

Auxly Cannabis Group

Corporate Presentation

December 2023

Auxly



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Established Leader in the Canadian Cannabis Market

Vision to be a global leader in cannabis products

Mission helping consumers live happier lives by providing them with quality cannabis products that they trust and love

- Founded in 2017; headquartered in Toronto, Ontario
- Consistently ranked among the top 10 LPs in national sales since legalization
- Track record of consumer-focused innovation
- Established portfolio of popular brands
- Extensive consumer-tailored product suite
- Focused product development and genetics expansion utilizing its state-of-the-art greenhouse facility

Industry Leading Product Development



Auxly has held a leadership position in national vape sales since legalization



Since introducing its unique genetic strains to the market, Auxly has captured significant market share in the most competitive category in the industry



Industry leading technology in pre-roll manufacturing has propelled Auxly to the forefront in the pre-roll category

A Persistent Drive for Excellence



(1) Hifyre, as of October 2023

Key Strengths

Quality Cannabis Products Passionately Crafted for Everyday Happiness



State-of-the-art facilities and equipment that ensure a consistent product that meets our vigorous quality, safety and cost efficiency standards



Carefully curated product suite that speak directly to each of our targeted consumers



Dedicated team that works tirelessly to meet ongoing market demands and ensure continued executional excellence

Dedicated to Canadian Consumers

Leading the Market in Quality Products

Product Development

- Reputation in Canada for producing high quality, safe and effective products
- Best-in-class in-house analytical lab operated by experienced analytical scientists
- Developed proprietary testing methods to monitor and measure product quality, stability and consistency in real-time

Manufacturing

- Designed sophisticated quality management systems across all areas of operations
- Stringent quality control across all the Company's facilities ensuring the delivery of quality products that have been thoroughly tested and inspected

Compliance

- History of regulatory and compliance excellence with Health Canada
- Auxly has received a “Class A+” Vendor status (highest rating possible) with the Ontario Cannabis Store for inbound quality inspections due to its high compliance record



A Culture of Regulatory
and Compliance
Excellence



Compelling Brands Across All Major Price Points



Back Forty a simple, uncomplicated cannabis brand that already feel familiar. High potency suite of products, consumers don't need to overthink its purpose.



Kolab Project offers a refined collection of high-quality cannabis products and design-focused, purposeful goods.



Foray is a versatile, modern, and inviting brand, designed for the curious. Its an accessible entry point for anybody and aims to celebrate and guide one's foray into cannabis.



Dosecann is a wellness focused brand that embraces science to unlock the therapeutic power of cannabis.



Parcel is an ultra-value brand that delivers quality cannabis at unbeatable prices, disproving that less expensive equals lower quality.

A Portfolio of Winning Products

Product Categories	BACK FORTY	KOLAB PROJECT	Parcel	Foray	Dosecann
Dried Flower	✓	✓	✓		
Pre-Roll	✓	✓	✓		
Vaporizer	✓	✓		✓	
Edibles	✓			✓	
Concentrates		✓			
Oils (bottle; capsule)					✓
Topical					✓



High-Quality, Low-Cost Cultivation Advantage

Auxly Leamington



Overview & Capabilities

- 1.1 million sq. ft. purpose-built, highly automated greenhouse facility in Leamington, Ontario
- Customized growing environment with precision control over lighting, temperature and humidity
- State-of-the-art technology and automation throughout facility allows for consistent high-quality product
 - Moving Table System
 - Climate Controls
 - Craft-At-Scale Post-Harvest Processes
 - Packaging
- Unique genetics portfolio (~200 cultivars) with ongoing R&D program to meet evolving consumer needs
- Significant quality upgrades made in 2023 including; hang drying, cold curing and dry trim

The Future of Pre-Roll Automation is Here

Next-Generation Pre-Roll Capabilities



Overview

- World's most advanced high-speed cannabis pre-roll filling and packaging capabilities
- Unrivalled operational and technical know-how
- Strain-specific primary processes to ensure consistent, high-quality product
- #1 and #2 Pre-Roll SKU nationally¹
- Category expansion through format innovation and portfolio expansion

Innovation and Manufacturing Excellence

Auxly Charlottetown



Overview & Capabilities

- Purpose-built, 52,000 sq. ft. processing and 2.0 product manufacturing facility located in Charlottetown, PEI
- Specializes in research and development, innovation and advanced manufacturing
- Culture of innovation
 - First-to-market innovations across product classes
 - ~100 new SKUs developed over last two years
- Recognized as industry leaders in product quality
- Material product development and manufacturing know-how across all product classes

