



# INVESTOR PRESENTATION

MAY 2022

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# Diversified Business Model



## AURORA®

### Canadian Medical

#1 Canadian Medical share by revenue

63% Adjusted Gross Margin in FY22Q3

### International Medical

55% YoY revenue Growth

65% Adjusted Gross Margin in FY22Q3

### Adult Recreational

Focus on quality and shift to premium brands

Margin accretive acquisition of Thrive and award-winning premium Greybeard brand

### Science & Innovation

Delivering a continuous stream of innovation to the market

Licensing opportunities for IP in genetics and biosynthesis



# Industry Leading Adjusted Gross Margins

Our position as the **#1 Canadian LP in global medical cannabis revenues** drives our industry leading Adjusted Gross Margins:

- ⇒ Direct-to-patient business model in Canadian medical market allows for additional margin capture vs. Canadian adult rec market;
- ⇒ Limited price compression in domestic and international medical markets; and
- ⇒ Efficient production methods for both medical and adult rec.

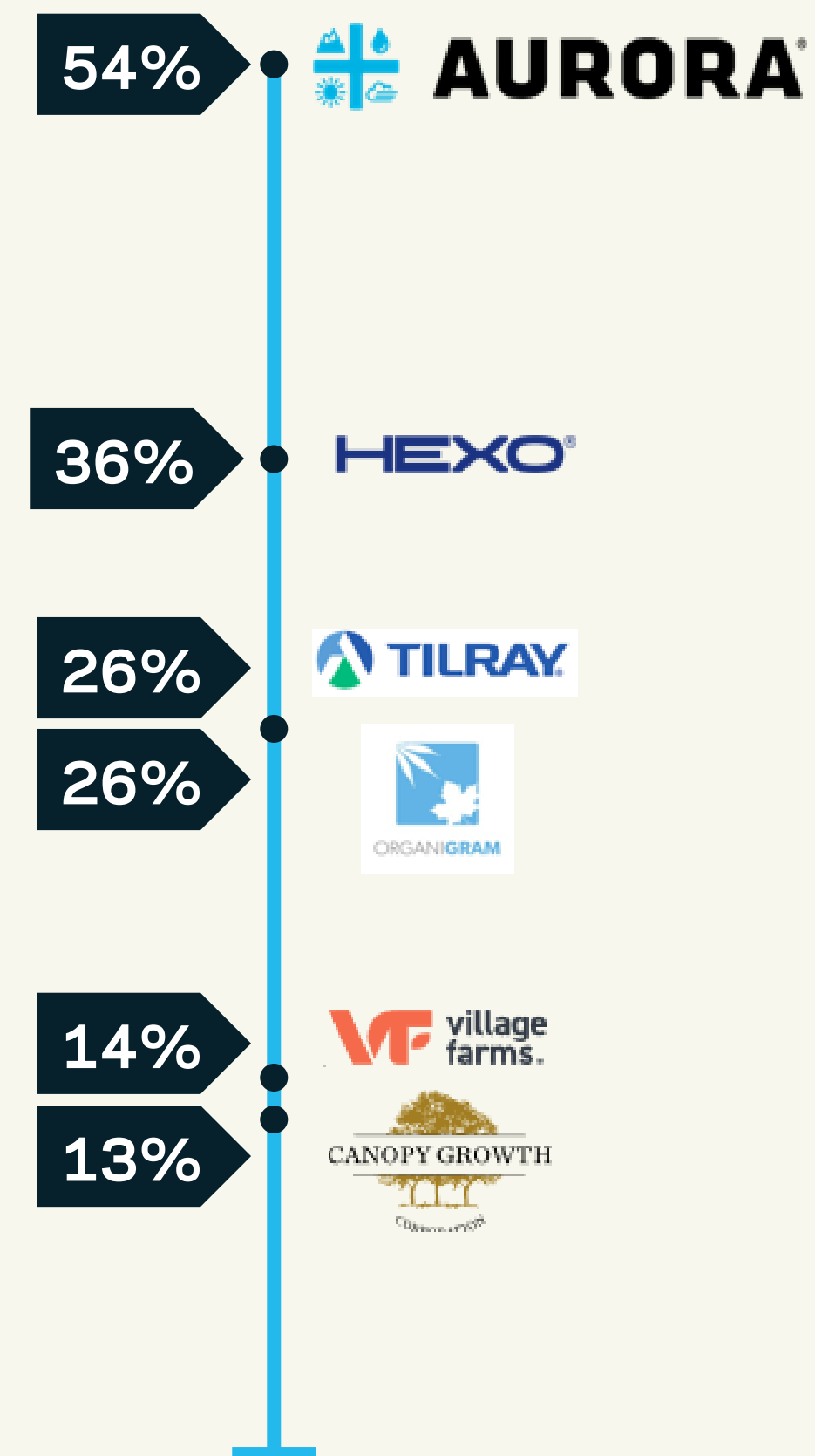


Chart shows Adjusted Gross Margins on a consolidated basis per most recent quarterly earnings. Adjusted Gross Margin is a Non-GAAP / non-IFRS measure and may not be presented on a consistent basis. Sources:

- Aurora Adjusted gross margin per the three months ended March 31, 2021
- Canopy Adjusted gross margin per the three months ended December 31, 2021
- Hexo Adjusted gross margin per the three months ended January 31, 2021
- Organigram Adjusted gross margin per the three months ended February 28, 2021
- Tilray Adjusted gross margin per the three months ended February 28, 2021
- Village Farms Adjusted gross margin per the three months ended March 31, 2021

# Canadian Medical Market Leadership

**# 1**

Canadian Medical  
Share by Revenue



**63%**

Adj. Gross Margin  
Achieved in FY22Q3



**79%**

of Revenue Came From  
High Value Insured  
Patients in FY22Q3



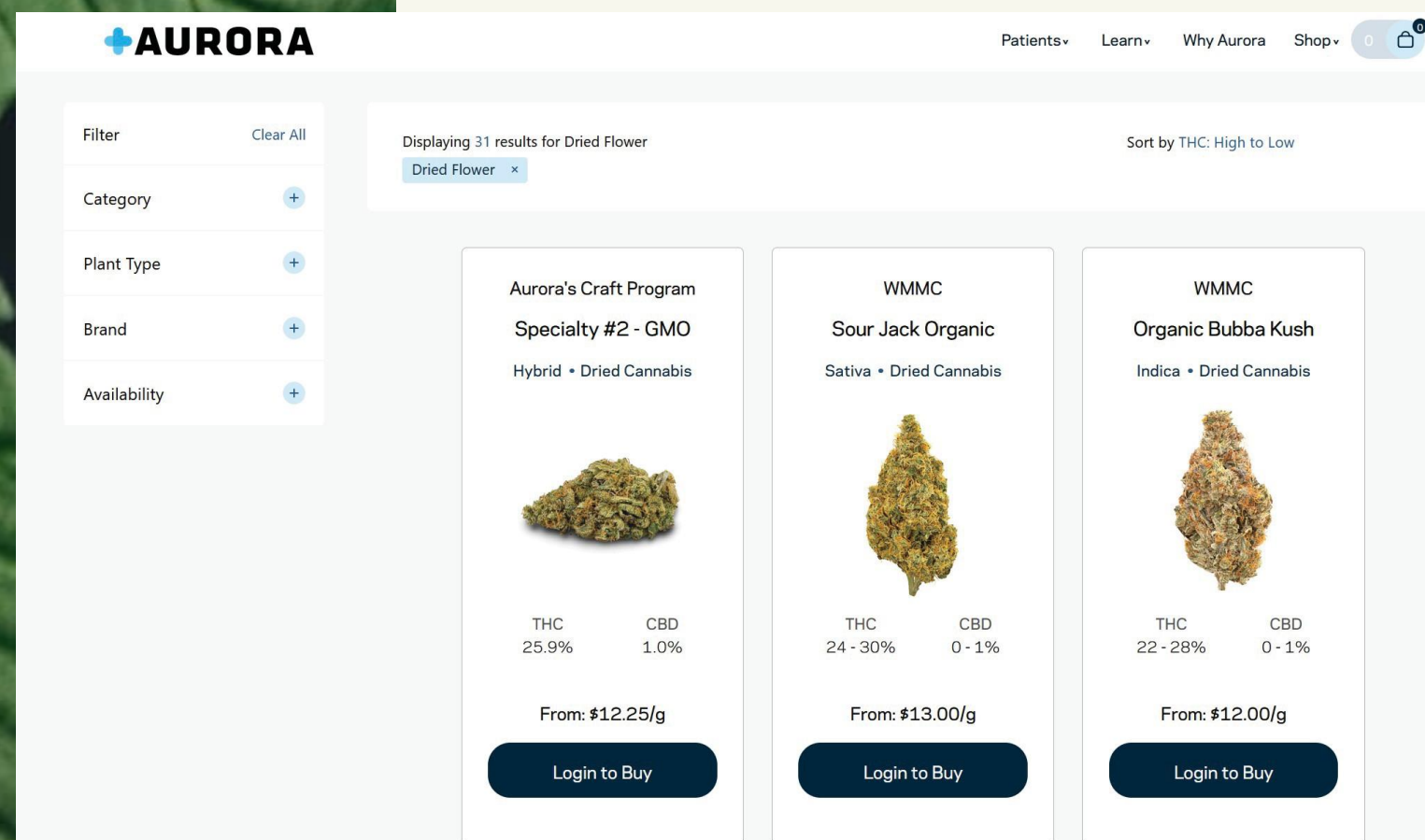
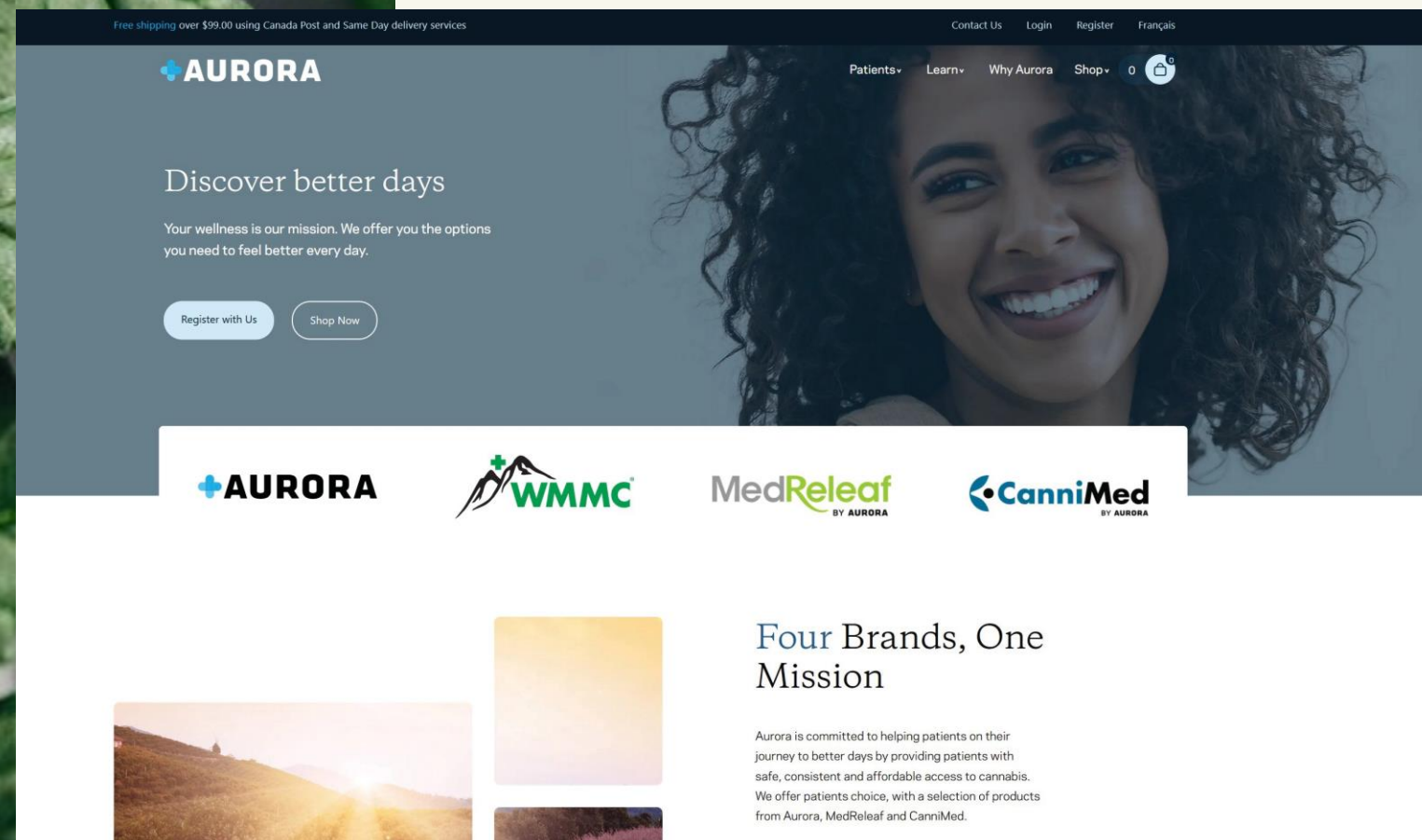
## High Adjusted gross margin revenue stream serves as a solid foundation:

- ⇒ Direct-to-patient distribution model; end-to-end experience from medical consultation to prescription fulfillment
- ⇒ Focus on insured patient groups with high repeat purchase rate

## Opportunities to expand our presence:

- ⇒ Opportunity to capture share from fragmented market in which 60% are small players
- ⇒ Opportunity for increased benefit plan coverage; despite 64% of employees believing cannabis should be covered, only 37% of employers do so <sup>(1)</sup>

# Aurora Medical Platform



**Significant investment in technology & fulfilment infrastructure provides barrier to entry to competitors & high retention rates in key patient groups**

Best-in-class client experience with pipeline of web and eCommerce enhancements:

- ⇒ Faster loading on mobile & desktop
- ⇒ Dynamic filtering of products
- ⇒ Shop again & favourite buttons
- ⇒ Improved product information cards
- ⇒ Same day shipping countdown timer
- ⇒ And much more to come...

A breadth of offerings that caters to multiple patient segments; selection from Aurora brands as well as premium craft cannabis strains sourced from selected small growers

**Sustainable ~ 60% Adj. gross margins expected in the Canadian medical segment**

# Leadership in International Cannabis Markets



⇒ **CANADA: 38m population**

- #1 Market Share, around twice that of largest competitor
- High percentage of sticky, insured patients

⇒ **GERMANY: 83m population**

- Two of the top three best-selling products in dry flower segment in 2021
- Well positioned for impending legalization of adult rec market

⇒ **FRANCE: 67m population**

- Sole supplier of dry flower to medical pilot program.

