



ALGAE.TEC



SOLUTIONS FOR GLOBAL ISSUES



Plant-based health & wellbeing company

Investor Presentation – Q2 2018

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NEAR-TERM SUSTAINABLE VALUE DRIVERS

Foundations set for accelerated near-term sustainable growth

- **Multiple, highly scalable revenue streams commencing CY2018**

- **Market Diversity**

- Nutraceuticals
- Aquarist
- Aquaculture
- Animal Feed
- Medicinal Cannabis
- Biofuels
- Technology Licensing

Radiant Technologies (North America)

- Research agreement leveraging Radiant's Microwave Assisted Processing MAP™ extraction technology
- Extraction of high quality lipid content from AEB's algae powders, to develop high-end nutraceutical products

Strategic Alliances

- Reliance Industries (India)
- Gencor (North America)
- Seachem (Global)
- Medical Cannabis (Australia)
- BioU (South America)
- Ma Genetics (Europe, Africa, Asia)



RELEVANCE IN THE CANNABIS INDUSTRY

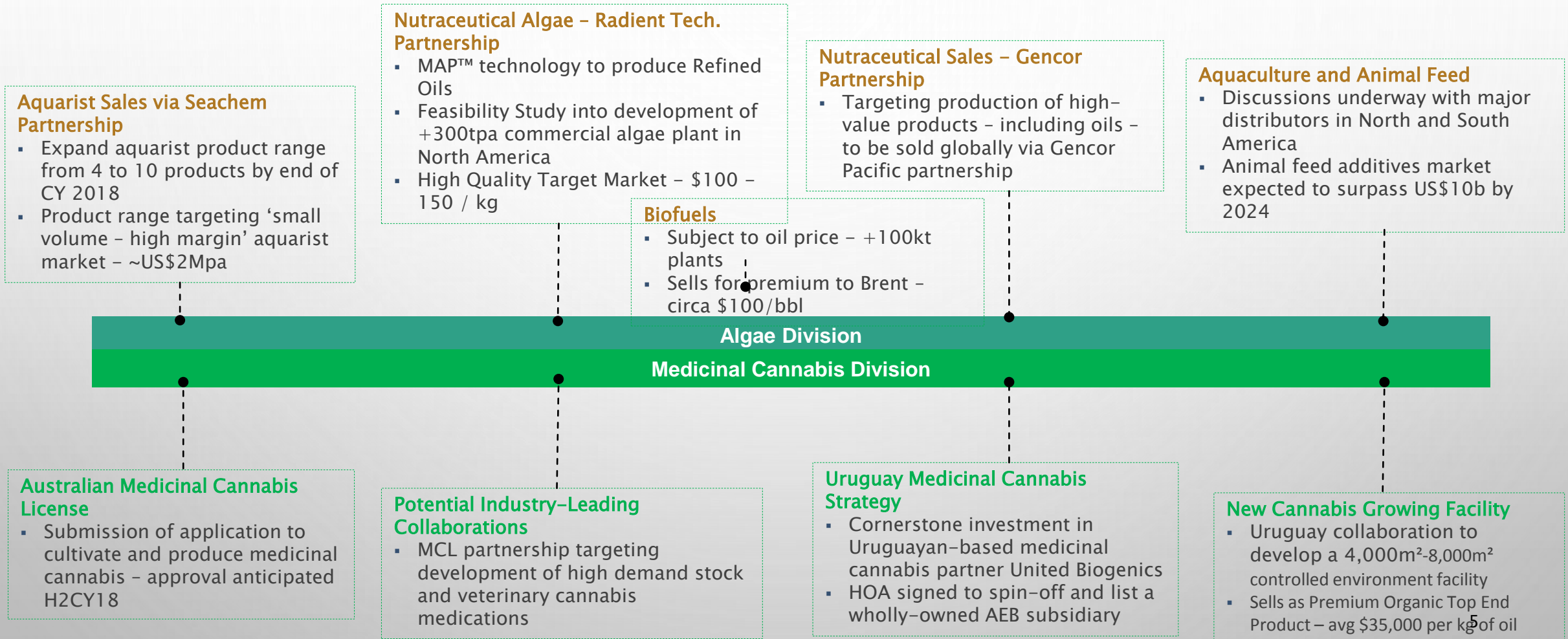
Research JV Between Radient and Aurora Cannabis: Resulting Partnership

