



# Canna- Wealth Royalty Finance



# Table of Contents

03

Royalty Financing

08

Key European Markets

04

Crypto at a Glance

09

Grow Tunnel Model

05

CGC at a Glance

12

Collateralization

06

The Cannabis Market

15

How to Get Involved

07

The Legal Cannabis Market

16

Contact Information

# Royalty Financing

## ALTERNATIVE SOURCES OF FINANCE FOR SMES

Royalty Financing is a type of alternative finance where the financier, often called a royalty holder, advances a one-off up front fixed cash amount to a company, a royalty payor, which in return promises to pay a percentage of its future revenues or profits (royalties) to the royalty holder over a certain period, up to a specific amount.

Royalty finance is a significant form of alternative funding in North America but remains relatively immature in Europe and practically non-existent in Africa. It originated in the Canadian mining sector during the 1980s as an alternative to traditional bond and equity funding.

Whilst it was initially used by smaller players, it has since achieved widespread adoption and is employed by the largest mining companies in the world such as Vale and BHP.



In the 1990's, the royalty finance model was adopted by the pharmaceutical sector and has become well established across many industries. The sector is estimated to be worth over \$50bn in the US alone.

Royalty financing creates an opportunity to provide the capital for Africa to build a strong value chain for its legal cannabis market providing a win-win situation for both operators and financiers.

# Crypto at a Glance

## VNT THE AFRICAN AGRICULTURAL TOKEN

InventoryClub Token (VNT) was created using blockchain technology. VNT is an African agriculture utility token used to power the InventoryClub network. VNT is used to represent the flow of funds in and out of the InventoryClub network. Holders of VNT holders can access all stokvels in the InventoryClub network. All InventoryClub projects are collateralised with VNT for the duration of the project.

This results in two benefits:

- 1) each token represents the contribution of a member in a given project.
- 2) since all projects are paid out in fiat currency i.e. ZAR, GBP, EUR, USD contributors are not exposed to the volatility of crypto but instead can reap the benefits of any gains that may be realised when the projects term matures.

### INVENTORYCLUB TOKEN (VNT)

**ERC20**

Token Standard

**38M**

Circulating Supply

**Ethereum/Polygon**

Blockchains

**100M**

Total Circulating Supply

**Utility**

Token Type

**250M**

Total Supply

# CGC At A Glance

Cannabis Golf Club (CGC) is a private members club made up of 10k NFTs. The NFTs represent a club membership and gives its members exclusive access to InventoryClub's hemp and cannabis project portfolio. The exclusive partnership makes it possible for CGC members to generate a premium royalty income by providing royalty financing to projects in InventoryClub's portfolio.

A CGC membership is onetime purchase lifetime membership and because it's a crypto asset there is no restriction on transfer of ownership meaning it can stay in a family, company or community for generations. These type of NFTs are a perfect match for decentralized finance (DeFi) models enabling people from across the globe to securely pool their resources together to provide financing to real-world assets.

