



ALGAE.TEC

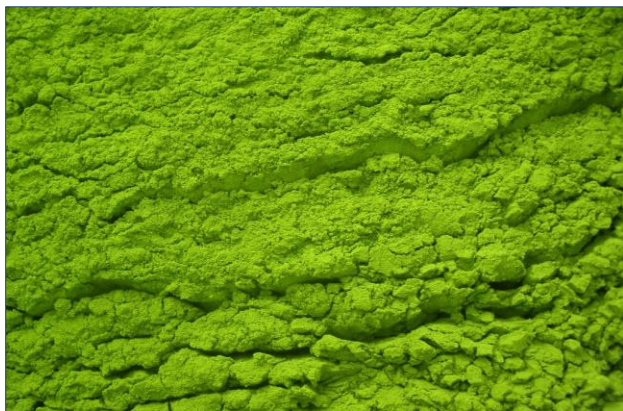


Plant-based health & wellbeing company

Investor Presentation – September 2017

# Investment highlights

- Specialist commercial producer of plant derived products: algae-based nutraceuticals, medicinal cannabis and aqua and animal feed products
- State-of-the-art algae growing facility in Atlanta – producing multiple high-demand species
- Partnership with Uruguay's Winter Garden Biosciences to develop a highly scalable cannabis business – first 'cash crop' to be planted early September 2017
- FeedMe™ Algae naturally derived product line launched in April 2017 – growing sales pipeline via [www.FeedMe™algae.com](http://www.FeedMe™algae.com)
- Other non-core assets (solar and biofuels) present additional upside and optionality





# Corporate snapshot

## Overview

ASX code	AEB
Shares on issue (post rights issue)	635,388,038
52 week low – high	\$0.029 - \$0.08
Market capitalisation at \$0.029 per share	~\$18.4m
Cash at bank	~\$2.0m
Net Debt	~\$1.4m
Unlisted options	45,728,607
Listed options	115,915,529

## Major shareholders

	% held
Teco Bio LLC (Earl McConchie)	30.59%
Reliance Industrial Investments (India's largest private company)	7.92%
<b>Total:</b>	<b>38.51%</b>

## Board & Management:



Peter Hatfull  
**Managing Director &  
Company Secretary**



Garnet Earl McConchie  
**Executive Director**



Malcolm Raymond James  
**Non-Executive Chairman**



Jonathan Lim  
**Non-Executive Director**



R.V Venkatesh  
**Non-Executive Director**

# Diversified, highly scalable revenue base

Three well defined revenue channels:

## 1. Algae-based nutraceutical products

- Circa \$2m revenue per annum commencing Q4 2017 from sale of oils and powders to Gencor Pacific
- Supply agreement with Gencor underpins future revenue
- Covers all corporate costs and CAPEX

## 2. Medicinal cannabis cultivation - Uruguay

- First 'cash crop' to be planted September 2017
- Forecast revenue of \$6-8m for Q1 2018 from one crop
- Expected to yield 1000kg of oils, seed extracts and fibre products
- Capacity to expand to two crops Q2 2018
- Established markets/buyers in place

## 3. Aqua and animal feed products

- Conservative revenue of \$1m expected for CY18
- Discussions well advanced with major retail outlets in North America
- Potential to exponentially increase sales pipeline in the coming months

# Algae-based nutraceuticals

Significant opportunity in a global market estimated at US\$800m with a 15% growth rate

- State-of-the-art manufacturing facility in Atlanta, Georgia USA
- In excess of six years of laboratory, bench scale, pilot tests and product tests to date
- A\$35m invested in plant technology to date
- Producing six major algal species representing over 95% of the global market  
Athrospira (Spirulina), Chlorella, Dunaliella, Nannochloropsis, Haematococcus and Schizochytrium
- Bulk market price range from US\$15 to over US\$100 per kg – dependent on algal species, product form (algae biomass, algae oil or extracts), product quality and nutritional value
- Current production capacity of 50Mt per year with forecast revenue of \$2m per annum commencing Q4 2017
- Supply agreement with USA's largest wholesaler of algae based nutraceutical products., Gencor Pacific, underpins global distribution