- Based on the positive results of this study Radient and Aurora entered into a development and commercialization agreement for the use of Radient's technology
- The two companies agreed to continue their exclusive Joint Venture for additional scientific research & development of cannabis and hemp products
- On Nov 6th, 2017 Radient and Aurora entered into a non-exclusive Master Services Agreement (MSA), in which Radient agreed to perform certain services for Aurora using their patented MAP technology.
- Aurora also invested \$12m into Radient, where \$5.8m was from the exercise of warrants and \$6.2m was from the completion of a private placement



NEAR-TERM SUSTAINABLE VALUE DRIVERS

Key operational catalysts



GROW OUT FACILITY – MEDICINAL CANNABIS

The following cash flow estimates have been based on the models provided and calculated by the team at Ma Genetics

4,000m ²	Broad leaf	Narrow leaf
No. plants/m ²	20	10
No. plants/crop	70,000	15,000
Yield/m ² (grams)	350	600
Crop Cycles	3–4	2–3
Product Range	Premium High End Organic, Unique Genetics	Wholesale Pricing \$25,000 – \$50,000 / kg oil

8000m ²	Broad leaf	Narrow leaf
No. plants/m ²	20	10
No. plants/crop	140,000	30,000
Yield/m ² (grams)	500–700	900–1200
Crop Cycles	4	3
Revenue	Premium High End Organic, Unique Genetics	Wholesale Pricing \$25,000 – \$50,000 / kg oil

STATE-OF-THE-ART PRODUCT DEVELOPMENT FACILITY

Specialist, controlled environment plant growing

- Product Development Plant at capacity – 64tpa
- Feasibility study on +300tpa plant in association with Radiant Technologies Inc
- Supply agreement with USA's largest wholesaler of algae based nutraceutical products Gencor Pacific – underpins production expansion
- Research Agreement with Radiant Technologies Inc. (TSXV: RTI) targeting production high-value algae-based products for supply into the rapidly growing global nutraceutical market
- Plant currently producing six high-end algal species (accounting for over 95% of the global market) in a totally controlled indoor 'photo bioreactor' system
- Atlanta facility uses AEB's proprietary light systems including:
 - Direct Visible Light Energy Solar Collector
 - Indirect Light Energy Solar Collector
- AEB's solar lighting technology significantly reduces operating cost base and is also applicable to AEB's medicinal cannabis cultivation



ALGAE-BASED NUTRACEUTICALS – HUMAN HEALTH

Significant opportunity in a global market estimated at US\$578B* with a 9%* growth rate

- Offtake with Gencor Pacific to purchase 100% of AEB's algae production for nutraceutical markets
- At 300tpa production Gencor offtake agreement will underpin significant growth for AEB
- Gencor recently increased equity stake in AEB to 9.33% – excellent validation
- Over 4,000kg of nutraceutical powders stockpiled at Atlanta Facility set to undergo oil extraction/refining for sale into high-end nutraceutical markets
- 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
- Agreement to acquire 19.9% of NS Technologies (NST) to exclusively license cutting-edge emulsion-based pharmaceutical delivery platform for any medicinal application developed by AEB



AQUARIST MARKETS

Global aqua feed market valuation in excess of US\$200–300M*

- Product development collaboration and commercial supply agreement with Seachem Laboratories, Inc. – a leading international manufacturer and supplier of aquarium industry products
- Seachem to supply/distribute AEB product range to dealers and retail outlets globally
- Initial 4 products on shelves
- 10 New Product lines under development
- New Products targeting export market with game changing multi year shelf live

