



exm

CEUTICALS

OCTOBER 2019

**Industrial scale cannabis and
hemp-derived ingredients**

CSE: EXM
Frankfurt : FSE:A2PAW2

www.exmceuticals.com

A satellite view of the Earth, showing the continent of Africa in the center, surrounded by the Atlantic Ocean to the west and the Indian Ocean to the east. The image is used as a background for the text.

Believing in the potential health benefits of cannabis and hemp, we produce high-quality ingredients for the global industry.

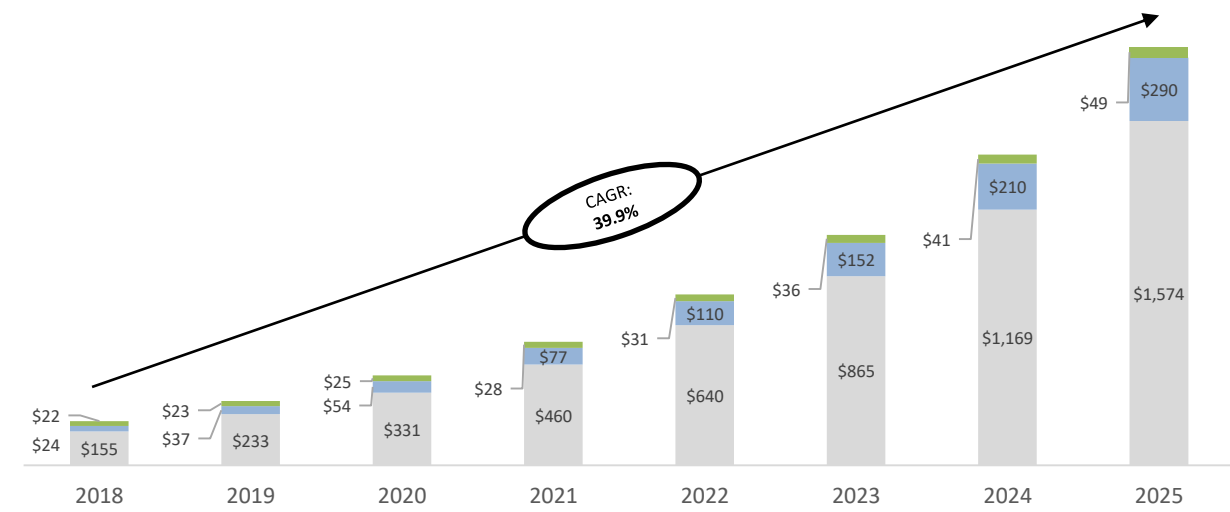
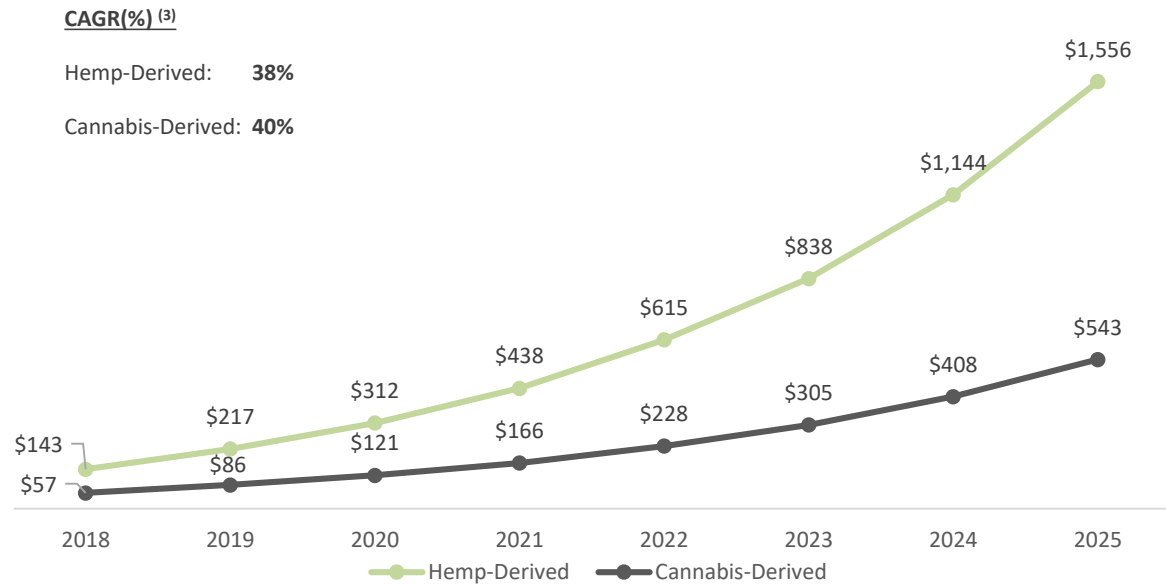
Ideal growing conditions, industrial scale refining, low cost ingredients production

