



Farm to Pharma: Maximizing Value Along the Chain

- 1 Post-Merger Report: *4 Months of Significant Progress*
- 2 Value Commencement: *MMJ Approaching Pivotal Catalysts*
- 3 Mid-term Strategy Refinement: *New Initiatives, Shortened Span*

MMJ PhytoTech Limited
November 2015 Investor Update
Maximizing Value Along the 'Farm to Pharma' Chain

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Vertically-integrated, Medical Cannabis (MC) company focused on the development of multiple near- and longer-term value streams along the “Farm to Pharma” chain

✓ **Poised for rapid and significant growth in the near-term**

MMJ positioned near ‘value pivot’ with several catalysts expected to culminate in near-term; MMPR licensing, Satipharm near term cashflow, geo/product expansion, Trials

✓ **Focused on multiple near-term cash flow streams...**

The development of several near-term cashflow streams will fortify the base of growth-oriented strategy going forward. A key focus is on near-term cashflow generation when evaluating opportunities

✓ **...and several longer-term value streams**

Disciplined allocation of capital to longer-term value creation. Focus on high-profile, meaningful and strategically sound opportunities with potential for news/goodwill/regulatory engagement in near-term

✓ **“Farm to Pharma” is major competitive advantage**

Strategy differentiates, diversifies and makes possible many aspects of business plan, also serves as major barrier to entry for competitors

✓ **Knowledge-based product offerings seek to leverage expertise, lower capital intensity and boost margins**

MMJ is monetizing expertise & knowledge before ‘head start’ gap is closed. Increases near-term cash flow and establishes MMJ as a market leader

✓ **Expert board and management team**

Experience across all jurisdictions and operations within the MC value chain

November 2015 Investor Update

Part 1 Post-Merger Update...

Significant progress made across all MMJ divisions

- State-of-the-art Duncan Facility 100% complete
- First revenues generated from sale of CBD Gelpell pills in Europe
- Phase I clinical study commenced in Israel
- Announcement of intention to enter the Australian market

Part 2 Value Commencement...

MMJ approaches several key pivotal value catalysts

- MMPR licensing of Duncan Facility
- Satipharm product expansion
- Phase I clinical study results, fast to market MC Product in Israel
- Continued focus on entering the Australian market (first mover)

Part 3 Mid-Term Strategy Refinement...

New initiatives seek to *enhance* and *uncover* value while tightening the span inward away from both extremes

- Project Extract – enhancing value of United Greeneries
- Bolt-on Strategy – uncovering new value streams using old knowledge in new jurisdictions

Merger created ***Solid Foundation*** for ***Diversified Growth Platforms***

Near-term catalysts from in-place assets expected to have ***Transformational*** impact...

...MMJ seeks to further ***Enhance Value*** capitalizing on new initiatives

Significant Progress from July to Present



Units to be consolidated with combined R&D in Israel			
Corporate	Cultivation	Pharmaceutical Processing	Clinical Development
ASX-Listed Parent (ASX:MMJ)	Final-Stage MMPR⁽¹⁾ Applicant	Bulk & Packaged Cannabinoids	MC-Based Pharma & Delivery Tech
Perth, Sydney, Vancouver Management, Corp. Dev., IR, Corp. Functions	Duncan Facility, Vancouver, BC, Canada Legal & Secure Supply of Medical Cannabis	Switzerland & Canada Extraction, Bulk & Consumer Products, R&D	Israel R&D of Low Cost, Fast to Market Applications
<ul style="list-style-type: none"> ✓ Merger complete, integration seamless ✓ ~A\$7m equity raised: <ul style="list-style-type: none"> ➢ A\$4.8m concurrent with merger close (July) ➢ A\$2m (October) ✓ Board and Management changes ✓ First revenues generated ✓ Sydney office opened ✓ Piper Alderman engaged 	<ul style="list-style-type: none"> ✓ Significant modifications / installations completed ✓ Duncan now state-of-the-art Medical Cannabis ('MC') cultivation facility ✓ 1,000 kg/year capacity ✓ Full occupation received Nov 2nd ✓ Health Canada notified facility complete ✓ Immediate date for Pre-Licensing Inspection requested 	<ul style="list-style-type: none"> ✓ Satipharm.com launched ✓ CBD capsules generate first revenues ✓ €150k Wholesale deal for capsules ✓ EU-based sales team formed ✓ CBD Product Line Being Developed – greater appeal and higher margins 	<ul style="list-style-type: none"> ✓ First Phase I Clinical Study commenced <ul style="list-style-type: none"> ➢ Study on MC-based oral preparations ➢ Results expected Q1 2016 ➢ Contents, consistency, shelf life ✓ To combine with Pharmaceutical Processing Unit putting R&D under one roof ✓ <i>Priority: get product to market in Israel</i>

