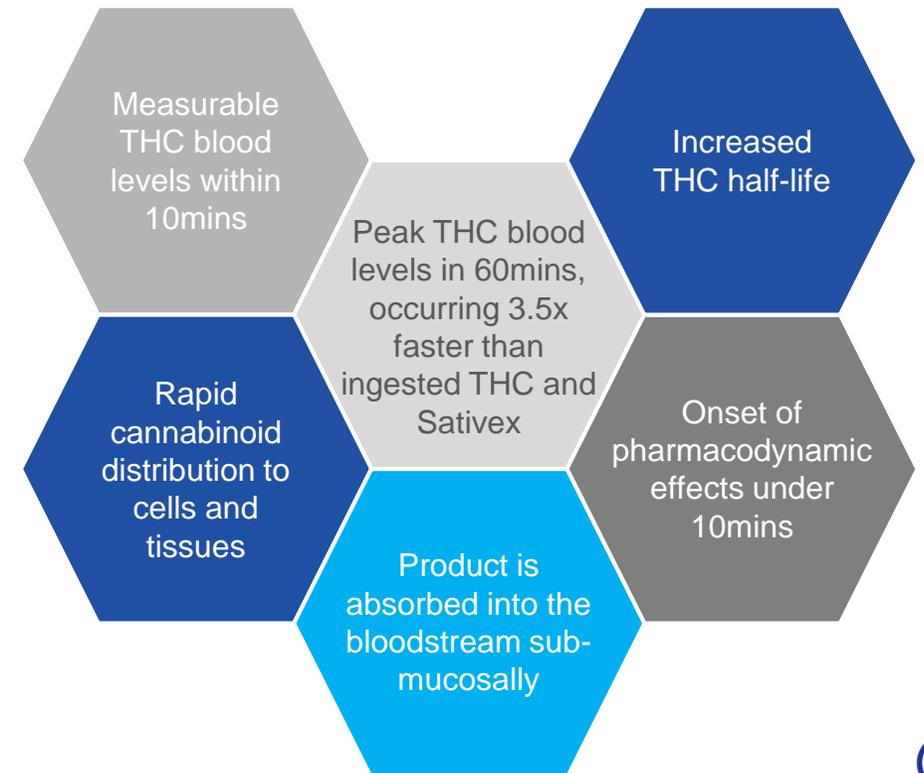
C_{MAX} THC



Time of Highest THC Concentration



HIGHLIGHTS FROM THE STUDY



Financial Projections – Cannabis Division

FINANCIAL PROJECTIONS - CANNABIS

Year	1	2	3	4	5
Total Units Sold	145,000	737,350	1,959,663	4,835,328	7,950,532
Total Revenue (USD)	\$2.6M	\$14.7M	\$39.1	\$96.7M	\$159.0M
Gross Profit (USD)	\$1.3M	\$8.6M	\$19.5M	\$48.3M	\$79.5M

ASSUMPTIONS

- 4 Product Lines with 19 Individual SKUs
- Retail Prices:
 - Transdermal: \$25 - \$45
 - Trans-nasal: \$24 - \$30
 - CBD: \$25
 - Oral: \$30 - \$40
- COGS = \$3-\$5/unit depending on product strength/formulation and assuming full production
- Definition of year 1: Of course in providing GAAP and Canadian equivalent financial statements -- revenues, units, and gross profit will be recorded on a calendar year basis. However, as a practical matter, it does not represent what a full year is defined as under our operations. Under our operations, because we bring in licensees and various products at various times in the year, the first year will begin the month that the SKUs are actually in production and ready for sale in the existing licensed states. For example, in California, we'll begin in August, so the first month of its production and revenue year will begin in August 2018 and will go through August 2019. This presentation provides a more accurate revenue growth, from an operations perspective, that we expect to achieve in each of the various states and each additional new states as well as Canada.

OTHER DIVISIONS

This financial forecast does not reflect potential revenues of non-cannabis divisions of the company

