

This is Auxly

Q3 2022 Earnings Presentation

November 14, 2022

Auxly

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Agenda

1. 2022 Strategic Objectives
2. Evolving Markets and Performance
3. Brand Expansion
4. Operational Update
5. Q3 2022 Financial Overview
6. Q&A

Speakers



Hugo Alves, JD
Chief Executive Officer



Brian Schmitt, CPA, CFA
Chief Financial Officer

Achieve Positive Adjusted EBITDA; Win With Consumers

Improve Revenue and Gross Profit Margin to Achieve Positive Adjusted EBITDA

- Key Priority in 2022 is to achieve Adjusted EBITDA profitability
 - Continue to grow top line revenue while enhancing gross profit margins through:
 - Leveraging the increasing flower output from Auxly Leamington
 - Focused and differentiated brand and product offerings
 - Increased depth and breadth of distribution
 - Cost optimization through investments in automation to increase production capabilities and efficiency
 - Continuous improvement initiatives

Win with Consumers and Increase Brand Traction

- Deep commitment to understanding consumers and developing products that help them live happier lives
- Continue to develop our brand portfolio to earn and keep the trust and loyalty of customers and consumers
- Be the choice of consumers in-store
- Service the evolving preferences of consumers with insights-driven innovation
- Ensure that consumers can access our products broadly and reliably

Dried Flower, Pre-Rolls and Vapes account for **85.2%** of total recreational sales

Dried Flower and Pre-Rolls account for **~70%** of total recreational sales

Source: Headset Canadian Insights



#6
**Licensed
Producer**

#1 in
**Cannabis 2.0
Product sales**



#8 Dried Flower
3.8% National Market Share



#11 Pre-Rolls
2.4% National Market Share



#2 in Vapes
13.0% National Market Share

Executing on Winning Innovation Strategy

Focus on Key Product Categories in H2 2022



THE CUTTING EDGE OF ANCIENT TECHNOLOGY

KOLAB PROJECT
950 SERIES

950 Series Flower
Inzane in the Membrane

KOLAB PROJECT

Diamonds were only the beginning...

The Cutting Edge of Ancient Technology.

www.kolabproject.com

60

New SKUs under development for 2022

STRAIN SATIVA

Mandarin Cookies

THC 21%–28%

TASTE: Tangy citrus with a hint of sweet nuttiness

TOP TERPENES: Beta-caryophyllene, Beta-myrcene, Limonene, Alpha-humulene, Alpha-bisabolol

BAGK FORTY

30

New SKUs launching in H2 2022

SAVOUR

THE INFUSED FLAVOUR

UP TO 35% THC

Kush Mint

BAGK FORTY

WELCOME TO Haven Valley
Mt. Kush Mint
Blackberry Vanilla Day
Strawberry Cough Canyon
WHICH YOU WERE MEANT

ORANGE SUNDRISE

Brand Evolution To Drive Continued Growth

	Parcel	BACK FORTY	Foray	Dosecann	KOLAB PROJECT
Price Segment	Ultra-Value	Value	Mainstream	Mainstream	Premium
Formats Offered	Dried Flower, Milled Flower	Dried Flower, Milled Flower, Pre-Roll Joints, Infused Pre-Roll Joints, Distillate Vape, Gummies, Chocolate	Distillate Vape, All In One Vape, Gummies, Chocolate	CBD Capsules, Oils, Topicals	Dried Flower, Pre-Rolls, Infused Pre-Rolls, Distillate Vape, All In One Vape, Live Resin Vape, Live Rosin Vape, Concentrates, Gummies
Brand Essence	Parcel delivers on its promise – high quality cannabis for less. No bells, no whistles, just really good cannabis grown by really good people.	Take a Trip. Explore the Back Forty. Back Forty is all about embracing simplicity, getting back to basics and not taking life too seriously. Back Forty’s mission is to bring to consumers a simple, uncomplicated cannabis product that already feels familiar.	Foray is a versatile, modern, and inviting cannabis brand, designed for the curious. Foray is an accessible entry point for anybody—at any stage of their cannabis journey. Designed for the curious, Foray is an approachable brand that aims to both celebrate and guide one’s foray into cannabis, ultimately inviting them to see cannabis differently.	We believe in the natural potential of cannabis. Backed by science and advanced research and development, Dosecann products are driving today’s innovation and establishing tomorrow’s standards. Cannabis down to a science.	Kolab Project is as much a creative studio as it is a cannabis company. Offering a refined collection of high quality cannabis products and design-focused, purposeful goods. We connect consumers with a carefully selected group of collaborators in order to create experiences that are inspired by the ever-evolving world we live in.