⇒ **NETHERLANDS: 17m population**

- Equity holder in one of the only 10 license holders in adult rec pilot scheme

⇒ **POLAND: 38m population**

- Estimated 70% share of flower market in FY22Q3

⇒ **ISRAEL: 9m population**

- Over ~\$18 million of sales in FY22 to date

⇒ **UK: 67m population**

- 60% increase in revenues YoY driven by rapidly increasing patient numbers

⇒ **AUSTRALIA: 26m population**

- 300% increase in revenues YoY, sharp uptick in authorized prescribers

**#1 Canadian LP in global medical cannabis revenues; positions Aurora for success when these markets open recreationally**

# U.S. Hemp-derived CBD A Significant & Growing Market



**\$25bn**  
Est. 2025 U.S. CBD  
market potential<sup>(1)</sup>

**Reliva CBD** ranked #1 CBD brand in brick & mortar channel by Nielsen

Recent launch of **KG7 CBD Sports Supplements** to meet the needs of high-performance athletes looking to CBD as an aid in their recovery

1. Source: BDSA June 2021, CAD



# U.S. Cannabis Opportunity

**\$40bn**  
Est. 2023 U.S. THC  
market potential (1)

## President Biden supports legalizing medicinal cannabis<sup>(2)</sup>

Expect the FDA to have significant influence on a federally regulated medical cannabis program

Actively assessing strategic acquisition opportunities in the US to gain exposure to THC market before comprehensive legislation