Increasing Breadth and Depth of Distribution

- Auxly currently has distribution agreements on the recreational side with 9 major provincial boards (BC, AB, MB, ON, NF, NS, NB, PEI, NWT), and one wholesaler (Open Fields – SK market).
- Auxly is present in over 90% of all stores in Canada
- Strategic partnerships in place with 20 retail chains (total of 768 retail stores)
- Auxly has agreements with five major medical distributors

Provincial Cannabis Boards and Private Wholesalers



- Mix of physical and digital store fronts
- Key account and category management
- Forecasting & demand planning collaboration
- Regional assortment opportunities to deliver against consumer preference

Multi-Provincial Chains



- Key account and Joint Business Planning
- Merchandising Planning
- In-store merchandising and trade tools
- Ongoing education for budtenders
- Forecasting collaboration

Provincial Retail Chains



- Opportunities for store level influence through trade tools and budtender engagement
- Manage trade areas and seasonality to support critical times
- Developed the 'Auxly Connect Program' to further reach the independent retailers and sign them into joint partnerships to better service consumers

Q3 2023 Overview



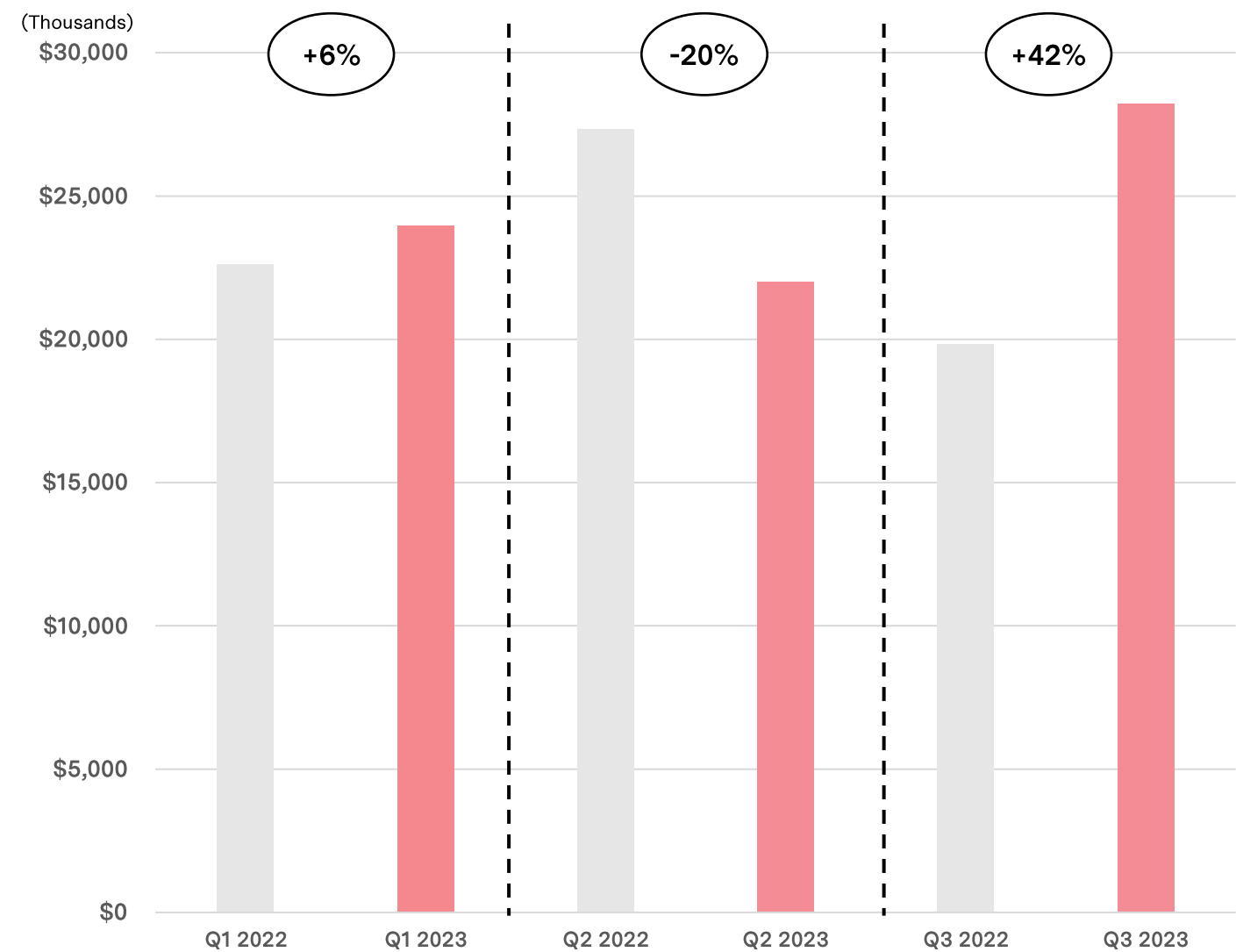
- 42% growth in net revenue YoY
- 13% reduction in SG&A YoY
- \$5.9 million improvement in adjusted EBITDA YoY
- #5 LP in Canada with 4.8% share of market
- Continued sales expansion into pre-rolls, securing the #1 non-infused pre-roll SKU nationally in the quarter
- Launched a first-to-market all in one palm held vape under Back Forty¹
- Continued upgrades in operations at the Auxly Leamington facility to improve dried flower quality
- Strengthened the Company's balance sheet by extending the maturity date of the Imperial Brands convertible debenture