Advancing manufacturing
Cultivation

Focusing on our High-
Quality, Low-Cost
Advantage
for the Next Stage



We continue to improve potency,
terpene content, moisture and
bag appeal on Dried Flower
products

Four new strains ready for sale in
Q4 2022: Panda Puff, Banana OG,
Apple Fritter, Mint Cream Pie

Advancing
Manufacturing

Utilizing Available Space

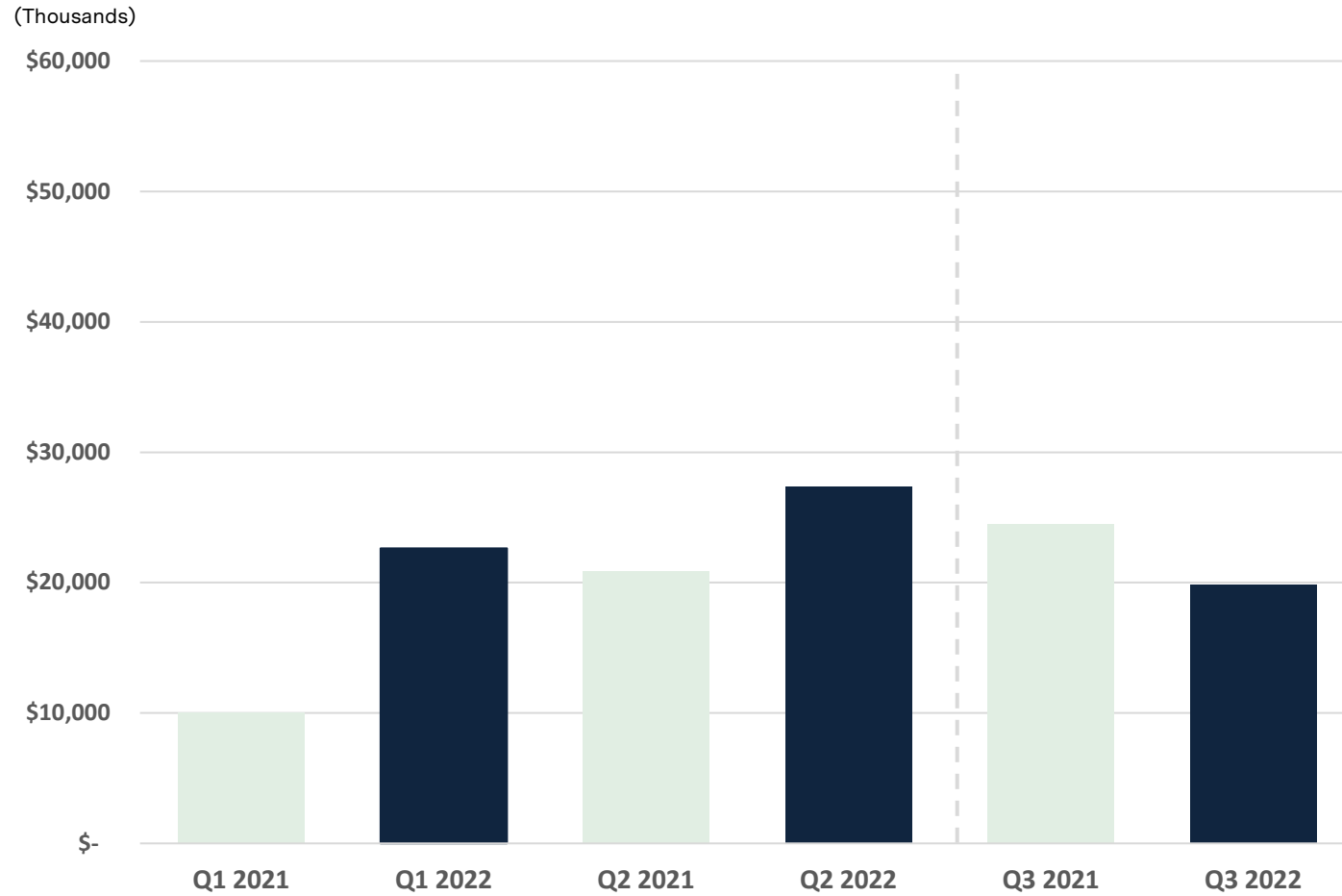


Dried Flower and Pre-Roll
capacity doubled with space
utilization at Auxly
Leamington

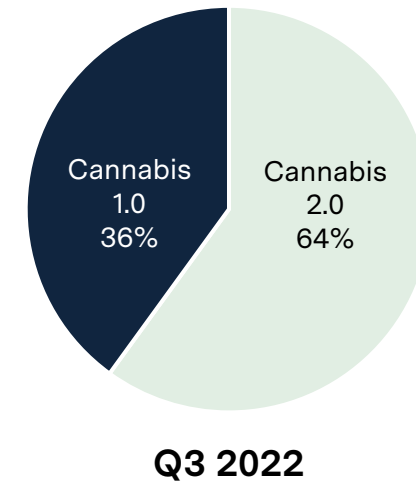
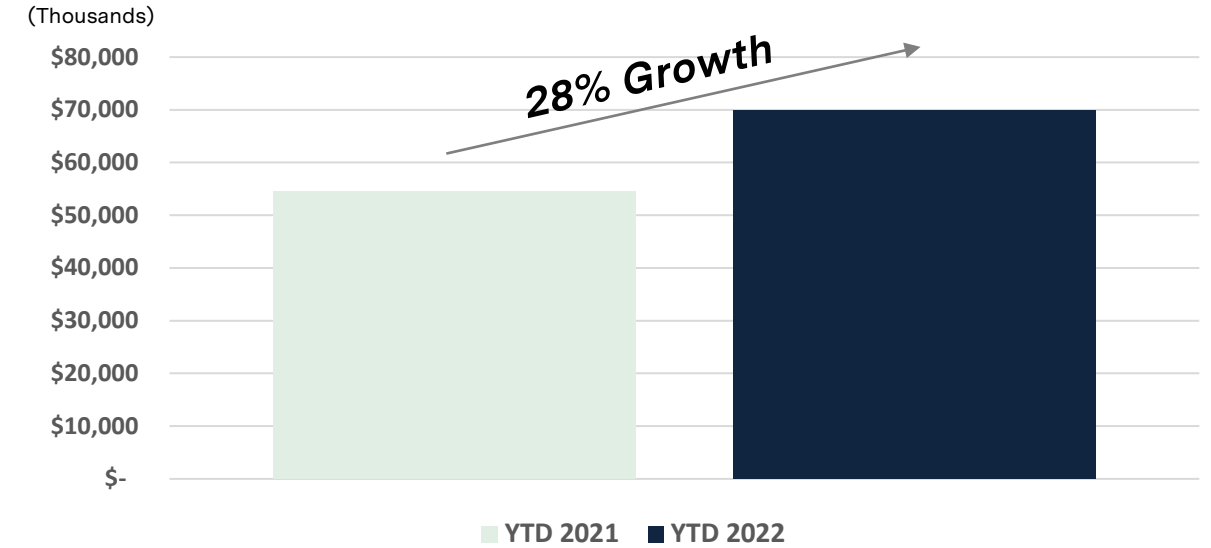
Automated Pre-Roll
packaging commissioning
nearing completion

