



Developing a World-Class Pure Play Cannabis Company

MMJ PhytoTech Limited (ASX. MMJ)

2016 Annual General Meeting Presentation

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A Transformational Year for MMJ

- MMJ is the first ASX-listed company to become a Licensed Producer under Marihuana for Medical Purposes Regulations – framework now known as Access to Cannabis for Medical Purposes Regulations (“ACMPR”)
- Execution of a binding term sheet with Canadian-based Harvest One Capital Corp. (“Harvest One”) (TSXV NEX: WON. H) for the sale to Harvest One of 100% of the issued shares of UG and Satipharm
- Import Permit received enabling importation of 1kg of cannabis seeds, which paves the way for commencement of cultivation at Duncan Facility in December 2016
- United Greeneries executed a binding letter of intent (“LOI”) with Cowichan Tribes in respect to the leasing of a 13-acre strategic land package (“Expansion Land”) located immediately adjacent to the Company’s existing Duncan Facility
- Positioned company for entry into evolving Australian market with signing of strategic partnerships with Australian dispensary, Fresh Therapeutics Compounding Pharmacy, and Epilepsy Action Australia
- Strengthening of pharmaceutical experience with appointment of Stanislav Sologubov as CEO of Satipharm AG and Catherine Harvey as Chief Operating Officer of MMJ
- Israel subsidiary, PhytoTech Therapeutics (PTL), successfully completed Phase 1 Clinical Trial highlighting the safety and performance of Gelpell-CBD capsules
- PTL Phase 2 Clinical Trial into treatment of pediatric epilepsy to commence imminently

MMJ shareholders will have significant exposure to two of the largest commercial opportunities in the global cannabis sector

Driving shareholder value in Canada

- MMJ PhytoTech ('MMJ' or the 'Company') to list Canadian subsidiary United Greeneries ('UG') together with Swiss subsidiary Satipharm ('SAT') on the TSX Venture Exchange ('TSX-V') (the "Transaction").
- MMJ has executed a binding term sheet with Canadian-based Harvest One Capital Corp. ("Harvest One") (TSXV NEX: WON. H) for the sale to Harvest One of 100% of the issued shares of UG and Satipharm
- Harvest One proposal includes total consideration for UG assets of C\$42M - \$40M equity (53.3M shares @ \$0.75/share) and \$2M cash
- Pro Forma ownership of TSX listed entity approx. 70%
- The proposed TSX-V listing is designed to allow for greater direct market value comparisons between MMJ's world-class cannabis assets and existing TSX-V listed cannabis producers
- Robust appetite for cannabis-focused equities – circa **C\$200M** raised by MMJ's Canadian peers since March 2016
- MMJ expects the transaction to be finalised and the resulting issuer to be traded on the TSX-V in Q1 2017

***Targeting First-Mover
Advantage in a
Pioneering Market***

- MMJ focused on major expansion opportunity in Canadian medical and future recreational markets, estimated to grow to C\$8b p.a. by 2024
- The Canadian medical cannabis market is one of the most highly regulated and favourable operating jurisdictions globally
- At present, there are 34 approved LP's operating under the current regulatory framework, of which only 10 are publicly listed in Canada
- Health Canada has recently instated a specialist Task Force focused on marijuana legalisation and regulation. The Task Force will consult with key stakeholders including government bodies, industry representatives and members of the community to provide advice on the design and implementation of new legislative and regulatory framework
- The Canadian government has committed to the introduction of the new regulatory system by in the second half of calendar 2017, with full implementation soon after



- On 30 June 2016, Health Canada (“HC”) officially approved UG as an authorised Licensed Producer (“LP”) at the Company’s flagship Duncan Facility
- The Duncan Facility is a state of the art Medical Cannabis operation with circa 10,000ft² of cultivation area
- UG will undertake the staged expansion of the Duncan Facility, with initial production of circa 7,500kg of cannabis by the end of 2018, following the facility’s first full year of production
- UG plans to then rapidly scale up the production capacity of the Duncan Facility to circa 60,000kg by 2022
- Highly scalable production will enable penetration of soon to be legalized Canadian recreational market while also servicing the existing legal medical market
- Lucky Lake Facility is a 62,000 ft² modern, concrete agricultural facility sitting on over 18 acres of land which is 100% owned by UG. ACMPR licensing is currently at the security clearance stage

Focused on becoming large-scale cannabis producer targeting supply to rapidly expanding Canadian medical and recreational markets



Figure 1: Duncan's State of the art cultivation area.



Figure 2: Duncan Facility automated fertilizer system.

Low-cost, highly scalable production capacity targeting approx. 60,000 kg/year cannabis by 2022



 **Made in Switzerland**

- Based in Switzerland, Satipharm is a pioneer in the development and distribution of medical cannabis based pharmaceutical, nutraceutical and cosmetics products.
- Satipharm has developed the ‘first and only’ product on the market with a pharmaceutical grade GMP (Good Manufacturing Product) production – unique GelPell® Microgel Capsules.
- Satipharm’s vision is to become a global leading company through the development and commercialization of its cannabidiol based products.
- Satipharm commenced production of its Gelpell Microgel Capsules in May 2015, and is committed to boosting the sales of its flagship product throughout regulated markets globally.
- Satipharm is currently preparing a significant marketing campaign to drive sales of 10 MG and 50 MG capsules commencing October focusing first on Germany and Poland followed by entry into 10 additional EU countries in April 2017.
- Further expansion plans include the introduction of a medical purposes food supplement product and a dermatology product in select EU countries commencing in May 2017.

Market leading pharmaceutical processing and distribution of sophisticated delivery technologies



- Headquartered in Israel, PhytoTech Therapeutics (PTL) is focused on low-cost, fast-to-market oral prescription drugs, developed from major active cannabinoids
- PTL lead products in development about to enter Phase 2 clinical studies, including;
 - PTL101 oral drug to treat seizures of paediatric patients with refractory epilepsy
 - PTL201 oral drug for treating spasticity related symptoms
- Successful outcomes from Phase 1 Clinical Trial include;
 - Confirmed PTL's capsules have a safe and tolerable profile with no significant side effects.
 - Relative bioavailability of PTL's oral formulations were shown to perform at least as good as the leading non-oral, buccal spray product that suffers from major drawbacks, such as mouth ulcerations, short shelf-life at 4C, high inter and intra patient variability.

Clinical Development of World-Class Oral Cannabinoid Products

Focused on Fast-Tracking Growth

- MMJ views the emerging Canadian recreational market as a significant near-term growth catalyst and as such is committed to capturing a strategic first-mover advantage as market is legalized in 2017
- Finalization of TSX-V RTO transaction and subsequent roll out of Canadian marketing strategy
- Commencement of cannabis cultivation in December 2016 with a view to rolling out aggressive expansion plan throughout 2017
- Duncan Facility cultivation to include simultaneous growing of multiple unique cannabis strains that previously have not been available to Canadian consumers
- Drive revenue and sales growth of the Company's exclusive Gelpell Capsules throughout key regulated markets in Europe
- Remains committed to successful execution of Phase 2 Clinical Trial in Israel