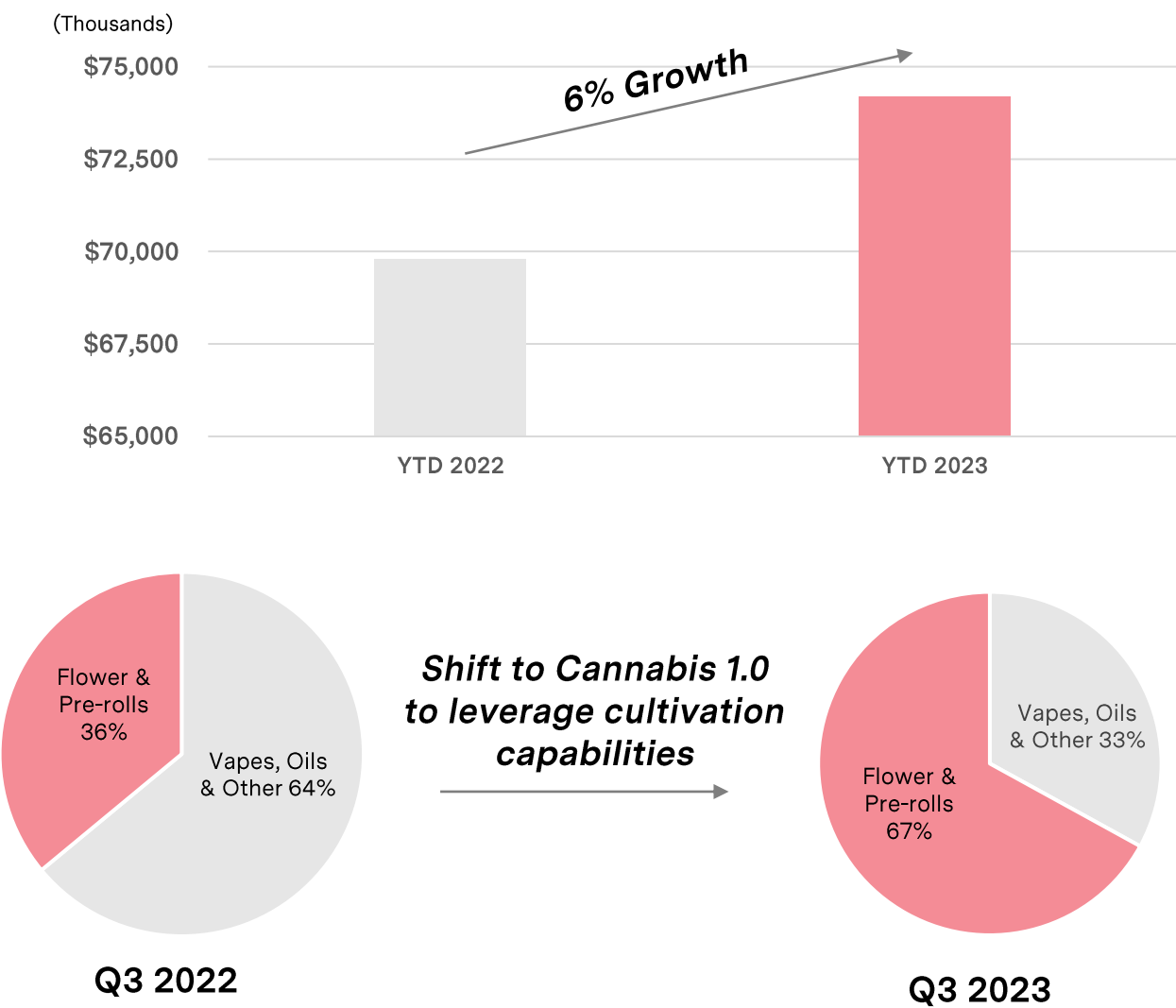
Financial Performance

Revenue Snapshot

Auxly’s Net Revenue



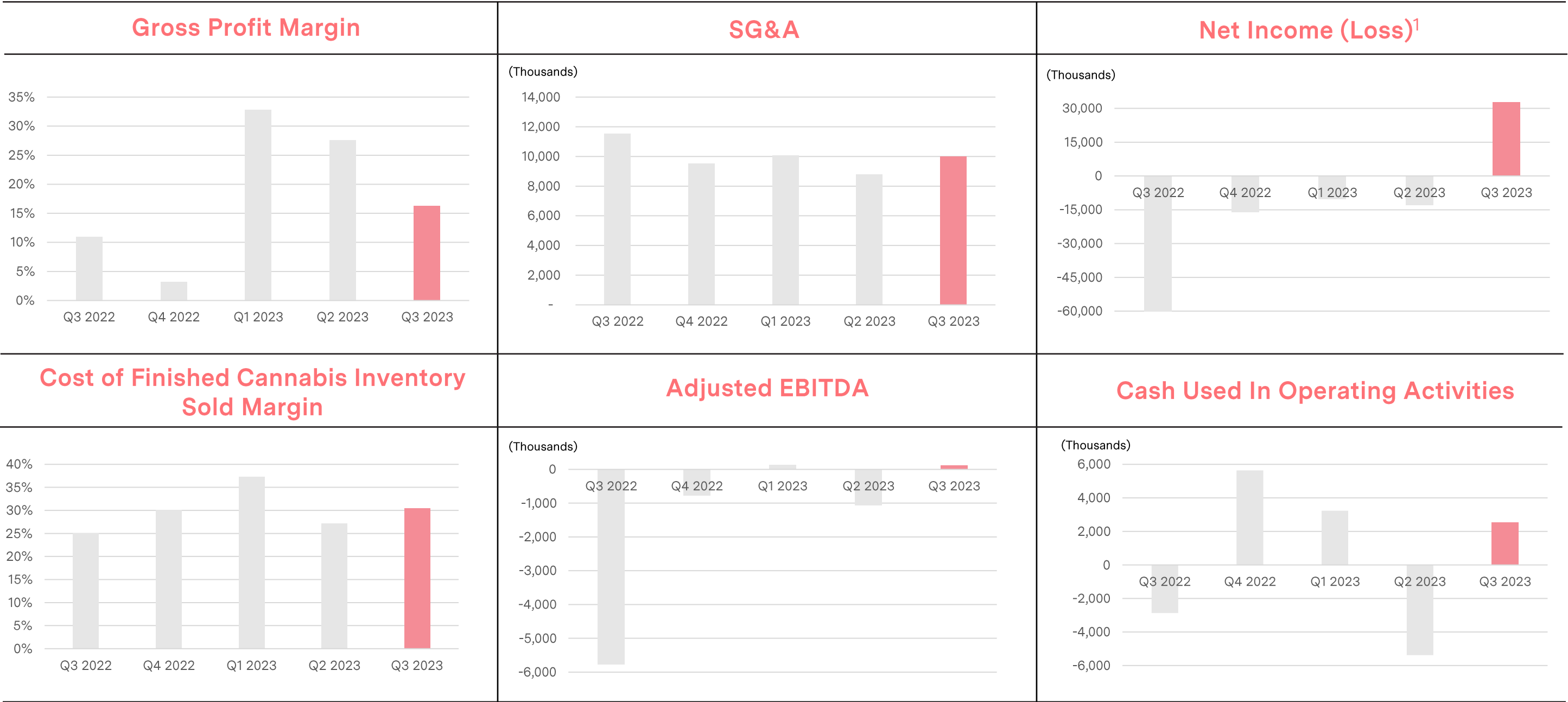
Auxly’s YTD Revenue and Segment Overview¹



1) Cannabis 1.0 includes Dried Flower and Pre-roll sales

Financial Performance

Earnings Overview



Summary

A Market Leader Poised for Profitability and Growth

- 5th largest LP in Canada
- Experienced and committed management team
- Industry leading cultivation and manufacturing capabilities
- Established portfolio of brands and products with broad distribution
- Deep cannabis product development and innovation knowhow
- Track-record of quality and safety





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