Significant Progress has Been Made Across All MMJ's Business Units

Notes: (1) 'Marihuana for Medical Purposes Regulations'. Federal Canadian regulations overseen by Health Canada governing quality, security, supply and access to medical marijuana in Canada. MMJ received a letter From Health Canada April 1st, 2015, known as the 'Confirmation of Readiness Letter' which is the final communication prior to Health Canada booking and performing a pre-licensing inspection; to the knowledge of the Company and its advisors, no group has received a "Confirmation of Readiness Letter" and not been subsequently licensed. On November 4th, 2015, MMJ sent Health Canada official notice that its facility is ready to be inspected

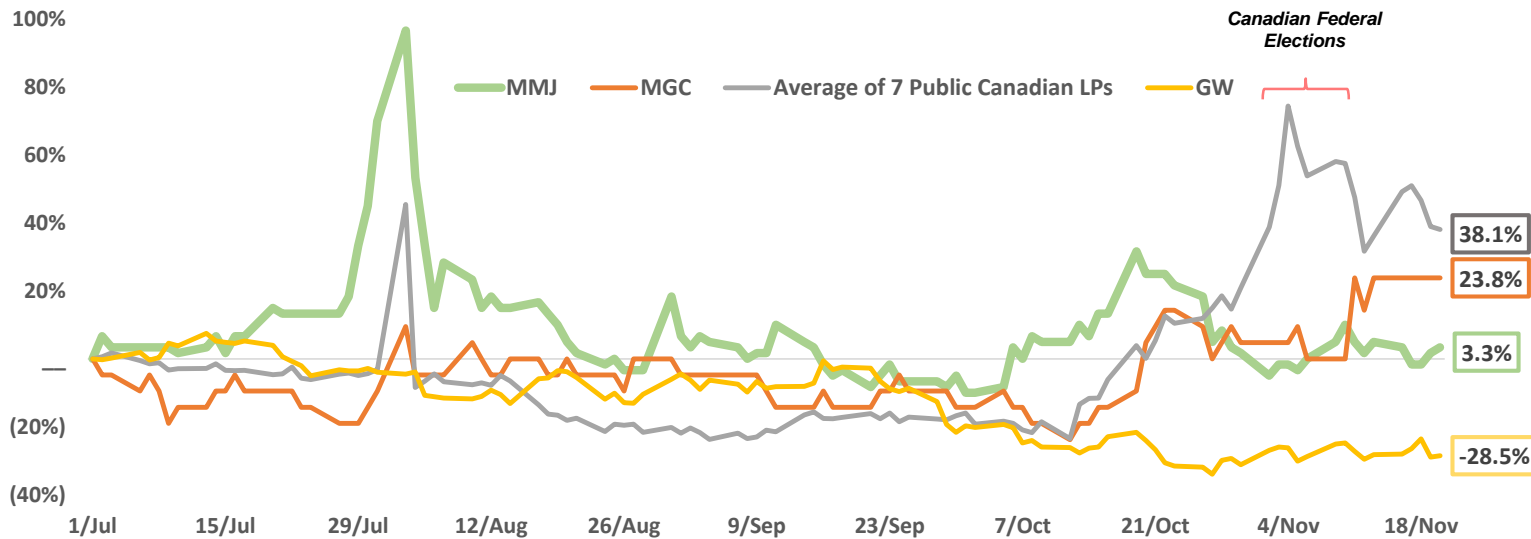
Market Update – July 2015 to Present



Relative Share Price Performance

Comparable TSX-V, CSE and ASX Listed Medical Cannabis Companies

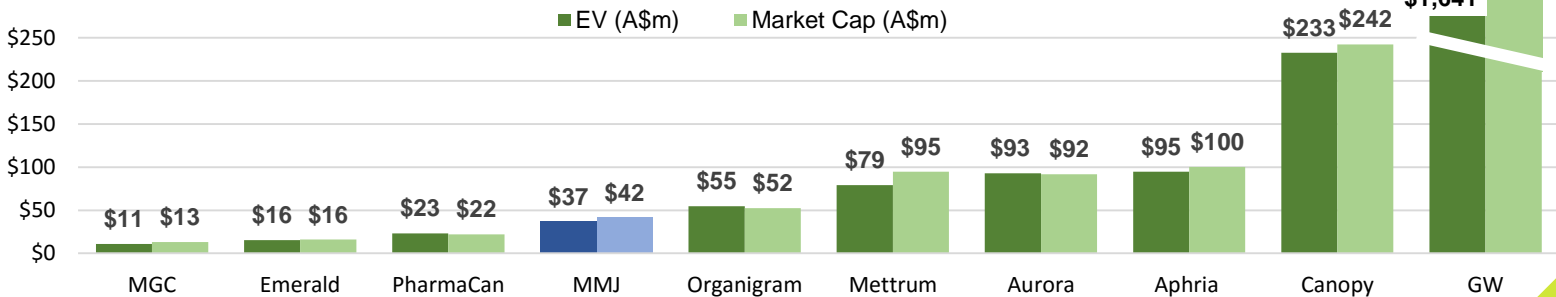
(A\$, %, July 1 – Nov 20)



Current EV and Market Caps

Comparable TSX-V, CSE and ASX Listed Medical Cannabis Companies

(A\$m, as at Nov 20)





- ▲ **July:** Health Canada (HC) ratifies supreme court ruling allowing for LPs to produce and sell MC extracts
- ▲ **July:** Internal assessment concludes MMPR competitors' are at a minimum 12-18 months away from developing comparable products to Satipharm's CBD Gelpell Gastro-resistant Microgel Capsules⁽¹⁾
- ▲ **August:** Tweed closes acquisition of Bedrocan Canada, renames combined entity Canopy Growth Corporation. Consolidation in Canadian market commences
- ▲ **November:** HC reports that as at June 30, 2015, there were 23,930 MMPR clients – exceeding MMJ internal estimate by ~ 1,000
- ▲ **November:** Liberal party wins majority in Federal elections off back of full legalization of cannabis campaign promise
- ▲ **November:** MMJ ready for Duncan Pre-Licensing Inspection after officially notifying HC of facility's readiness



- ▲ **October:** Federal government announces that it intends to legalise medical cannabis. Framework or process still unknown
- ▲ **November:** Continued speculation on nature and form of Government regulatory reform
- ▲ **November:** Number of organisations announce plans to enter the MC market (Growers/Compounders/Distributors)



- ▲ **October:** Indications of imminent consolidation of Israeli MC cultivation sector are strong. Frequent business articles and market gossip fuel speculation
- ▲ **November:** Increased VC investment into Israel MC space and emergence of a number of new players

State-of-the-Art Duncan Facility

- ▲ State-of-the-art Duncan Facility 100% complete
- ▲ Full Occupancy received early November
- ▲ HC officially notified early November, awaiting pre-licensing inspection date

