

MARKET CAPITALIZATION:
C\$442.9 million (as of July 24, 2019)

TSX VENTURE LISTED:
XLY

2018 REVENUE:
C\$747,000

EMPLOYEES:
315 (including subsidiaries)

CULTIVATION CAPABILITIES:
Diversified source of raw cannabis supply of over 100,000 kgs annually

KEY ASSETS:

Dosecann – in-house analytical testing, extraction, R&D, product development and manufacturing (Prince Edward Island, Canada)

KGK Science – contract research, regulatory advisory and clinical testing organization (Ontario, Canada)

Sunens – greenhouse cannabis cultivation, JV partnership (Ontario, Canada)

Kolab Project – indoor cannabis cultivation (Ontario, Canada)

Robinsons Cannabis – indoor cannabis cultivation (Nova Scotia, Canada)

Inverell – outdoor hemp cultivation and extraction, 80% owned (Montevideo, Uruguay)

STRATEGIC PARTNERS:

Imperial Brands – international fast-moving consumer goods company (global licence to vaping technology and exclusive partner for cannabis-related initiatives)

Capsugel Inc. – capsule technology and collaboration on new product formulation for cannabis capsule products (definitive agreement)

Dixie Brands – US-based cannabinoid infused products (exclusive licence arrangement)

Spiritleaf – corporate and franchise retail cannabis location developer and operator (15% equity interest in Spiritleaf and strategic alliance agreement)

This is Auxly

July 2019
TSX.V : XLY

Auxly is an international cannabis company dedicated to bringing innovative, effective, and high-quality cannabis products to the medical, wellness and adult-use markets. Auxly's experienced team of industry first-movers and enterprising visionaries has secured a diversified supply of raw cannabis, strong clinical, scientific and operating capabilities and leading product research and development infrastructure in order to create trusted products and brands in an expanding global market.

Auxly's vision is to be a global cannabis leader focused on providing branded cannabis products backed by science and innovation.

OPERATIONAL OVERVIEW

Cannabis Supply. Auxly has a diversified supply of raw cannabis from multiple projects that provide over 100,000 kgs per annum (combination of wholly owned subsidiaries, offtake agreements, joint venture and streaming partners). These diverse sources of cannabis provide optionality for product development and branding.

Developing Innovative Products Backed by Science. Auxly's unique extraction and science platform is designed to capture market share as soon as derivative products are legalized. The company's state-of-the-art Dosecann facility has in-house analytical testing, extraction, R&D, product development and manufacturing capabilities. Based on proprietary consumer-based research, the team at Dosecann is currently working on products such as cannabis-infused edibles (tablets, lozenges, chewables), extracts (vapes, sprays, oils, capsules) and wellness-based products, including topicals. KGK Science is a full-service Contract Research Organization that provides specialized regulatory services and conducts clinical trials and claims substantiation and is a trusted partner for natural health products and cannabinoid scientific research.

Portfolio of Products and Brands. Auxly has created a broad portfolio of products to accelerate growth and appeal to a wide spectrum of current and future consumers. Auxly's brand platform, consisting of both internally developed brands and a third-party licence (Dixie), addresses key market segments, including medical, wellness and adult-use, and price points across all markets. The company is focused on deployment of its products and increased awareness and development of its brands.

Multi-Channel Distribution Strategy. Auxly is pursuing a multifaceted strategy to gain access to consumers. This includes a wholly owned, flagship retail store, retail collaborations, investment in independent retailers and supply agreements with provincial boards in Canada. In the medical sector, Auxly has formed key relationships with a home care service provider and is able to sell directly to registered patients through its licenced subsidiary, Kolab Project.

100,000 Kgs

Of diversified cultivation supply

Oct. 2019

Expected legalization of "Phase 2" derivative products

\$ 6B*

Current Canadian Market (Total legal medical and adult-use cannabis market size)

\$ 11B*

2025 Est. Canadian Market Size (Total legal medical and adult-use cannabis market size)

STRATEGIC VALUE PROPOSITION

Experienced Team Dedicated To Growth. A leadership team of industry first-movers, enterprising visionaries, and deep subject matter experts; team with unique expertise positions the company to successfully execute its strategy

Vertically Integrated Infrastructure Captures Benefits Across The Value Chain. High-quality portfolio of assets that crosses all facets of the cannabis business, from cultivation and extraction through to product development, manufacturing and retail

Science-Backed, Innovative Product Development. Extraction, product development and manufacturing capabilities focused on developing science-backed derivative cannabis products in time for the legalization of edibles, extracts and topicals later this year

Clinical Trials & Efficacy Research. In-house ability to test products through clinical trials and substantiate claims

Focus On Safety And Quality. Upholding commitments to high standards, rigorous testing and our duty to the consumer

Thoughtful Brand Development. Internally developed and third-party licensed brands designed to target a broad market, including medical, wellness and adult-use and price points across across all markets

Auxly's Cornerstone Brands



Dosecann
Cannabis Solutions
Minimal, direct and clinical products

Kolab Project
Forward looking, trend savvy brand

Robinsons
Premium products for discerning consumers

Foray
Inviting and approachable brand for new consumers

Auxly is uniquely positioned to support, elevate and propel the global cannabis industry forward, leveraging its team of industry first-movers and its assets and capabilities across the entire cannabis value chain

* Ernst & Young LLP, *Defining the Cannabis Sector in Canada by 2025*