EXMceuticals Inc. (“EXM”) is a nutraceutical and medicinal cannabis company focused on cultivation, extraction and refinement. EXM is in no way involved in recreational cannabis activities.

Market Overview

- The CBD market in North America and EU currently sits at **\$7bn**. Projected to collectively grow to **\$40bn** by 2032¹
- CBD products generated retail sales in the **€750m-€1bn** across Europe for 2018²
- Europe's cannabis market is estimated to be **€123bn** by 2028

- CBD oil market is expected to reach **\$2.1bn** by 2025
- Hemp-derived CBD market is expected to be valued at **\$1.56bn** (USD) in 2025
- Growing African Market: by 2023, total estimated African cannabis market value **>USD\$7.1bn**⁴



■ America ■ Europe ■ RoW & Asia

¹ Bank of America Merrill Lynch, *A Cannabis world...and more people are living in it*, April 2019

² Canaccord Genuity, *European Cannabis*, January 2019

³ EXMceuticals Inc., *Go-to-Market Strategies for CBD Oil*, July 2019

⁴ Prohibition Partners, *The African Cannabis Report*, March 2019

Executive Summary



GMP-certified processing facilities under construction in Lisbon, Portugal. Hemp-derived, CBD-related products distributed throughout Europe. Offices in London (UK) and Vancouver (Canada)



R&D facility and pilot refinery inspected and approved by INFARMED Portugal. New license recently awarded.



Already listed in Canada (CNSX:EXM) and Frankfurt (FSE:A2PAW2)



3 other production licenses currently in application



Full production licenses obtained in Uganda and Democratic Republic of Congo (DRC), a pilot license awarded in Malawi, with current first test crops in Uganda and the DRC



Large-scale, established agricultural partners in each country with production and cultivation



First revenues expected in late 2019 / Q1 2020



2% of gross revenues for local foundations and local, socially responsible projects. Buy local & hire local policy



MM (Operations) Ltd acquisition: agri-processing facility in Malawi. Creating tangible value: existing revenue of \$3m+ from mango cultivation, which EXM will retain.



As seen in:



EXM intends to become the lowest cost producer of cannabis and hemp-derived ingredients in the world.



Best Natural Growing Conditions

- Along the equator – 12 hours of daylight in tropics
- Abundance of sun, rain and fertile soil
- Currently growing 75 hectares of prime land. Capacity to scale up several hundred hectares by end 2020
- 3-4 harvests a year



Low Cost, Industrial Cultivation Footprint: Diversified and Scalable Locations

- Low cost cultivation 80% less than indoor operations
- Actual Cultivation on 75ha, capacity to scale up to several hundred hectares by end 2020
- Diversified location in Africa: Licenses in Uganda, DRC, with pilot in Malawi