Duncan Facility Exterior



State-of-the-Art Duncan Facility

Duncan Facility Cultivation Area



~ 10,000 ft² of cultivation area across three separate cultivation rooms will yield up to 1,000 kg/year of MC

Key Equipment Installations



Automated Irrigation System



Indoor Incinerator



Servers for Security Surveillance System

The Vault / Laboratory



Inside the Vault



Vault Door

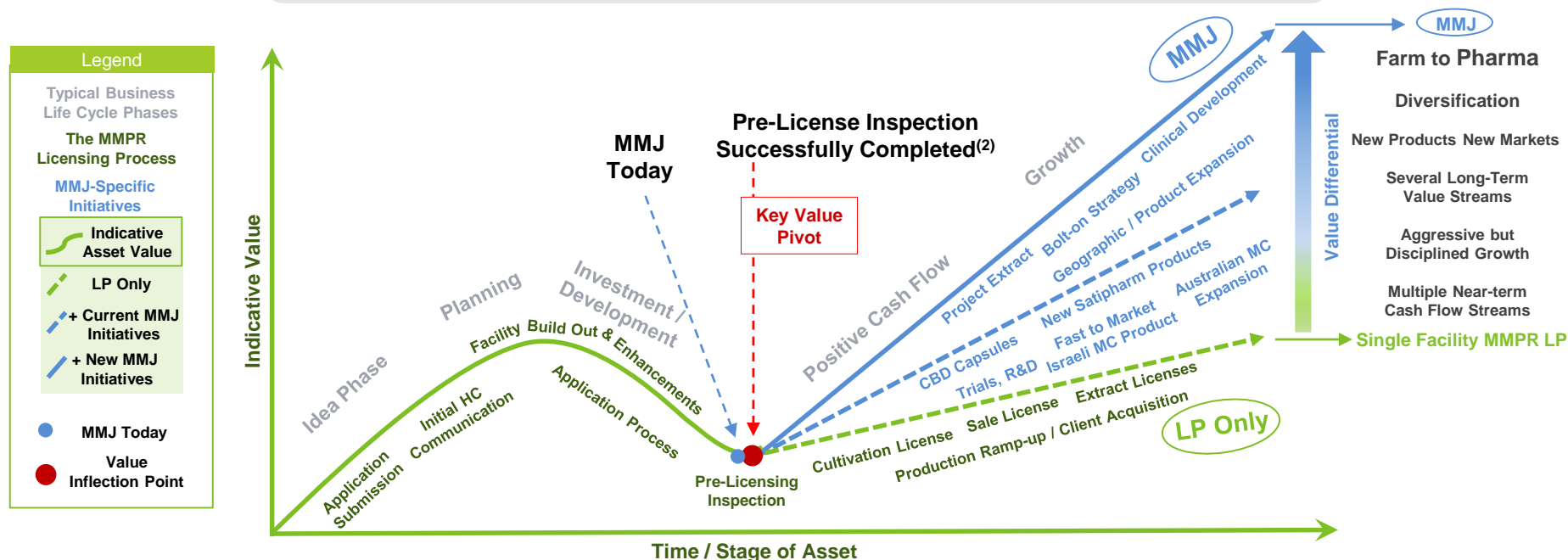


In-House QA / QC and Analytics Laboratory

MMJ is Positioned Before a Value Pivot after Significant Investment in and Development of Assets

Illustrative Medicinal Cannabis Company Value Curve⁽¹⁾

Simplified Typical Value Curve of Successful Public Company Assets



Note: (1) Chart is indicative and used for illustrative purposes only. MPPR licensing process used as an example of an indicative value curve for one of MMJ's assets. Points along value curve are indicative and only directional in nature. The value curve is illustrative and is not representative of any measurable or specific value metric. Further actual results could vary significantly from what is represented above. (2) MMJ has not completed an MPPR Pre-licensing Inspection. The value Inflection point indicated is for illustrative purposes only and is indicative based on general observations of MC-related companies and companies in other sectors.