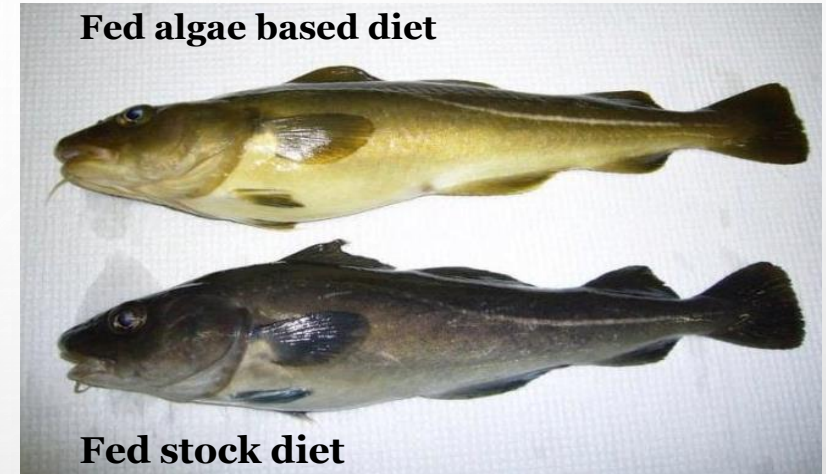


* <https://www.quora.com/How-big-is-the-global-personal-aquarium-market>

AQUA FEED MARKET

Global aqua feed market valuation in excess of US\$107B* growing at 9%pa*

- High Omega-3 liquid and powder algae-based products with applications across global aqua feed markets
- Trials underway with large-scale aquaculture companies to develop new, specialized product line aimed at increasing levels of Omega-3 in farmed fish
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- Negotiating with large South American distribution for trials and sales of algae-based omega-3s to shrimp farms and other aquaculture application (300,000 tons/year of white shrimp)
- Targeting fish food formulators for proteins, omega3s and key carotenoids
- Feeding fish such as salmon and trout algae DHA-rich feed can increase DHA content of the fillet, helping address declining omega-3 levels in the industry and enabling consumers to obtain more omega-3s



ANIMAL FEED – CATTLE & LIVESTOCK

Animal feed additives market size – 260 kilo tons* per annum and growing.

- Egg enrichment: Adding Schizochytrium in layer diets increased the levels of critical trace minerals and the level of DHA in breeder eggs
- Broiler meat enrichment: Algae DHA rich meal helps on oxidative stability of broiler thigh meat during storage and increasing ω -3 fatty acid content of breast meat
- Ruminants (Cows): Studies show diets high in omega-3s can reduce pregnancy losses
- Milk enrichment: Dietary marine algae (Schizochytrium sp.) increases concentrations of conjugated linoleic and docosahexaenoic (DHA) in milk of dairy cows
- Swine: The long-term nourishment of female pigs with a source of omega-3 fatty acids or DHA has been shown to increase the number of piglets born alive. Positive effects of DHA on piglets, including better growth rates, seem effective with a long-term, low level treatment of an algae DHA-rich feed



* <https://www.grandviewresearch.com/industry-analysis/animal-feed-additives-market>

COMPANION ANIMALS FOOD

The global pet food market was valued at US\$94B* in 2017

- Studies in many mammals, including puppies and kittens, have shown that enhanced levels of DHA help brain and vision development
- Schizochytrium DHA supplementation feed increases companion pets' milk production in lactating dams
- Supplementing with algae DHA improves electroretinogram responses of puppies exposed during gestation, lactation and weaning
- Preformed DHA appears necessary for proper accumulation of neural and retinal DHA in felines
- The anti-inflammatory properties of omega-3 fatty acids reduce symptoms caused by allergies and also aid in joint care
- DHA supports shiny, healthy coat for dogs and cats