**Aurora has the experience and leadership to be successful in the US**

## Aurora Uniquely Advantaged Under Federal Medical Legalization Scenario:



Leader in global medical cannabis revenue



Success navigating highly regulated markets



Strong team with deep regulatory expertise

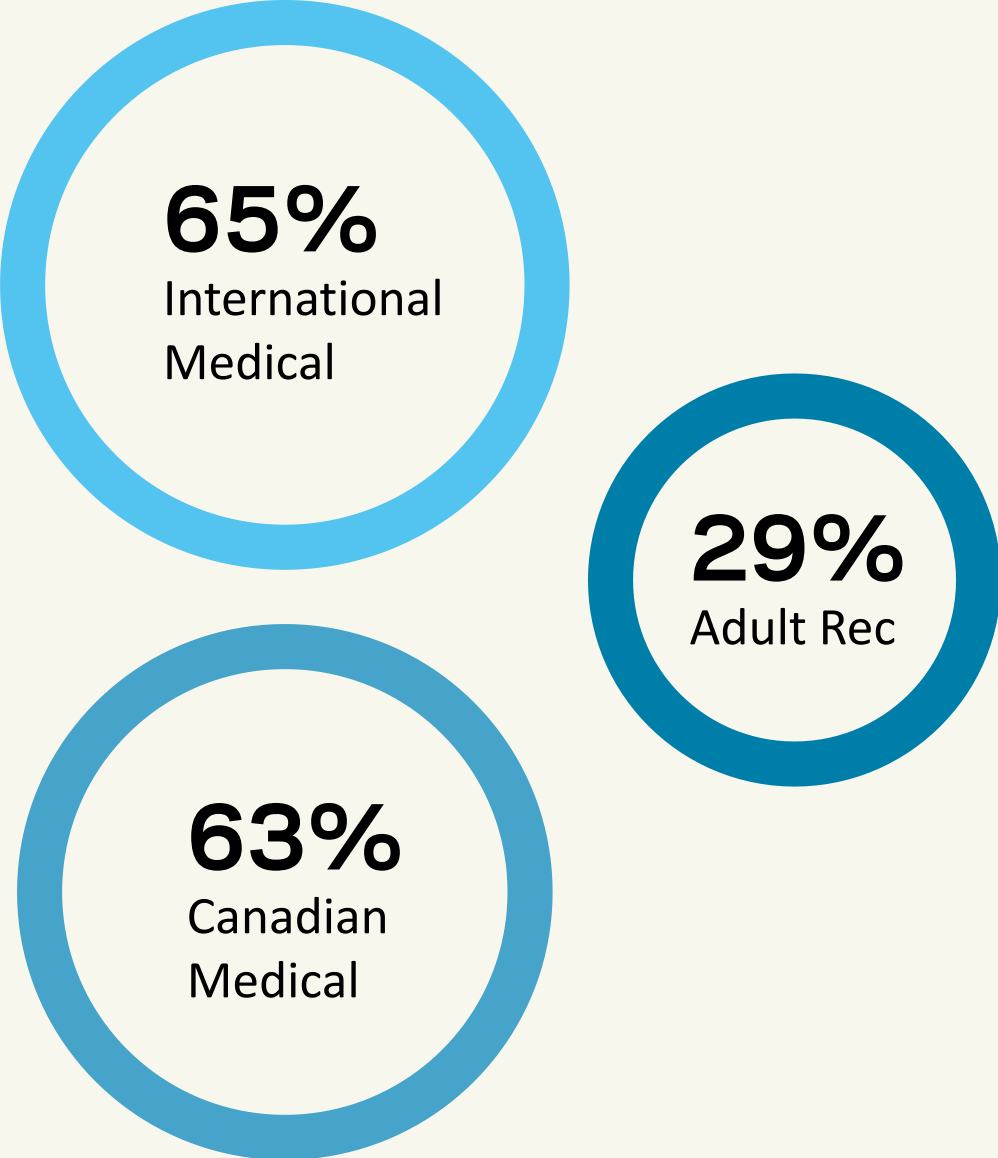


Deep portfolio of genetics & IP

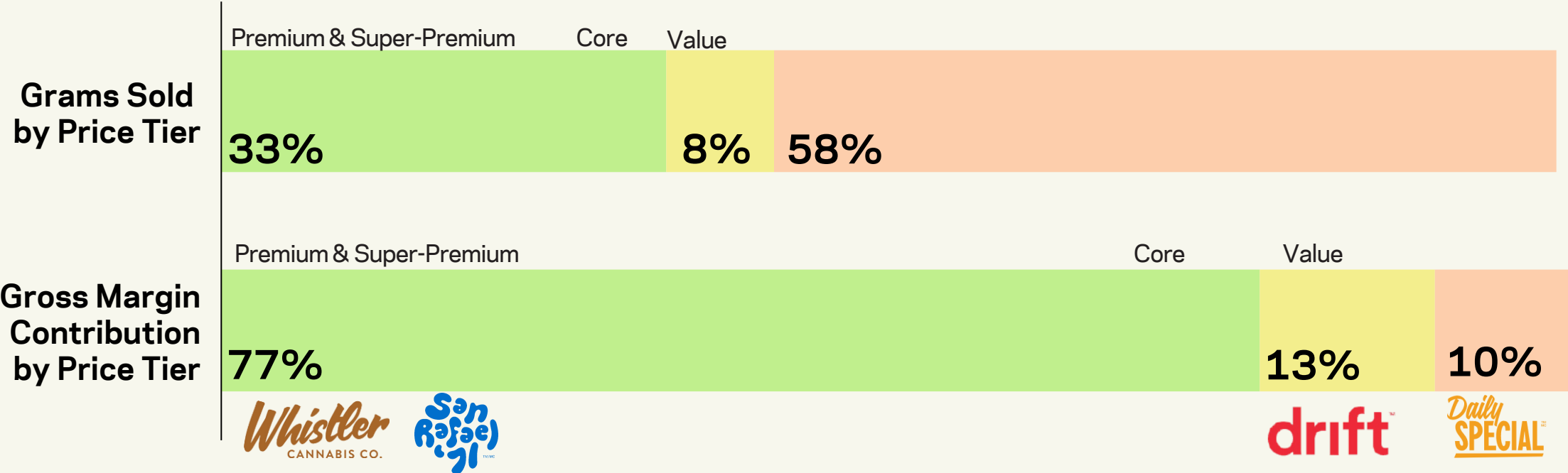
# Adult Recreational Segment Economics

Focus on Key Profit Pools: Core, Premium & Super-premium

## Adjusted Gross Margin by Segment



## Adult Rec Deep Dive



- ⇒ Profit pools are skewed to premium price tiers
- ⇒ Aurora’s strategic focus is on profit maximization, not market share by volume
- ⇒ Whistler, San Rafael '71 and Greybeard are well positioned to win in premium categories

Estimates based on FY22Q3 period

# Canadian Adult Recreational Strategy Key Profit Pools: Core, Premium & Super-premium

## Indicative values for the dry flower segment, per gram

	Canadian Adult Rec Segments				Canadian Medical Segment
	Value <small>Daily SPECIAL</small>	Core <b>drift</b>	Premium <small>Reef</small>	Super-premium <small>Whistler CANNABIS CO.</small>	
Wholesale Price	\$3.00	\$5.00	\$6.00	\$11.00	\$8.50
Excise Tax	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)
Excise tax as a % of Wholesale Price	33%	20%	17%	9%	12%
Net Revenue	\$2.00	\$4.00	\$5.00	\$10.00	\$7.50
Cultivation, Packaging & Overhead	(\$1.50)	(\$2.00)	(\$3.00)	(\$4.50)	(\$2.50)
<b>Gross Profit</b>	<b>\$0.50</b>	<b>\$1.00</b>	<b>\$2.00</b>	<b>\$5.50</b>	<b>\$5.00</b>
<b>Gross Margin</b>	<b>25%</b>	<b>25%</b>	<b>40%</b>	<b>55%</b>	<b>67%</b>

**Focus on allocation of resources** in adult rec segment into **core** and **premium** brands to drive greater returns

# Thrive Acquisition Transaction Closed May 5, 2022

## INDUSTRY-LEADING TALENT

Thrive will help accelerate Aurora's position in the Canadian recreational market.