Farm to Pharma Strategy Sets MMJ Apart from Public Peers



MC Cultivation

MC Cultivation Facility



Near-Term Revenue Sources

Multiple MC-based Products (w/ THC)



Multiple MC-based Products (w/o THC)



Services to MC Cultivators



Long-Term Value Sources

R&D, Clinical Trials & Development



Pharmaceutical Product Sales



Farm

Multiple Near-Term Cash Flow Streams

Several Long-Term Value Streams

Pharma

Enhance, Uncover and Narrow: Mid-Term Strategy Refinement



- MMJ has refined its mid-term strategy and is introducing two new initiatives, **Project Extract** and the **Bolt-On Strategy**, that seek to:
 - Enhance* value of United Greeneries and *uncover* value along the continuum which, combined, will narrow MMJ's focus on it

Project Extract

Enhancing Value of United Greeneries ('UG')

- UG becomes 1st extract only LP
- UG imports CBD Capsules from EU, first to market
- Satipharm Canada (SC) established as toll processor
- Client acq. blitz for 6 – 9 months as SC builds line
- UG positioned as leader in MMPPR while shifting across the continuum towards Pharma

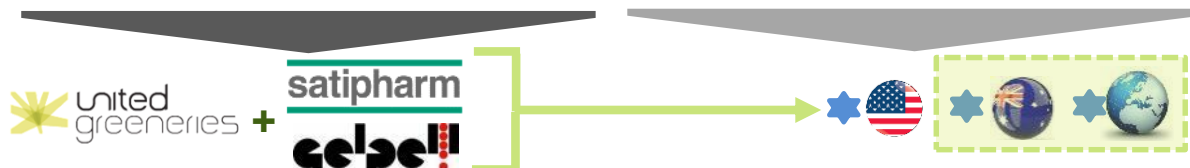
Bolt-On Strategy

Uncovering Value in New Jurisdictions

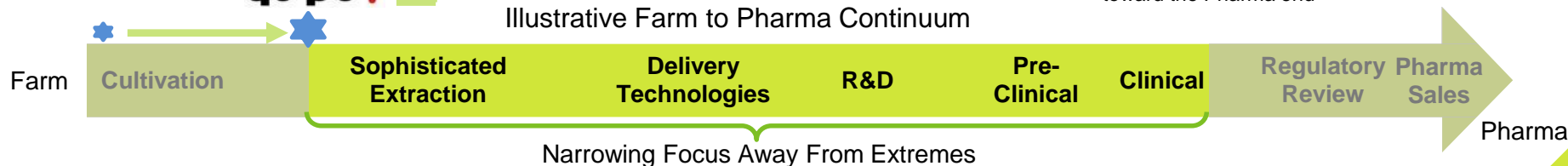
- Offer "Bolt On" extraction and capsule production line to existing US cultivators in legal States
- Unique value proposition for potential clients as implementations is "costless" given equipment financing and its royalty-like revenue stream for SC
- Increased margins more than compensates expense
- Other services such as compliance and QA/QC
- Potential to export to other jurisdictions?

Narrowing Focus

- Both strategies bring MMJ away from direct participation in cultivation vis a vis new opportunities
- Further, they shift the balance of value along the continuum toward Pharma
- The industry is unique in that you need direct participation in the "bottom end of the arrow" unlike in most industries but this is a way of partially moving away without unhitching from it
- This trend will likely be permanent as opposed to the narrowing on the other end of the spectrum
- Given the plethora of opportunities for cash flow generation in the near term, weighting the business too heavily to the Pharma end would not be a wise allocation of resources at this time
- Build up the back end to middle of the arrow so as to fortify the base to endure success as MMJ moves toward the Pharma end