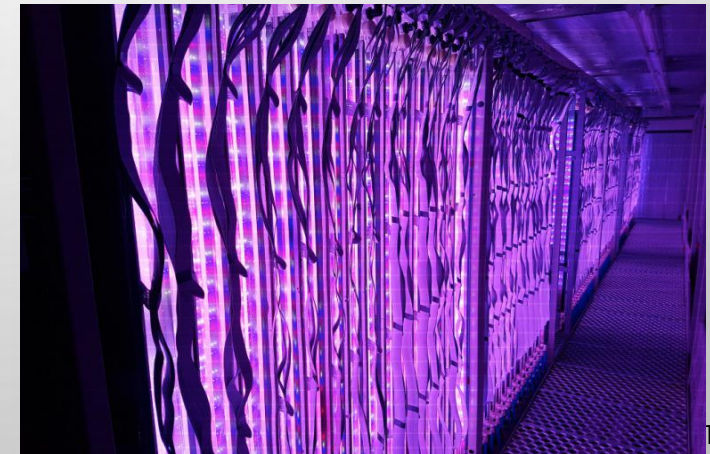
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* <https://www.businesswire.com/news/home/20180416005813/en/Global-Pet-Food-Market-Report-2018-Industry>

RELIANCE INDUSTRIES FACILITY

Targeting roll-out of commercial green, energy solutions in India

- Reliance Industries Limited is a Fortune 500 company and largest private sector corporation in India
- AEB has commenced Phase 2 of contract with Reliance to build demonstration algae plant in India – full plant commissioning expected Q3 2018
- Operating plant will demonstrate AEB's capacity to produce economic biofuels from CO₂ sequestrations which are the key fuel source that grows the algae
- Successful commissioning of demonstration plant will provide Reliance with a 'Real Green Solution' which can be rolled out across multiple sites in India
- AEB plans to develop commercial sized plants for sale – ~US\$100m per plant
- At >US\$80 / bbl – 30% EBITDA margins



MEDICINAL CANNABIS – STRATEGY

Strategic exposure to key global markets

- AEB is on a mission to become a global market leader in the development and cultivation of medical cannabis and is actively seeking to expand its footprint in the global cannabis arena
- Global demand for medicinal cannabis is forecast to grow at a CAGR of more than 21% by 2022, leaving a deficit in the supply-demand
- AEB has entered the Australian medical cannabis market via an agreement with Medical Cannabis Ltd where it has the exclusive rights to cultivars to develop veterinary products, and any human products developed from there
- With already considerable interests in the cannabis-friendly jurisdiction of Uruguay, AEB is seeking to establish its flagship medical cannabis operations, in conjunction with cannabis cultivator, Auberma SA
- AEB negotiating further global interests, including Zambia (African Continent), Fiji, PNG and China

“Meeting the rapidly expanding Australian and global cannabis demand with a high quality, world class product range”

MEDICINAL CANNABIS – AUSTRALIAN STRATEGY

Granting of Australian Cultivation and Production License – a key near-term catalyst

- Application submitted to the *Office of Drug Control* for a license to cultivate and produce medicinal cannabis in Australia
- License complements AEB's existing cannabis cultivation / R&D activities in both Uruguay and Australia through MCL agreement
- Discussions progressing with a number of market-leading Licenced Producers (LP's) in respect to development of multiple medicinal cannabis products including:
 - nasal sprays
 - chewing gum and
 - slow release capsules
- License expected to be granted H2 2018



MEDICINAL CANNABIS – MCL COLLABORATION

Strategic agreement provides access to Low THC Delta 9 cannabis cultivars

- Agreement with Queensland Bauxite Limited (ASX.QBL) to exclusively license Low THC Delta 9 cannabis cultivars from unique Australian cannabis seed bank owned by Medical Cannabis Limited (“MCL”)
- AEB to establish breeding program to identify cultivars for use in cannabinoid product R&D programs including:
 - Stock and veterinary medications; and
 - Supplements & sophisticated animal therapeutics
- MCL to provide expertise and technical assistance in respect to cannabis cultivation
- MCL is a pioneer in the emerging Australian cannabis sector having established its own seed bank and licenses to grow low THC Cannabis for nutritional purposes
- Positions AEB as one of the only Australian companies with an Australian lawful source of cannabinoid producing plants, starting material, and genetics



