



**GREENFERN**  
INDUSTRIES

# 2022 Rights Offer

12 October 2022

*Cannabis in a new light*



GFI:NZX



# DISCLAIMER

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### **Offer**

This presentation has been prepared by Greenfern Industries Limited (**Greenfern**) in relation to an offer (the **Offer**) of new ordinary shares in Greenfern (the **New Shares**) made under clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). For further details of the Offer and the New Shares, please refer to the offer document prepared by Greenfern, dated 12 October 2022.

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# DISCLAIMER

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## **Defined Terms**

Capitalised terms used in this presentation have the specific meaning given to them in the Glossary at the end of this presentation or, if not defined, have the meaning given in the offer document in relation to the Offer dated 12 October 2022.

# SUMMARY OF EQUITY RAISING

Offer size	<ul style="list-style-type: none"><li>Up to NZ\$5 million.</li></ul>
Offer structure	<ul style="list-style-type: none"><li>A pro-rata renounceable rights issue of 1 New Share for every 1.3736 Existing Shares held by Shareholders on the Record Date (Monday, 10 October 2022).</li><li>Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement under the Oversubscription Facility.</li><li>The directors of Greenfern also plan to place any shortfall in the Offer with new investors at the same price as the Issue Price, in accordance with the Listing Rules and the exclusion in clause 19 of Schedule 1 of the FMCA.</li><li>New Shares will be quoted on the NZX Main Board and will rank equally with all existing GFI Shares.</li></ul>
Issue price	<ul style="list-style-type: none"><li>8 cents per New Share (being approximately a 48% discount to the 30-day VWAP of 15.3 cents on 27 September 2022).</li></ul>
Use of proceeds	<p>The cash raised will be used to lessen cashflow pressure on Greenfern and to help meet the company's additional working capital requirements, including in connection with:</p> <ul style="list-style-type: none"><li>Phase 2 Cannabis Cultivation facility fitout</li><li>Additional resource recruitment</li><li>Hydro Power station Upgrade with JV Partner Vortex Group</li><li>Syndros licencing Australasian rollout evaluation</li><li>Evaluation of Dual foreign exemption ASX List</li><li>GFI Pharma GMP Cannabis Medicines rollout into NZ</li></ul>

For more information about the Offer, please refer to the offer document prepared by Greenfern dated 12 October 2022.

# TIMETABLE

The dates below are subject to change. Greenfern reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws and the Listing Rules. Greenfern reserves the right to withdraw the Offer and/or issue New Shares at any time before the Issue Date in its absolute discretion.

<b>Event</b>	<b>Date</b>
Announcement of the Offer	Friday, 30 September 2022
Record Date (for determining eligibility to participate in the Offer and Entitlements)	Monday, 10 October 2022
Opening Date of the Offer (including mailing/emailing of Offer documentation)	Wednesday, 12 October 2022
Closing Date for the Offer (being the date by which applications and payment must be received)	5:00pm on Thursday, 27 October 2022
Announcement of results of the Offer	Monday, 31 October 2022
Issue Date (for the allotment and issue of the New Shares)	Thursday, 3 November 2022
Quotation of New Shares on NZX Main Board	Thursday, 3 November 2022
Holding statements dispatched	Monday, 7 November 2022

# OUR TEAM



**DAN CASEY**  
**MANAGING DIRECTOR & CO-FOUNDER**

Dan is an experienced project manager and civil engineer with over 17 years industry experience. Co-founding GFI industries back in 2018 Dan has led GFI's significant growth and strategy to date while hitting important milestones and building the business to what it is today.



**HOWARD LONG**  
**CHIEF FINANCIAL OFFICER**

Howard holds an MBA from the University of Auckland and is a chartered accountant and member of the chartered accountants of Australia and New Zealand. He is also a Chartered Member of the Institute of Directors. He has over 15 years of professional accounting and Big 4 accounting firm experience.