Research Driven – IP Creation

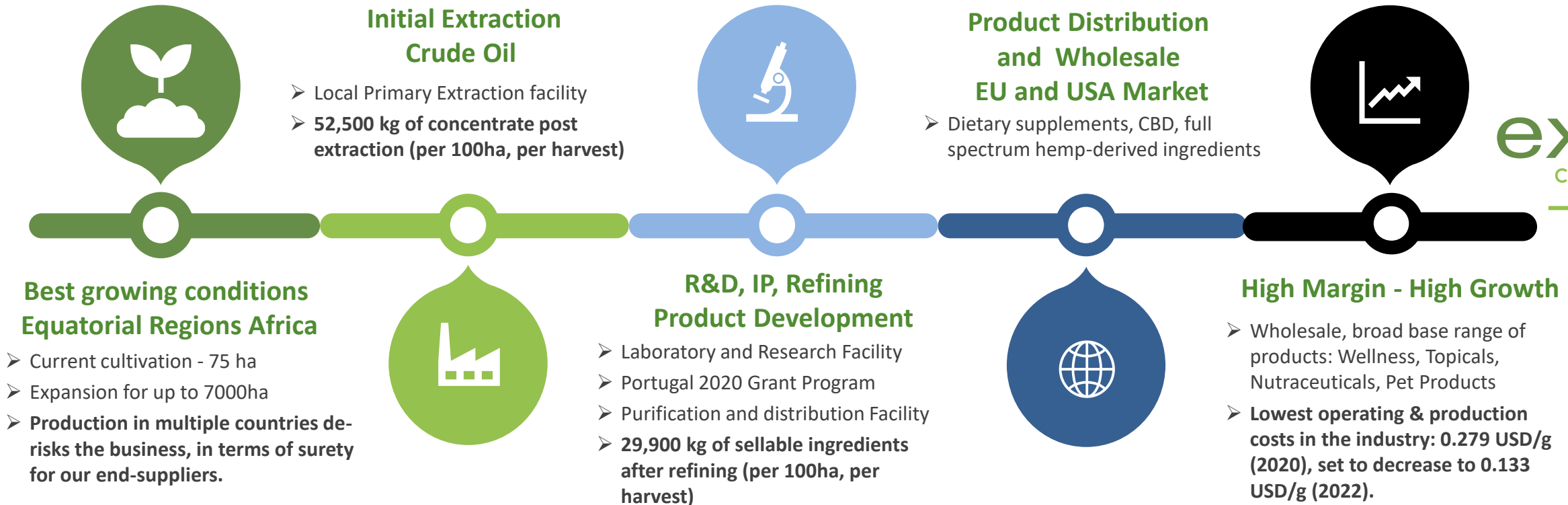
- Partnership with the NOVA University of Lisbon and world-recognised experts for R&D
- Portugal 2020 Research Project underway



Research Licensing - Refining Process

- R&D projects made possible with the obtention of EXM's new Portuguese (pilot) license.
- Next steps underway to file for the commercial operation licenses.

From Seed to Sale: EXM's Strategy Overview



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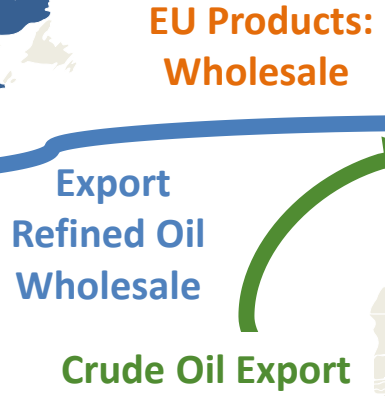


EXMceuticals Inc. around the World


CBD market in the USA and EU currently sits at **\$7bn**. Projected to grow to **\$40bn** by 2032¹

Europe's cannabis market is estimated to be **€123bn** by 2028

 **Distribution market: targeting EU and USA**



 **Portugal Research and Development - Refining, Distribution Centre**

-  **Growing Operations: 7000ha**
-  **Primary Extraction**

¹ Bank of America Merrill Lynch, *A Cannabis world...and more people are living in it*, April 2019