Cosmeceutical

Dietary Supplements

Pharmaceutical
& OTC

Animal Health

Capital Structure

SUMMARY OF CAPITAL STRUCTURE

@ AUGUST 1ST, 2018

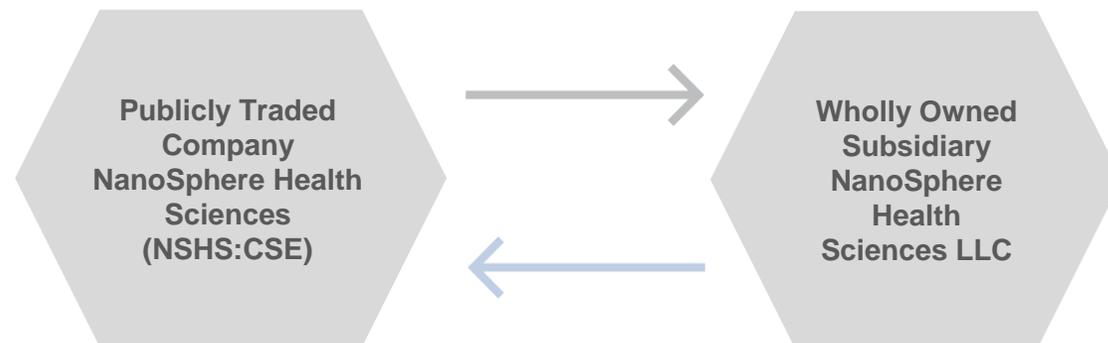
Shares Outstanding	95,505,563
Options Outstanding	4,365,555
Warrants Outstanding	8,141,773
Fully Diluted	109,012,891

Share Price	\$0.435
Market Capitalization	\$41,544,920

Pooled Shares with a 2-year Hold Period	65,000,000
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Insider Ownership (Non-Diluted):	62%
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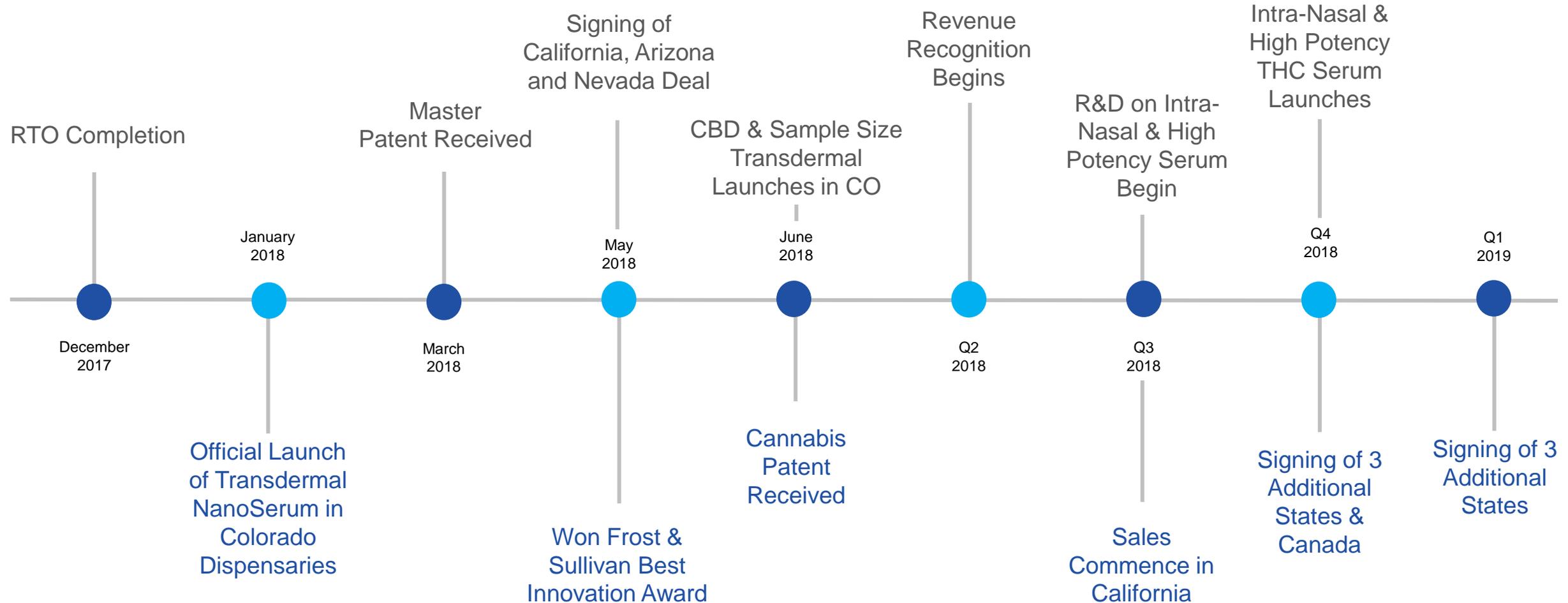
CORPORATE STRUCTURE



WARRANTS/OPTIONS OUTSTANDING

Number	Strike Price	Maturity Date
3,065,555 Options	\$0.65	May 24, 2021
100,000 Options	\$0.50	May 24, 2021
1,200,000 Options	\$0.27	September 21, 2021
1,951,538 Warrants	\$0.40	August 26, 2018
5,905,685 Warrants	\$0.75	November 17, 2019
284,550 Warrants	\$0.75	November 17, 2019