# Winter Garden Biosciences – medicinal cannabis

## Building a world-class cannabis cultivation business

- Formal collaboration and License Agreement with Uruguayan based Jardin De Invierno SA (JDL), trading as Winter Garden Biosciences
- AEB to fund projects on a full transparent basis (to a maximum of US\$1.5m)
- Initial heirloom 'cash crop' to be planted in Uruguay early September – cultivation Q1 2018 = \$6-\$8m in revenue to AEB
- Additional two crops cited for 2018
- Heirloom cannabis strains provide immediate revenue through sales of seeds, oils, combined algae products and hemp fibre
- State-of-the-art cultivation and R&D facilities
- Low cost labour and input costs, favourable legal regime and an expedited patent system in place



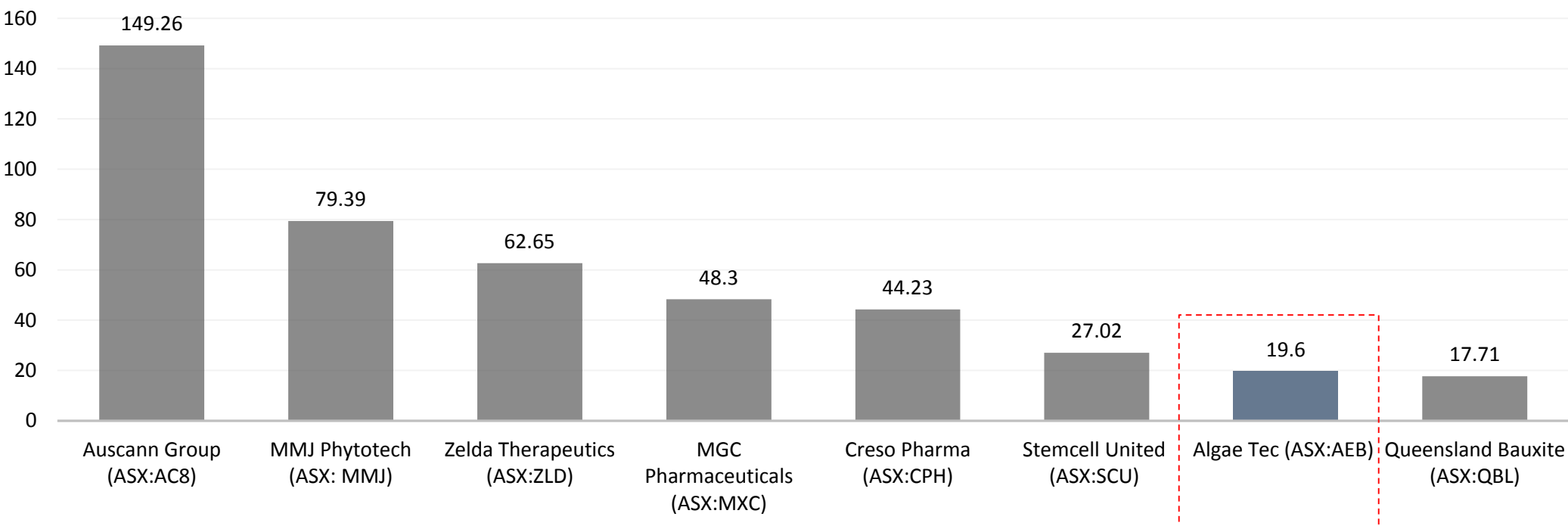


# Cultivation, licensing and facilities in Uruguay

- Uruguay is the only jurisdiction in the world allowing commercial registration of cannabis cultivars without restrictions on THC and cannabanoid content
- 15 acres secured for medical grade cannabis plantation
- Initial outdoor cultivation – 10 acres
- Ability to expand to 1,000 acres
- Targeted oil yield of 7.5% of mass
- JDL facility can produce CBD oil at a cost of \$2-\$5 per gram – gross margins approaching 90%
- CBD oil wholesale price can range from \$25-\$50 per gram