## CANNABIS GOLF CLUB (CGC)

**ERC721**

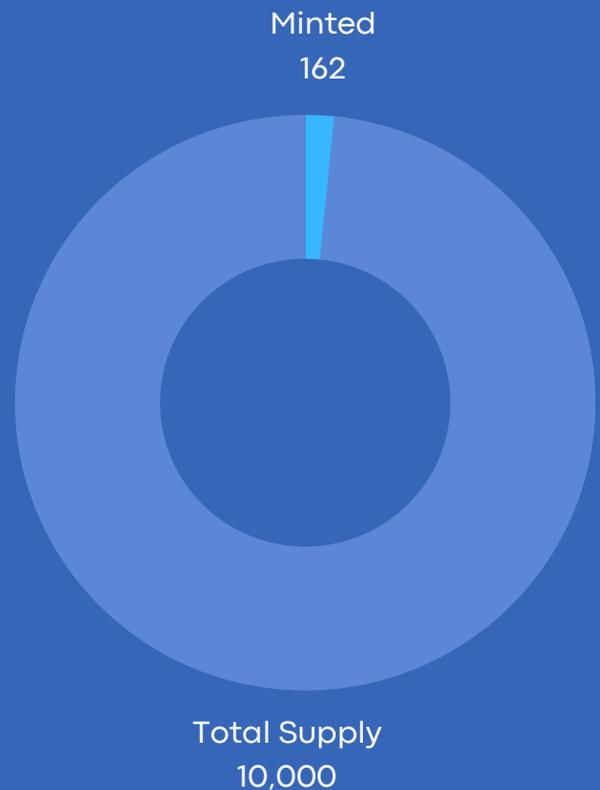
Token Standard

**Ethereum**

Blockchain

**Non-Fungible Token**

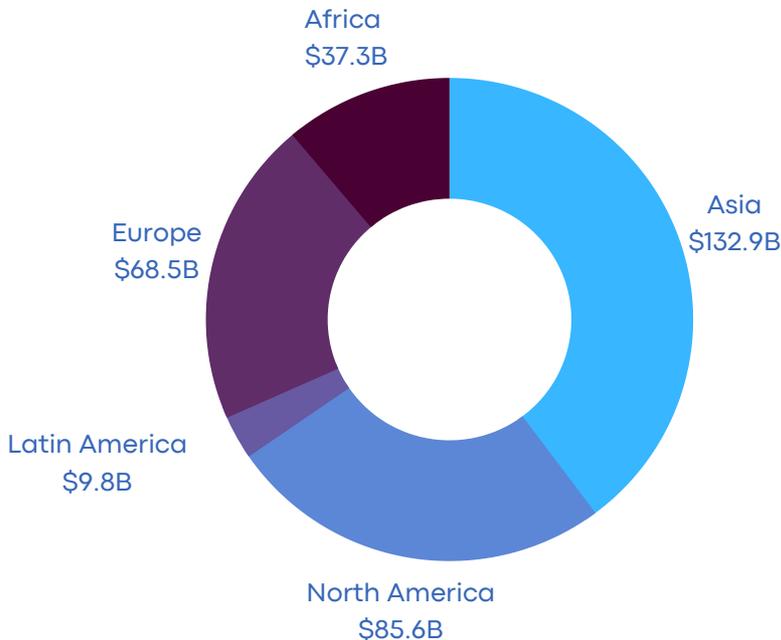
Token Type



# The Cannabis Market

More than 50 countries around the world have legalized some form of medical cannabis. Despite extensive global prohibition, over 263 million people around the world consume cannabis every year. The global total cannabis market (regulated and illicit) is estimated to be \$344 billion USD.

## The top five regional markets



There are an estimated 1.2 billion people worldwide suffering from medical conditions for which cannabis has shown to be of therapeutic value. Adoption of medical cannabis treatment, by even a small proportion of that population, will create a massive market.

Regions such as Latin America and Africa, are poised to potentially compete in the export market with low production costs and optimal climate for outdoor growing that would allow two to three harvests a year rather than just one.

Just as the legalization of alcohol and tobacco essentially wiped out the illicit market, the legalization of cannabis will have a similar impact on the its illicit market.

Medicinal cannabis is championing the way, meaning large pharmaceuticals will create a huge demand for medical grade cannabis.

# The Legal Cannabis Market

The global legal cannabis market is set to reach \$90 billion by 2030, with the US leading the way with largest market share driven by recreational use. Europe is one of the fastest growing due to healthcare systems potentially footing medical cannabis bills for patients.

The African cannabis market is set to reach \$7.1 billion by 2023; it is poised as one of the continents fastest growing sectors. South Africa, Zimbabwe, Zambia, Lesotho, Morocco, Uganda, Malawi and Rwanda have legalized cannabis, mainly for medicinal cultivation and export. South Africa is championing the African cannabis market and is set to become the next cannabis capital of the world.