Illustrative Farm to Pharma Continuum



Project Extract

Goals

- Accelerate penetration of MMPR Market
- Goal is to be #1 Extract / Top 5 Total MMPR LP
- Shift UG across continuum towards Pharma
- Use 1st mover advantage before gap closes
- Maximise clients, revenues, margins
- Monetize knowledge / skill gap while it still exists

Reasoning

- HC's July extract surprise
- New large extract-only market created overnight
- Estimates at 25%-100% of current MMPR market
- **YE 2015E = ~9,000 – 35,000 NEW clients**
- **9,000 – 35,000 Currently not being served**
- Competition is 12-18 months away from MMJ on capsules and extraction
- Inquires from competitors about potential for white labeling our capsules
- Opportunity to capture a disproportionately large portion of the new market

Bolt-On Strategy

- Participate in largest MC market in the world
- High margin, low capex model
- Diversification geographically and product wise
- Establish vast network in largest MC market Globally
- Likely to employ a royalty revenue model or similar
- Low cost, quick way to enter US market
- Not involved in actual cultivation so potential legal issues muted
- Large, fragmented and regional market equates to a considerably large pool of potential clients
- Financed equipment and minimal initial w/c requirements enhance affordability
- Increased revenue and margins are enough to cover new cost and more
- Many US growers' margins are getting squeezed

Project Extract – New-Extract Market

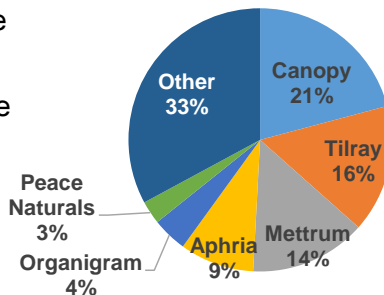
- ▲ The New-Extract Market is defined as the segment of potential clients that would not otherwise access the MMPR if only smokeable buds were allowed
- ▲ Does not include cannabis smokers seeking high
- ▲ Initial research indicates that these clients will be slightly older, have a higher level of education, and be product aware – discerning clients
- ▲ Equity research, media and internal estimates put size of market at somewhere between of 25% - 100% of current MMPR Clients
- ▲ There are currently 0 LPs selling extracts today
- ▲ MMJ is confident no competitor will be to market with any quality extract products by YE
- ▲ MMJ is also confident that it will take at least 12-18 months for LPs to produce product comparable Microgell Capsule technology
- ▲ MMJ will apply for existing Satifarm CBD capsules to be imported and sold through UG
- ▲ ***This would make UG sole provider to 9,000 – 35,000 potential clients***

MMPR Clients Current Composition and Growth Estimates

(Estimates based on public information, equity research and internal MMJ research)

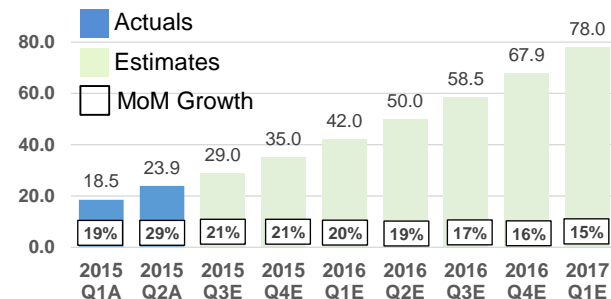
2015E YE Market Share Estimate

% of Total 2015E YE Clients of 35,000



Near-term MMPR Client Growth

Actual and Forecast MMPR Clients by Quarter



Estimated Extract Client Market at 2015 YE

	Assumed % Market share to MMJ							
	20%	30%	40%	50%	60%	70%	80%	
100%	7,002	10,504	14,005	17,506	21,007	24,508	28,010	Potential MMJ Market Share
80%	5,602	8,403	11,204	14,005	16,806	19,607	22,408	
60%	4,201	6,302	8,403	10,504	12,604	14,705	16,806	
40%	2,801	4,201	5,602	7,002	8,403	9,803	11,204	
20%	1,400	2,101	2,801	3,501	4,201	4,902	5,602	
10%	700	1,050	1,400	1,751	2,101	2,451	2,801	