# Cannabis peer group comparisons



- AEB is uniquely positioned in one of world's most favourable jurisdictions for cannabis cultivation

\*Stemcell United (SCU) is not an importer, cultivator, or researcher of medicinal marijuana. They have recently ventured into the marijuana space with the expectation that their expertise and knowledge of plant extraction methods will provide the company with leverage within the industry.



# Winter Garden Biosciences – highly experienced management



Julian Strauss

**Founder & President**

**Cannabis cultivation, research and extraction professional**



Ron Strauss

**Founder & CEO**

**Cannabis cultivation, research and extraction professional**



Daniel Sztern

**Founder**

**Former Uruguayan National Director of Environment, Advisor to the Ministry of Economy**



Lorena Betancor Dutrenit

**Chief Scientist**

**PhD Biochemistry, Principal Investigator – Research Professor Biotechnology Department, Universidad ORT Uruguay**

# Aqua and animal feed – FeedMe™ Algae

Supplying a global aqua feed market valued at more than US\$100b with 12% growth rates per year

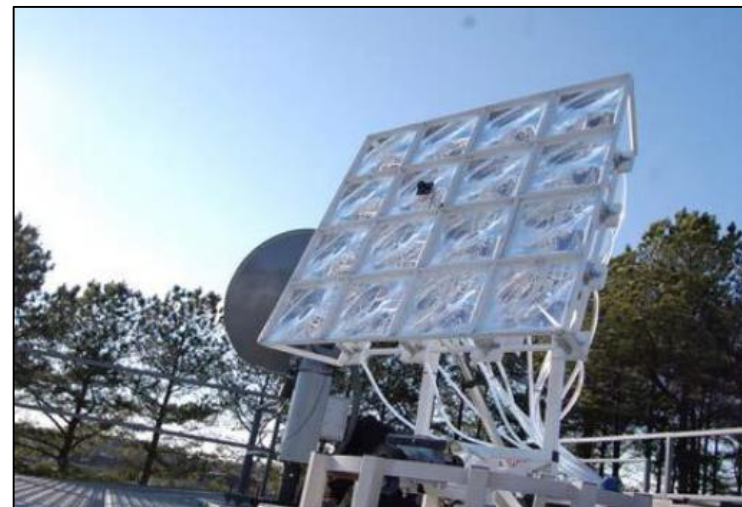
- High Omega-3 liquid and powder algae based products with applications in the global aquaculture and animal feed markets
- FeedMe™ Algae product line launched April 2017 – growing products and sales and significant revenue growth forecast for next 12 months
- Significant opportunity exists for rapid expansion in growing aquaculture market
- Negotiations well advanced with major distributors in North America
- Trials underway with large-scale aquaculture companies to develop new product line aimed at increasing levels of Omega-3 in farmed fish
- Global market demand of 75m/t still exists – AEB well positioned to fill supply shortfall