## TRACK RECORD OF EXCELLENCE

Thrive is a strong, high-performing business with first-class cannabis brands.

## BELOVED BRANDS

Thrive's success has been driven by two market-leading brands: Greybeard & Being Cannabis.

## FAN FAVOURITE

Greybeard's market share has increased +170% since January 2021.

## POTENT PRODUCT

Thrive's genetics library has consistently delivered 24%+ THC potency, high yielding and disease-resistant cultivars.



# A Compelling Portfolio of Adult Recreational Brands

					NEW	NEW
						
	Value	Core	Premium	Super Premium	Super Premium	Wellness
Segment	No-nonsense bud - good quality weed, with high-THC, for a low price	Mid-to-high THC offerings with proprietary offerings that offer exciting and novel formats for the modern-day consumer	Original strains. Innovative products that delight the senses. True to traditional cannabis values	Organic-certified, grown in living soil, nurtured by hand, in the Canadian Rockies	Ultra-premium, high-terpene, high-potency brand with a world class lineup of concentrates	A rapid, precise and discreet way to take cannabis without inhalation
Formats Available / Upcoming	Flower, pre-rolls, vapes, edibles, oil, capsules, hash	Edibles, flower, pre-rolls, concentrates	Flower, pre-rolls, concentrates, vapes, edibles, capsules	Organic craft flower, pre-rolls	Flower, pre-rolls, vapes, concentrates	Sublingual THC and CBD strips
						

Focus on allocation of resources in adult rec segment into **core** and **premium** brands to drive greater returns