Although Africa has the climate for outdoor cultivation, at present the standards for participating in the European medicinal cannabis market requires producers to meet EU Good Manufacturing Practices (GMP).

EU GMP is one of the highest quality certifications available in the global pharmaceutical industry. It requires substantial investments into infrastructure, which many producers are unable to finance due to the lack of trade finance available to Africa's agricultural sector and the traditional financial institutions staying clear of the cannabis sector due to its grey nature. The sentiment of traditional finance towards the cannabis market makes it one of the largest underbanked industries.



# Key European Markets

## FOR AFRICAN MEDICINAL CANNABIS EXPORTS

COUNTRY	STATUS	PATIENT FORECAST (2021)
Germany	Dynamic and growing market. Extracts are a fast-growing sector. Many new players still emerging.	178K
United Kingdom	Early medical cannabis market, under private healthcare only. Supply channels are limited to a few exclusive networks.	13K
Italy	Europe's second largest consumption market, entirely closed to imports.	39K
Poland	A largely untapped market, with only a few key producers, importing only flower.	14K

# Grow Tunnel Model

To meet the current EU GMP standard for exporting medicinal cannabis across the globe the cannabis needs to be grown in a controlled greenhouse environment called a tunnel. The tunnel is hermetically sealed to ensure no contamination of the cannabis. No air can get in or out of the tunnel without going through the filtration and cooling systems managed by technology.

The royalty finance covers the setup and initial operating cost of a tunnel, which is repaid at the end of a three-year period. A yearly royalty is paid out for the duration of the agreement to the royalty holder. InventoryClub’s initial grow tunnels will be in South Africa. The following model provides an overview of the royalty finance required and royalty payments expected.

Term Time	3 years
Cycles Per Year	4
Annual Yield	440KG
Standard	EU Good Manufacturing Practices (GMP)
Grow Purpose	Medicinal Export
Off Takers	Yes
Cost	R2.6M
Annual Royalty	R1.598M

# Yearly Royalty Projections

<b>INITIAL CONTRIBUTION</b>	<b>R2.6M</b>
Royalty	R3.76M
Royalty Share 50%	R.188M
Fees 15%	R282K
Yearly Royalty	R1.598M
3 Year Total Royalty	R4.79M

<b>OWNERSHIP</b>	<b>100%</b>	<b>50%</b>	<b>20%</b>	<b>5%</b>	<b>0.77%</b>
Contribution	R2.6M	R1.3M	R520K	R130K	R20K
Yearly Royalty	R1.598M	R799K	R316K	R79.9K	R12.29K
3 Year Royalty Total	R4.794M	R2.397M	R948K	R239.7K	R36.87K

# 6 Year Royalty Projections

<b>INITIAL CONTRIBUTION</b>	<b>R2.6M</b>
Tunnels	32
Royalty	R120.3M
Royalty Share 50%	R60.15M
Fees 15%	R9.022M
6 Year Total Royalty	R51.12M

<b>OWNERSHIP</b>	<b>100%</b>	<b>50%</b>	<b>20%</b>	<b>5%</b>	<b>0.77%</b>
Contribution	R2.6M	R1.3M	R520K	R130K	R20K
6 Year Royalty	R51.12M	R25.56M	R10.224M	R2.556M	R393K

# COLLATERALIZATION

## VNT LOCKED IN EVERY PROJECT

01

VNT REPRESENTS  
MEMBER  
CONTRIBUTION

02

x2 VALUE LOCKED TO  
COMPENSATE  
VOLATILITY

03

ORGANIC DEFLATION  
OF VNT CIRCULATING  
SUPPLY

04

ROYALTIES ALWAYS  
COLLECTED AND  
AVAILABLE IN FIAT

05

ENJOY THE UPSIDE  
AND WITHOUT THE  
DOWNSIDE RISK

Across the InventoryClub portfolio VNT is used as a banking and accounting solution on the blockchain to provide members with a trustless and transparent record of royalty financing. Members contributions are locked into the project as VNT for the duration of the project and matched with VNT from InventoryClub. At the end of every project members are repaid their initial contribution on top of any other royalty payments due. The VNT locked is released and will either be the same, lower or a higher value than when it was first locked.