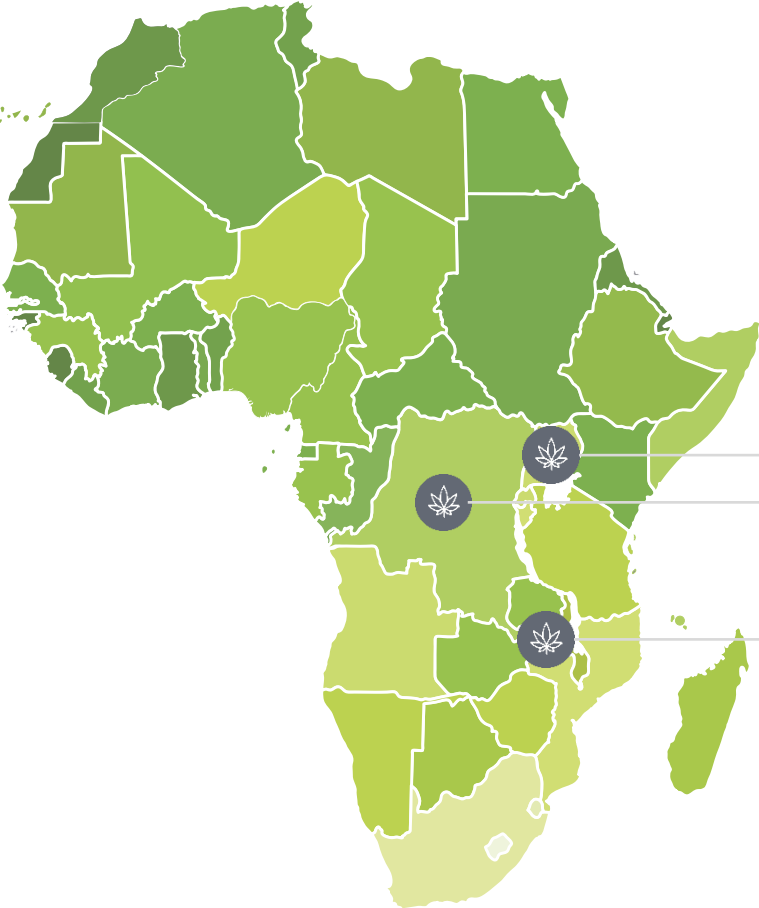
Portugal

R&D and Refining

- Portugal has become the refinery hub of EXM. Being the key to sell the products in Europe and North America, it also separates & purifies the plant's concentrate, produced by EXM in Africa.
- The pilot license has recently been awarded by INFARMED, the Portuguese National Authority of Medicines and Health Products, R&D authorizations.
- In turn, this will now allow EXM to import cannabis-based ingredients into Portugal.
- R&D partnerships for agriculture/seed, extraction processes, and crop management:
 - Universidade Nova de Lisboa
 - Universidade Lusófona
 - Nova.id.FCT



EXM's Current Cultivation Locations



Uganda
Kampala Plantation & Processing

- ✓ License issued
- 📍 2,024 ha (5,000+ acres)
- ⊗ Unlimited expansion capacity, with current ongoing harvests

DRC
Kuba Plantation

- ✓ License issued
- 📍 4,048 ha (10,000+ acres)
- ⊗ Unlimited expansion capacity, with current ongoing harvests

Malawi
Salima Facility: Plantation & Processing

- ✓ Provisional License issued & finalising acquisition of Salima facility
- 📍 1700 ha (4,199 acres)
- ⊗ Unlimited expansion capacity



Uganda

Kampala Plantation & Processing

- Uganda is part of the raw material and production of extracted concentrate EXM supply chain. Extracted concentrate is to be delivered to Portugal separation & purification facilities
- Two farms: Emma and Gulu
- 2 extractors have already been installed and can accommodate 50 to 100 hectares of planted raw material depending on yield at each harvest. Extractors are tested and ready to put into commercial operations
- Currently preparing in the nursery sufficient planting material for 100 hectares by end of Q4 2019