# Non-core assets: biofuels and solar

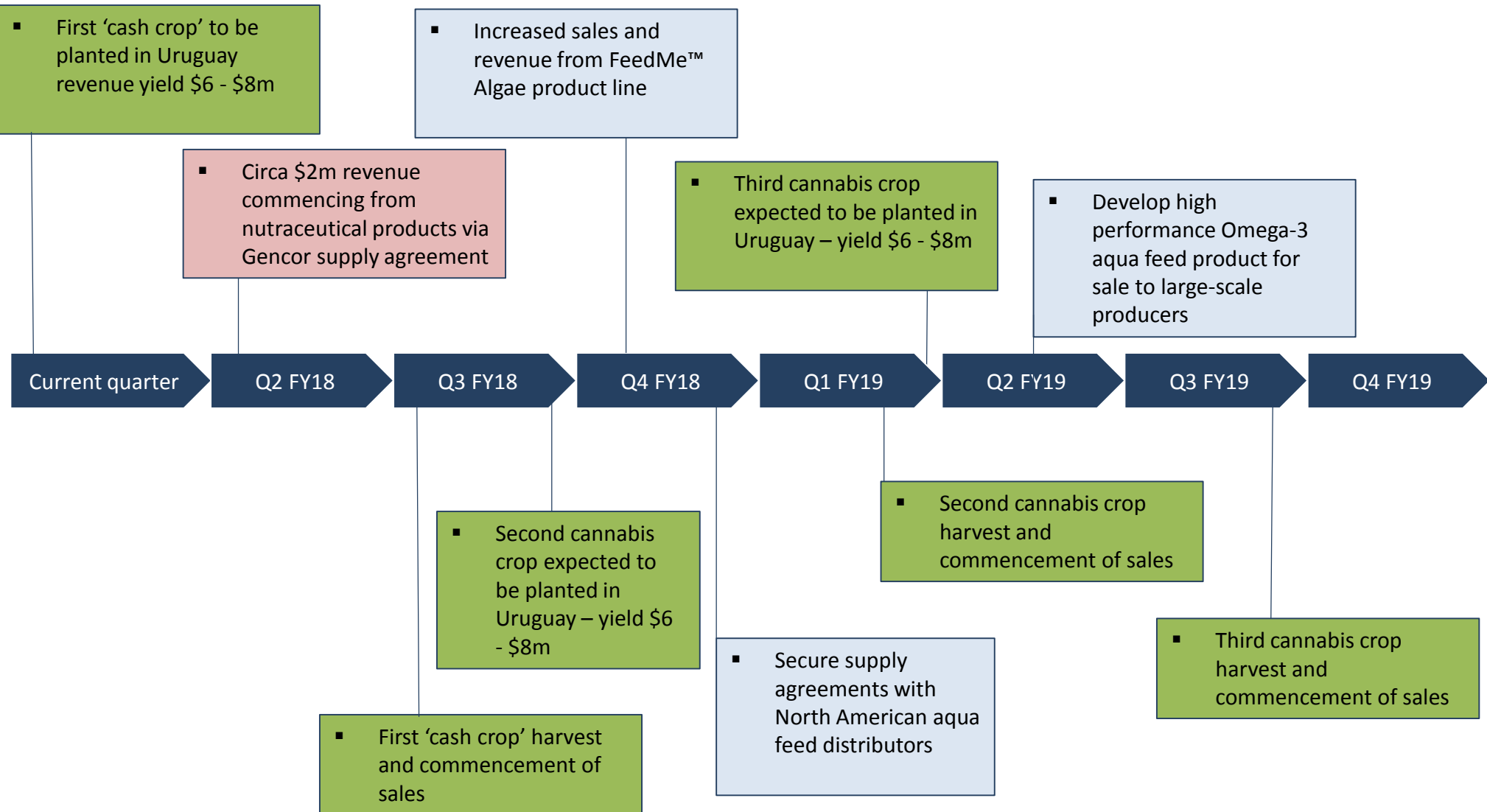
## Significant optionality and future upside

- Strategic partnership with Reliance Industries – owner of world's largest refinery in India
- AEB has completed the evaluation of specific algal species for use in fuel products
- Next step is to commission pilot plant in Jamnagar, India - equipment including photobioreactors (PBR) dispatched to site
- Proprietary light systems in Atlanta includes:
  - Direct Visible Light Energy Solar Collector
  - Indirect Light Energy Solar Collector
- Solar lighting technology significantly reduces operating cost base and is applicable to medicinal cannabis cultivation





# Near term growth drivers





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All figures mentioned in the presentation are correct as of the 13th of July, 2017.