If the value is higher the member gets the benefit but if it's lower they are not affected.

Our goal is to open 3,200 tunnels over the next 6 years and locking away the required VNT can impact the tokenomics as seen in the following scenarios.

# SCENARIO 1

<b>COST PER TUNNEL</b>	<b>R2.6M</b>
Collateral x 2	R5.2M
VNT Price	R0.55
VNT Locked	9.45M
No of Tunnels	1
Total VNT Locked	9.45M

<b>COST PER TUNNEL</b>	<b>2.6M</b>
Collateral x 2	R5.2M
VNT Price	0.55
VNT Locked	9.45M
No of Tunnels	32
Total VNT Locked	302M

<b>COST PER TUNNEL</b>	<b>2.6M</b>
Collateral x 2	R5.2M
VNT Price	0.55
VNT Locked	9.45M
No of Tunnels	3200
Total VNT Locked	3.02B

# SCENARIO 2

COST PER TUNNEL	R2.6M	COST PER TUNNEL	R2.6M
Collateral x 2	R5.2M	Collateral x 2	R5.2M
VNT Price	R0.55	VNT Price	R2.5
VNT Locked	9.45M	VNT Locked	2.08M
No of Tunnels	1	No of Tunnels	32
Total VNT Locked	9.45M	Total VNT Locked	66.5M

COST PER TUNNEL	R2.6M
Collateral x 2	R5.2M
VNT Price	R250
VNT Locked	20.8K
No of Tunnels	3200
Total VNT Locked	66.5M

# How To Get Involved

01

[CLICK HERE TO GET STARTED FOR FREE AT INVENTORYCLUB.COM](#)

02

BECOME A CGC MEMBER  
0.1 ETH APPROX. R2.2k - R3K

03

MINIMUM  
CONTRIBUTION R5K

04

PAYMENT METHODS  
CARD, TRANSFER, BTC, ETH, USDT

## COMPLIMENTARY MEMBERSHIP

For a limited period get a FREE CGC membership with your first R5K contribution.

# Questions? Contact us.

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 +27769439427 or [click here to chat](#)



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION AND NON-IFRS MEASURES

Except for the statements of historical fact contained herein, the information presented constitutes “forward-looking statements”, concerning the business, operations and financial performance and condition of InventoryClub (Pty) Ltd. (“InventoryClub” or the “Company”). Forward-looking statements include, but are not limited to the Company’s plans with respect to payment of dividends, the dates and amounts of such payments, statements regarding performance and expectations and InventoryClub’s 2022 guidance and outlook are based on public forecasts and other disclosure by the third-party owners and operators of our assets or on our assessment thereof including certain estimates based on such information.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances, or achievements of InventoryClub to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which InventoryClub will operate in the future, including the receipt of all required approvals, the price of cannabis and anticipated costs. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, amongst others, failure to receive necessary approvals, changes in business plans and strategies, market conditions, token price, best use of available cash, cannabis and other commodity price volatility, discrepancies between actual and estimated production, operational and development risks relating to the parties which produce the cannabis InventoryClub will finance, regulatory restrictions,

activities by governmental authorities (including changes in taxation), currency fluctuations, the global economic climate, dilution, token price volatility and competition. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of InventoryClub to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the impact of general business and economic conditions, the absence of control over cultivation operations from which InventoryClub will finance cannabis, other commodities or receive royalties from, and risks related to those cultivation operations, including risks related to international operations, government and environmental regulation, actual results of current cultivation activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, risks in the marketability of cannabis, fluctuations in the price of cannabis and other commodities, fluctuation in foreign exchange rates and interest rates, stock market volatility. Although InventoryClub has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 forward-looking statements.

The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.