Malawi Acquisition

The Salima Facility & Plantation

- EXMceuticals will imminently close the acquisition of MM (Operations) Ltd.: a sizeable, operational and fully staffed agro-processing business in Malawi
- Currently active in the field of mango cultivation (existing revenues of \$3m+), MM (Operations) Ltd. possesses the following:
 - 280ha (682 acres) of fully drip-irrigated farms
 - State-of-the-art 4ha (10 acres) greenhouse nursery capable of growing up to 700,000 plants
 - 10,000 m² (107,640 ft²) processing facility
 - A green field site with access to ~1,700ha (4,200 acres) of land
- The processing facility is approximately 25km (15.5 miles) from the farms
- The facility is certified by:



Democratic Republic of Congo (DRC)

The Kuba Plantation (Under construction)

- The DRC operation is part of the raw material EXM supply chain. Raw material is to be dried, grinded, pelletized and delivered to Uganda or Malawi extraction facilities
- Infrastructure construction has commenced, which is required to harvest and dry an initial 25 hectares in Q1 2020, as well as the preliminary work required to allow to achieve a total of 50 hectares planted in Q1 2020, and drying capacity
- Current objective consists of a total planted and in the ground of 50 hectares, irrigated and fenced by Q4 2019



Joint Venture (North America)



- Working towards negotiation of 50/50 Joint Venture. MOU formed 18 months ago
- Full-service GMP contract manufacturer, packager and formulation of natural health products, capsules, powders, supplements and more
- Extensive number industry certifications:
 - GMP NSF-certified
 - Pro-cert Organic
 - Registered Dairy Processing Establishment
 - Kosher & registered Dairy Processor
- Current clientele: SierraSil Health Inc., Big Life Living, Inc., BC Blueberry Biotechnology Co. Ltd., Dynamis Sports Nutrition
- Serves Canada, U.S. and international markets



Peer-to-Peer Analysis: EXM's Leading Position

| |  |  |  |  |  |  |
|---|---|---|--|---|---|---|
| Market Cap (CAD) | \$53M | \$13.5B | \$8.9B | \$4.6B | \$2.3B | \$823M |
| Countries - Licensing | Uganda, DRC | Jamaica, Columbia, Spain, Germany, Denmark, Australia, Lesotho | Canada, Denmark | Canada, Portugal | Canada | Canada, Jamaica, Poland |
| Countries - preliminary / applied licensing | Malawi, Ethiopia, Zambia, Burundi | N/A | N/A | N/A | Malta | Denmark |
| Countries - Production | DRC, Uganda, Malawi | Jamaica, Columbia, Spain, Germany, Denmark, Australia, Lesotho, Canada | Canada, Denmark (11 production facilities collectively) | N/A (Canada & Portugal - pending) | Canada, Australia, Lesotho | Jamaica, Canada (Q4 '19), Poland |
| Countries – Extraction & Refining | Uganda, Portugal | Canada. | Canada, Denmark | N/A (Canada - pending) | Canada | Jamaica, Poland |
| Place of Production | Large-scale outdoor with access to organic land | Indoor/ Greenhouse. | Indoor / Greenhouse | Currently mainly indoor. Greenhouse and outdoor still in development | Greenhouse / indoor | Greenhouse / Indoor |
| Cultivation Size 1 ha = 2.47 ac 1 ha = 107,639 sq. ft. | 667 ha | 29 ha | 28 ha | 9 ha | 10 ha | 71 ha |



Financial Projection

| | 2020 | 2021 | 2022 |
|---|------------------------|-------------------------------|------------------------------|
| Production Details | | | |
| Total Land Production Capacity | 200 ha 494 ac | 400 ha ¹ 988 ac | 400 ha ² 988ac |
| Production per Hectare Dried Cannabis per annum | 1,610 kg | 1,610 kg | 1,610 kg |
| Production per Acre Dried Cannabis per annum | 3,551 lb | 3,551 lb | 3,551 lb |
| Total Production Dried Cannabis per annum | 322,000 kg | 644,000 kg | 644,000 kg |
| Total Production Extracted Ingredients per annum | 119,204,498 g | 317,878,662g | 476,817,994g |
| Large Quantity Wholesale Price | 0.92 USD/g | 0.61 USD/g | 0.49 USD/g |
| Revenues from Extracted Ingredients | USD 109,501,807 | USD 194,669,879 | USD 233,603,854 |
| Cost of Operations (excluding Amortization) | USD 33,243,988 | USD 56,835,979 | USD 63,337,952 |
| Cost per Gram to Produce, Sell & Deliver | 0.279 USD/g | 0.179 USD/g | 0.133 USD/g |
| Profits (excluding Amortization) | USD 76,257,818 | USD 137,833,900 | USD 170,265,902 |