Revenue Snapshot

Auxly's Net Revenue



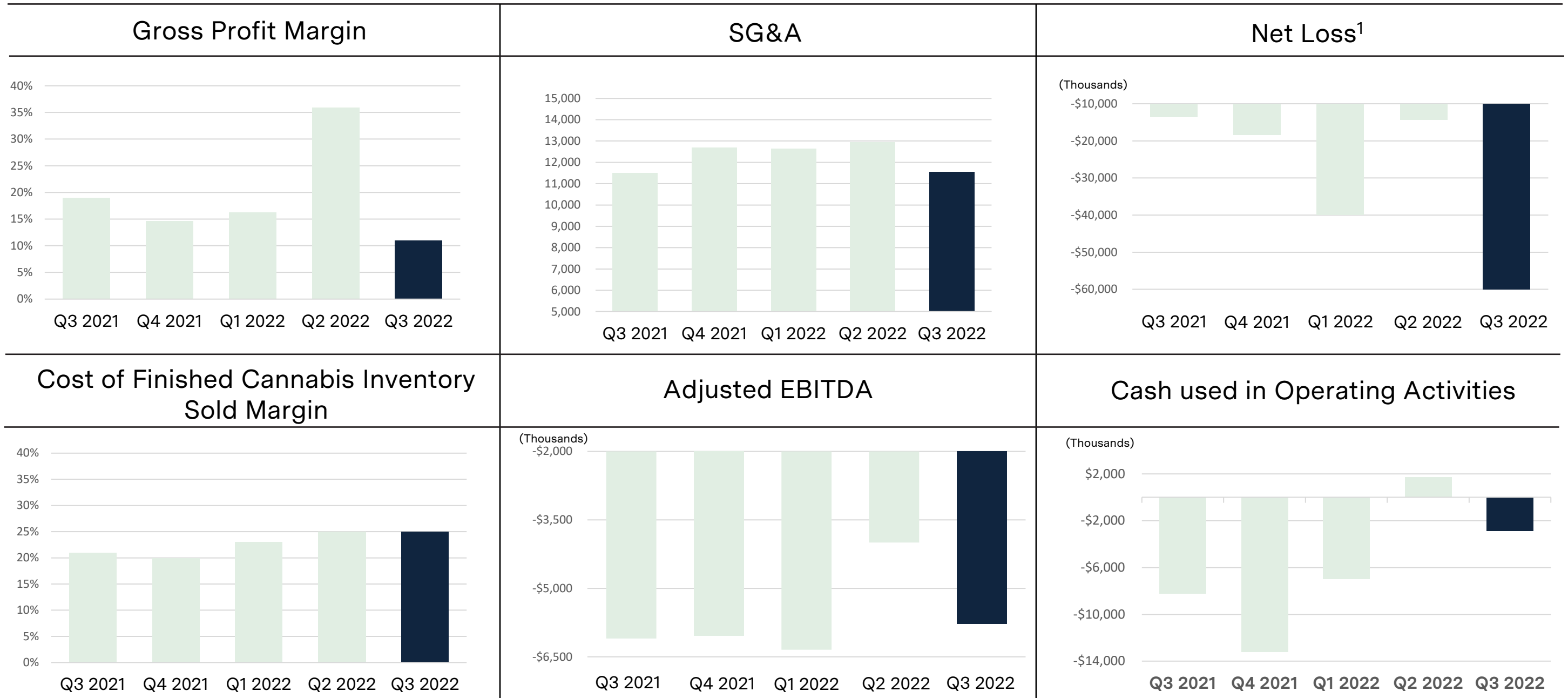
Auxly's Year-to-date Revenue and Segment Overview¹



Approximately 85% of the Company's cannabis sales originated from Ontario, British Columbia and Alberta



Earnings Overview



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