Roadmap - Cannabis Division





CONTACT US

US CORPORATE CONTACT

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CANADA CORPORATE CONTACT

Victor Goncalves, Executive Vice President

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vgoncalves@nanospherehealth.com



NANOSPHERE

HEALTH SCIENCES

Testimonials

Jeff Friesen
(ex-NHL Player)

“During my 15 year career in the NHL I sustained numerous injuries to my hands, including breaking almost every bone in my right hand. Since retiring from the NHL, my hands have hurt every day and I am always in search of real relief. And then I was introduced to Evolve and their NanoSerum™. Literally, after applying the Evolve NanoSerum to my hand I had almost instant and total relief that lasted for hours. I am truly amazed by their product and technology and would recommend their NanoSerum to anyone suffering in pain from injury or stress.”

“NanoSerum definitely does what it says that it does. I have really bad anxiety and since I started using it, I'm down to only taking one anxiety pill a day instead of five. And, I don't feel sick to my stomach like I did when I was taking prescription pills.”

Frank F., customer

“AMAZING product! Most medicinal product out there in my opinion.”

Travis Z., customer

“If you have anxiety, this is the product to try! I've been doing this a long time and no product in 5 years has given me the instant relief NanoSerum™ does.”

Colton Christianson, Budtender at Standing Akimbo Dispensary (COL)

“I have not taken a single "pill" since I started using your product. I was given this by a friend for pain. I really prefer to not take pills. I'm a hospice nurse and have terrible neck pain from taking care of patients.”

Jodi H., customer



Testimonials Cont'd

“With products like Evolve NanoSerum, we 100% have the ability to bring medical cannabis to the masses. It will take time unfortunately. As a chronic pain patient myself, I cried after using Evolve. There is NO CREAM in Colorado that holds a flame to the true relief that I’ve experienced from Evolve. Don’t work for them, have no reason other than I’m a patient with severe pain who’s been searching for something that does more than take the edge off! I’ve been given samples of topicals from almost all companies producing them and I legitimately cried tears of joy after 60 seconds of this NanoSerum from heaven. I guess I’m trying to say the facts and studies will convince the nonbelievers soon and thankfully we have products like Evolve that will help continue to advance our market and prove that there is medical benefit.”

Store Manager, Nuggs Dispensary (Colorado)

“I absolutely LOVE your topical. I have back and neck pain almost every day and this is one of two SKU's on the market that can actually touch it. I think that I can safely say I've tried most of what is available on the market, and your NanoSerum™ is one of the best. As for anxiety, on a particularly bad day, I put two pumps on each of my temples, and within 10 minutes the anxiety and anger was gone, leaving a clear state of mind that allowed me to really analyze how I felt about the situation. That may sound a little silly, but the product WORKS!”

Jake S., Budtender at Smokey's 420 House Dispensary (Colorado)

Testimonials Cont'd

"NanoSerum has changed my life and I haven't used Ibuprofen in months since starting my regiment. Evolve Formulas has made my quality of life better in all aspects. I use the serum for migraine relief, anxiety, and anywhere I feel pain in general. Thank you so much for coming out with this amazing product! I am excited to see what you what you produce next."

Cari Carmona, DOPE Magazine

"I personally struggle with high functioning anxiety, so if I'm having a day I rub some of the Evolve NanoSerum on my wrists and within minutes the anxiety goes away. It's nice too because it lasts for a few hours and sometimes is gone for the day."

Kylie H., Budtender at Choice Organics Dispensary (Colorado)

Video Testimonials From Grossman Wellness Center
([Click Here](#))

Awards & Media

2018 TECHNOLOGY INNOVATION AWARD BY FROST & SULLIVAN



- NanoSphere was awarded the 2018 Technology Innovation Award by Frost & Sullivan as part of the annual Best Practices Awards for North America for their patented NanoSphere Delivery System™
- Frost & Sullivan's Best Practices Awards are presented to companies that inspire growth in their industries, identify emerging trends before they become the market standard and create solutions that drive differentiation and sustainable growth

BEST TRANSDERMAL PRODUCT 2018 BY WESTWORD MAGAZINE



- NanoSphere's Evolve Formulas recently took home the 2018 Westword Award for Best Topicals Company
- Their parent company Evolve brand has just received the patent for this groundbreaking technology giving them ownership over the biggest advancement in non-invasive delivery in over 25 years

BEST TRANSDERMAL PRODUCT 2017 BY DOPE MAGAZINE



- The Evolve NanoSerum™ was the winner of the 2017 DOPE Cup for Best Transdermal
- With record-breaking efficacy and bioavailability, the Evolve NanoSerum™ represents only the beginning of the industry's cutting-edge breakthroughs

FEATURED MEDIA OUTLETS