MEDICINAL CANNABIS – MA GENETICS

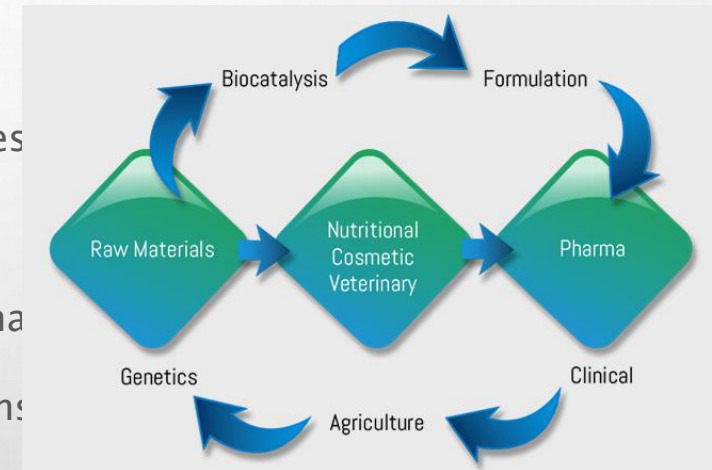
- Ma Genetics is an elite Medicinal Cannabis genetics-based business, formed by a team of horticulturalists, breeders, scientists and international financiers to underpin the global Medicinal Cannabis industry
- Ma Genetics have access to a unique and sort after portfolio of live plants and seeds originating from Amsterdam, which have been preserved and maintained since bred as the first hybrids from the original landrace strains in the 70s and 80s



MEDICINAL CANNABIS – URUGUAY OVERVIEW

Uruguay – the global market leader for cannabis production and research

- Uruguay leads the world in the legalization of cannabis – recreational market legalized in 2013
- Government-led initiatives to support cannabis cultivation and research
- Offers federal licenses to grow the full spectrum of cannabis and perform patentable research
- Possesses a highly skilled work force in a low-cost environment
- Broad capabilities to perform medical research on pharmaceutical applications for cannabis
- A highly competitive R&D environment which operates without heavy regulatory burdens



MEDICINAL CANNABIS – URUGUAY

Acquisition of 25% stake in Uruguay-based cannabis partner

- Initial planning on H1C18 revenue delayed as Uruguayan Government re-issues licenses to Auberna, commercialisation arm of JDI Collaboration (as previously announced)
- Heads of Agreement with Auberna SA, trading as United Biogenics “BioU”, for AEB to acquire a direct 25% interest in the business
- AEB to invest additional US\$1 m in BioU over six month period to secure 25% stake – taking total investment to US\$2.5m
- BioU has entered into collaboration agreement with Ma Genetics Limited – providing exposure to unique portfolio of live plants and seeds originating from every continent
- Ma Genetics founded by global cannabis experts with invaluable experience and wealth of industry contacts set to significantly benefit BioU / AEB in near-term
- Gives AEB direct equity in federally-licensed commercial cannabis business in Uruguay, facilitating access to a number of key export markets globally