Low, discounted (>65%) price for generic hemp-derived CBD.

¹ 2021 capacity represents two full crop cycles.
² 2022 capacity represents three full crop cycles.

Senior Executives

JONATHAN SUMMERS

Executive Chairman

- Former Managing Director at Goldman Sachs in London, having spent 15 years at the Firm (1996-2011).
- Founding partner and the Head of Business Development for Everett Capital Advisors, a \$600mn (USD) London based Investment fund.
- Graduate of University of Oxford: 1st Class degree - MA (Hons) in History.

MICHEL PASSEBON

Chief Executive Officer

- 35+ years being a Senior executive and Engineer, in construction, management and leadership of projects, and agencies at the international level
- Lead project manager in the development, implementation and operation of a large-scale stevia farming and sweeteners extraction venture- France, Angola, and Rwanda
- University du Québec- Masters: Project Management

TANEK AMIN

Chief Operating Officer / Chief Financial Officer

- Former Vice President at Merrill Lynch & Co. (2005 -2009) and Jefferies International (2009 -2011). He has executed over \$20bn in M&A transactions and associated equity and debt financings. Sectors included Healthcare, Technology & Telecommunications, Industrials, Energy & Power and Food & Beverage.
- Former CFO for an agricultural manufacturing company involved in tropical fruit production and export to the EU and South Asia markets.
- BA in Economics from The University of Michigan – Ann Arbor. MBA with a concentration in Finance and Accounting from The Wharton School at the University of Pennsylvania.

MARC BERNIER

Chief Strategy Officer

- 20+ years of experience in project development, project implementation and market development
- Lead advisor to several sovereign entities to negotiate and obtain Moody's and Fitch credit ratings, bond issuance for sovereign infrastructure projects

Advisory Board

STEWART NEWTON
Head of Advisory Board

- Founder and Chairman of Newton Investment Management from 1977-2002.
- Non-Executive Director of Solon Ventures and a Board member of VenCap (Channel Islands) Ltd.
- Non-Executive Director of HSBC Holdings plc from 2002-2008, a Council Member of Imperial College and the Chairman of the committee advising the Council on the Endowment Fund from 2007 to 2015 and a Director of The Herald Investment Trust plc from 2012 to 2015.
- Formerly sat on the Investment Committee of The Wellcome Trust and Investment Board of Cambridge University.
- Stewart is an active investor in private healthcare and technology companies in the UK.

TRIPP KEBER
Advisor

- Co-founder and former Chief Executive of Dixie Brands.
- Managing Director of Dixie Elixirs & Edibles, Colorado's premiere licensed marijuana infused Products manufacturer (MIPS)
- Prior to building USA Inc. into a leader in the cannabis industry, Tripp served as Chief Operating Officer for Bella Terra Resort Development Company, and EVP of Business Development for Sagebrush Realty Development.
- BSc in Political Science from Villanova University.

HENRY CLARKE
Advisor

- Partner at London corporate finance advisory firm, Merlin Partners LLP.
- Ran the highly successful distressed debt unit at Collins Stewart.
- Founder of venture and private equity business, Trafalgar 1805 Ltd. Since its inception in 1996, this Fund has invested in successful mining, engineering, software, manufacturing, biotech, med-tech, and oil & gas businesses, many of which he has served on the Boards.
- Started his career at Kitcat and Aitken in 1982 before running the sales desk in London for Bank Sarasin for eight years.

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