# Upcoming Innovation

New SKUs designed to continuously delight consumers

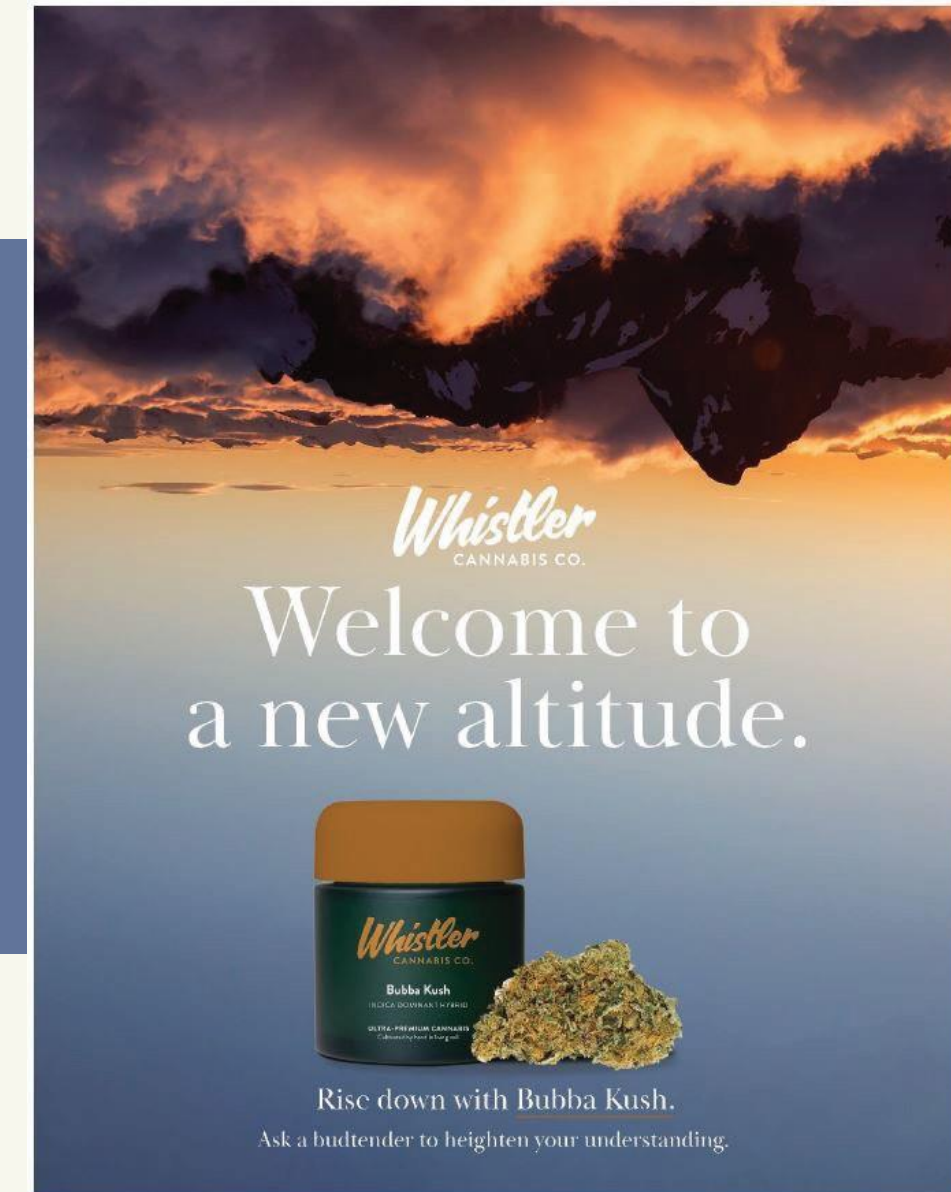
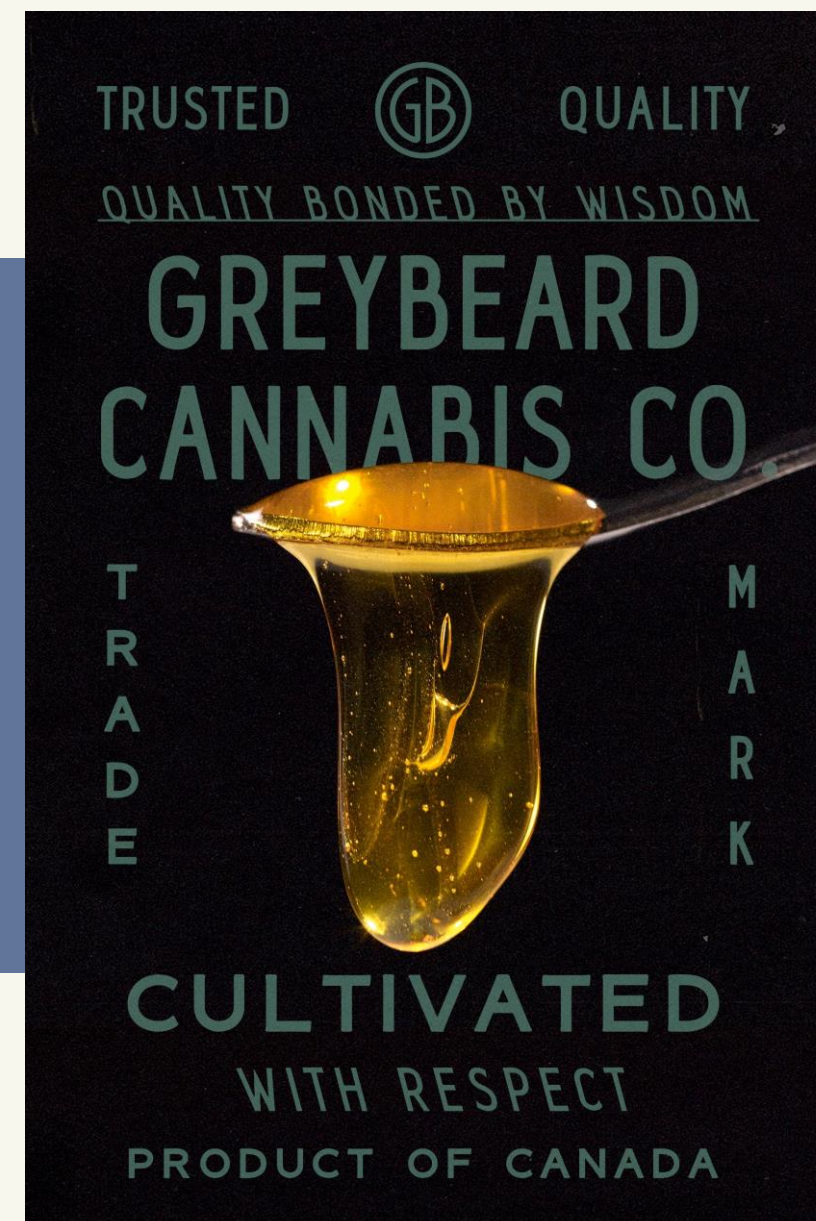


**A significant proportion of market share is driven by innovation; consumers desire “new”**

40 new products launching from April to July, including:

- ⇒ Our first infused pre-roll & hash offerings
- ⇒ New live resin concentrate offerings
- ⇒ New vape, edible and cookie flavours
- ⇒ Mixed pre-roll packs
- ⇒ Brand new cultivars from our breeding program

# Sales and Marketing Support



- ⇒ Significant, ongoing investment in brand building and education (bud tender & consumer) to generate awareness and preference
- ⇒ Exclusive brand representatives Great North Distributors leverage industry-leading data analytics capabilities
- ⇒ The Thrive / Greybeard team has visited over 3000 retailers personally, providing in-store education and delivering a variety of multi-media tools to support the retailers in store

### A state-of-the-art breeding facility in Vancouver Island's Comox Valley:

- ⇒ Built specifically to find the next big genetics
- ⇒ Six new cultivars launching to market in FY22 Q4
- ⇒ Led by the same team that brought us our current award-winning San Raf strains

### Introducing the first results from the program:

- ⇒ New, high-THC cultivars all with very distinct profiles (shown right)
- ⇒ Selected by an expert panel of our most discerning connoisseurs for aroma, effects and quality