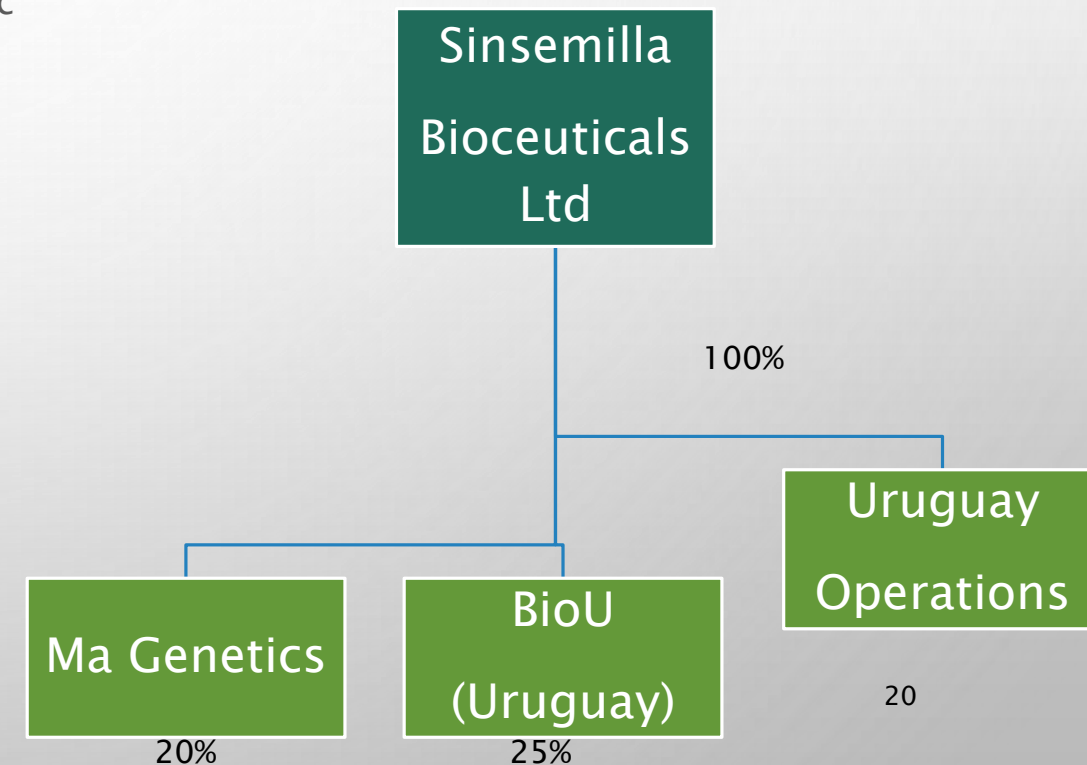


MEDICINAL CANNABIS – SINSEMILLA BIOCEUTICALS

Potential dual investment

- Sinsemilla Bioceuticals Ltd – SPV of Algae.Tec Ltd
- Subject to all necessary approvals and market conditions Algae.Tec Ltd will “spin-off” Sinsemilla onto the Australian or other appropriate exchange to unlock value.
- Proposed in-specie distribution and priority rights issue to AEB shareholders
- Sinsemilla’s primary operations will consist of:
 - A 25% interest stake in Auberna SA (United Biogenics)
 - A 20% interest stake in Ma Genetics
 - A 100% interest stake in a new Uruguay venture to build a 4,000m² – 8,000m² warehouse which will have its own cannabis license and operations
 - Potential further global interests including Zambia (African Continent), Fiji, PNG and China

Pro-forma Structure



CORPORATE SNAPSHOT

Overview

ASX code	AEB
Shares on issue	899,272,931
52 week low - high	\$0.022 - \$0.056
Market capitalisation at \$0.025 per share	~\$22.4m
Cash at bank	~\$2.0m
Net Debt	~\$1.4m
Unlisted options	71,706,795
Listed options	210,092,326

Major shareholders

% held

Teco Bio LLC (Earl McConchie)	19.46%
Medical Cannabis Limited	15.00%
BNP Paribas Noms Pty Ltd (Gencor)	7.15%
Reliance Industrial Investments (India's largest private company)	5.04%
Total:	46.65%

Experienced Board & Management:



Malcolm Raymond James
Executive Chairman &
Managing Director



Garnet Earl McConchie
Executive Director



Peter Hatfull
Executive Director
Company Secretary



R.V Venkatesh
Non-Executive Director



Allan Tan

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