Appendix

Fully Paid Ordinary Shares

Currently Issued ⁽¹⁾	141,259,482
Total	141,259,482

Performance Rights

Class C Performance Rights ⁽²⁾	9,000,000
Class D Performance Rights ⁽³⁾	10,000,000
Total	19,000,000

Options

W.A. Strike

Total Outstanding ⁽⁴⁾	20,661,475	\$0.34
Total	20,661,475	\$0.34

Acquisition Performance Milestone Shares

Performance Milestone 1 Shares ⁽⁵⁾	8,500,000
Performance Milestone 2 Shares ⁽⁶⁾	8,500,000
Total	17,000,000

Notes:

1. This includes 166,668 shares from conversion of Class A and Class B Performance Rights of which performance milestones have been satisfied but the shares are yet to be issued.
2. This includes 6 series of options with exercise prices ranging from \$0.20 - \$0.45 and expiry dates ranging from 08/01/18 to 06/05/19.
3. The shares convert to ordinary PYL shares in the event that MMJ or one of its subsidiaries is granted a licence to produce under the Marihuana for Medical Purposes Regulations in Canada within 12 months of settlement of the merger.
4. The shares convert to ordinary PYL shares in the event that MMJ and its subsidiaries generate at least CAD\$5,000,000 in revenue from operating activities within 36 months of settlement of the merger.

Board of Directors



Peter Wall, LLB.
Independent Chairman



Winton Willesee, CPA
Non-Exec Director



Jason Bednar, CA
Non-Exec Director



Ross McKay, CMA
Non-Exec Director



Andreas Gedeon, Dipl-Paed
Managing Director

Exec Management



Dr. Daphna
Heffetz, PhD
CEO



Dr. Goldwasser,
MD MBA
Chairman



Tomas
Edvinsson
CEO



L. Michael
Hinam
CEO



Devon Brown,
CPA
CFO



Andreas Gedeon,
Dipl.- Paed.
Managing Director

- Mr. Gedeon, a former Officer in the German Navy, holds a degree in Educational Science from the University of Federal Armed Forces Munich.
- He is an experienced business man with proven expertise in large-scale and HR intensive projects.
- His previous areas of work include media production, the food industry, horticulture and commercial construction.



Peter Wall, LLB.
B.Comm M.App Fin.
Independent Chairman

- Mr. Wall is a corporate lawyer based in Perth, with over 15 years' experience in advertising on a wide range of corporate and commercial matters. He specialises in mergers and acquisitions, back door listings and all forms of capital market transactions.
- He also has significant experience in cross border transactions.



Ross McKay
CMA
Non Executive Director

- Ross has significant experience in the pharmacy, medical clinic and veterinarian fields and holds a BSc Pharm, Pharmacy degree from UBC. He is Managing Partner in charge of operations at VetStrategy, a manager of veterinary practices in Canada.
- Former President of Medicine Shoppe Canada where he oversaw the growth of the chain into a leading independent Canadian pharmacy which, along with Drug Trading Company Ltd., was sold for \$920mm in 2012.



Jason Bednar
CA
Non Executive Director

- Chartered Accountant with significant public markets experience at both management and board levels.
- He is currently the CFO of Canacol Energy Ltd.
- Mr. Bednar is actively involved in MMJ's corporate finance, strategy and business development activities.



Winton Willesee,
BBus., PGDipBus.,
MCom., FFin, CPA,
MAICD, ACIS/ACSA
Non Executive Director

- Mr. Willesee is an experienced company director with a broad range of skills and experience in strategy, company development, corporate governance and corporate finance.
- He has considerable experience with ASX listed companies and has been involved with many successful ventures
- He is a fellow of the Financial Services Institute of Australia, a Member of the Australian Institute of Company Directors, a member of CPA Australia and a Chartered Secretary.