Breeding program expected to drive more revenue by injecting rotation and variety into our product pipeline, and greatly improve the efficiencies of cultivation through higher yielding plants and disease resistance



### Next gen cultivars from our breeding program available now / soon under SR71:

**LEMON ROCKET**  
20%+ THC



**Stonefruit SUNSET**  
19 - 25% THC



**DRIFTWOOD DIESEL**  
21 - 27% THC



**SOURDOUGH**  
22 - 28% THC



**FARM GAS**  
23 - 29% THC





## Introducing Occo: Aurora's Genetics Licensing Business Unit



Licensing deals expected to drive high margin, recurring revenue streams

Offering the largest catalogue of cannabis genetics for licensing in Canada:

- ⇒ 20+ high-quality cultivars available for trial and exclusive licensing
- ⇒ Successful commercialization with craft producer, North 40
- ⇒ Several active trials in progress with larger producers

One of Our Elite Genetics in Trial



## Intellectual Property & Biosynthesis

Global biosynthesis market size  
est. **\$10bn** by 2025 <sup>(1)</sup>

- ⇒ Aurora and 22nd Century Group share IP rights for critical gene and enzyme sequences necessary for biosynthesis
- ⇒ Biosynthesis targets production of cannabinoid molecules at a fraction of the cost of traditional cannabinoids
- ⇒ Working to enforce IP against infringing parties and explore commercial development opportunities

# Key Takeaways



## Transformation Plan on Track

- ⇒ Expect to achieve a positive Adjusted EBITDA run rate by Fiscal H1 FY23
- ⇒ Targeting a total of \$150 to \$170 million of annualized savings by Fiscal H1 FY23



## Medical Leadership

- ⇒ #1 Canadian LP in global medical cannabis revenues
- ⇒ Growing international medical segment, revenue was up 55% in FY22Q3 compared to last year



## Considerably Improved Balance Sheet

- ⇒ Approximately \$314 million of cash & cash equivalents at May 11, 2022
- ⇒ Early repurchase of \$141 million in convertible debt
- ⇒ US\$887 million still available under shelf prospectus for future financings & potential strategic acquisitions



## Science and Innovation Program

- ⇒ Launch of six new cultivars from breeding program in FY22Q4
- ⇒ Hold foundational Intellectual Property rights to cannabinoid biosynthesis

# Senior Management Team



**Miguel Martin**

Director & CEO

More than 25 years of experience in CPG sector with senior leadership roles in sales, marketing, and operations. Former CEO & President of Reliva



**Glen Ibbott**

Chief Financial Officer

Former CFO at QLT Inc., a NASDAQ and TSX listed Biopharmaceutical Company. Extensive life sciences sector experience



**Dave Aird**

EVP, Information Services

Over 25 years of experience in CPG industries with a track record of improving business value through ERP synergies and operational efficiencies



**Nathalie Clark**

EVP, General Counsel and Corporate Secretary

Over 25 years of experience with executive leadership roles in Law, Compliance, Risk Management, Operations and Human Resources across retail and financial services



**Andre Jerome**

EVP, Global Business Development

Internationally experienced executive working in highly regulated industries for over 25 years with roles in legal, regulatory, business development and integrations



**Alex Miller**

EVP, Operations and Supply Chain

More than 25 years of experience leading manufacturing, engineering and supply chain teams in global CPG and pharmaceutical companies



**Lori Schick**

EVP, Human Resources

Over 20 years of international HR experience in top-tier financial, retail, and hospitality industries



**Carey Squires**

EVP, Corporate Development and Strategy

Experience in global investment banking, previously served as Managing Director and Co-Head of Equity-Linked Capital Markets for BMO

# Board of Directors



**Ronald Funk**  
Chairman

Deep consulting business experience, former VP Sales, HR, Corporate Affairs and Competitive Improvement for Rothmans



**Miguel Martin**  
Director & CEO

More than 25 years of experience in CPG sector with senior leadership roles in sales, marketing, and operations. Former CEO & President of Reliva



**Shan Atkins**  
Director

Certified Public Accountant with over 20 years of corporate leadership experience. Served on public company boards, including Shoppers Drug Mart



**Norma Beauchamp**  
Director

Over 30 years of healthcare experience in corporate and non-profit organizations. Retired President and CEO of Cystic Fibrosis Canada



**Theresa Firestone**  
Director

Senior Healthcare Executive with Retail, Pharmaceuticals, Health & Wellness and Government expertise



**Lance Friedmann**  
Director

Experienced global CPG executive with Kraft Foods and Mondelez



**Chitwant Kohli**  
Director

Senior financial executive with significant experience in finance, strategic planning, real estate, and operations



**Michael Singer**  
Director

Extensive financial management, capital markets and corporate governance experience in the pharmaceutical and medical cannabis industries



**Adam Szweras**  
Director

Experienced securities lawyer, Founder of US developer of cannabis, hemp oil, and edible products



# INVESTOR PRESENTATION

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