**MOHAMMED AIYAZ PHD**  
**CLINICAL ADVISOR**

Above being an Associate Director for Therapy Watch at Research Partnerships, Aiyaz holds a PhD in Neuroscience. Mohammed specialises in autoimmune diseases (RA, PSA, AxSpA and PsO) & neurological diseases like Parkinson's and Alzheimer's. Using his vast industry experience Aiyaz oversees and reviews GFI's clinical trial process from a peer review perspective



**JOHN HUSSEY**  
**HEAD OF GROWTH**

John has over 20 years of experience in the IT sector and leading international consulting teams – for 10 of these years he was based in Germany. John is instrumental in driving GFI's commercial relationships and strategy and has an in-depth knowledge of the New Zealand legal cannabis regime.



**JEREMY MILLS-HOULIHAN**  
**HEAD OF CULTIVATION**

A Taranaki local, Jeremy brings international legal cannabis growing experience to the team. With a strong emphasis on cleanroom propagation methods, techniques and protocols Jeremy manages the perfect balance of cultivation technology with practical industry know how with the team



**MATT RANGI**  
**TARANAKI OPERATIONS MANAGER**

Matt is a fabrication engineer by trade and a multi generational kaitiaki of our area Okahu-Inuawai of Ngaruahine. Having his mauri firmly embedded in the land and bringing a hands on approach to our operation Matt connects our technology and growth to the whenua.

# OUR BOARD



**BRENT KING**  
CHAIRMAN

Brent was the founder and managing director of Dorchester Pacific Limited, resigning in 2005, and is currently a director of a number of other businesses. Brent has direct experience leading listed businesses from the ground up – during his tenure, Dorchester returned investors more than 20% p.a.



**DAN CASEY**  
MANAGING DIRECTOR

Dan has a background in project management and civil engineering within the civil construction sector and has over 15 years industry experience, both in New Zealand and abroad. Dan is experienced in all facets of the project lifecycle of large-scale developments and capital works and has previously directly managed multiple and concurrent project portfolios up to the value of \$30 million.



**SIMON MCARLEY**  
INDEPENDENT DIRECTOR

Simon is a lawyer by training who specialises in corporate governance and risk. After almost 20 years in private practice, Simon took up regulatory positions with NZX as acting Head of Regulation and the (then) Securities Commission as acting Director Primary Markets. Simon went on to join the Serious Fraud Office (SFO) as General Manager Capital Markets and Corporate Fraud



**PHILIP BROWN**  
INDEPENDENT DIRECTOR

Philip founded Tenderlink, a tender notification services company, which he sold in 2010 for \$21.6 million. Philip was also a founding investor in the Chiefs rugby franchise. Bringing a wealth of experience as a businessman and a property developer, Philip and his family are passionate Taranaki locals.



**KIRSTEN TAYLOR**  
INDEPENDENT DIRECTOR

Kirsten Taylor is an experienced company owner, CEO, and Board Member. Kirsten is the founder of SleepDrops International, the top selling sleep category brand in NZ pharmacies and health stores and winner of multiple awards including Best Emerging Business at the Westpac Business Awards in 2014.



**MARVIN YEE**  
INDEPENDENT DIRECTOR

Marvin is the principal of Crown Financial Services (CFS) and is a partner of Crown Private, a global investment syndicate with investments in over 95 countries. Marvin sits on a number of company boards in multiple countries and brings a wealth of knowledge in governance and board processes.



**DARRYL DAVIES**  
NON-EXECUTIVE DIRECTOR

In 2018 Darryl co-founded Cannvalate Pty Limited, Australia's first medicinal cannabis company, Australia's largest provider of medicinal cannabis products, where he is currently COO and Managing Director. Darryl is also a director of Valens Australia Pty Limited, a global leader in the development and manufacturing of cannabinoid-based products.

# GFI AIMS TO BE A GLOBALLY RECOGNISED NZ MEDICINAL CANNABIS BRAND

Founded in 2018, GFI is emerging as a global leader in the **sustainable production of medicinal cannabis**

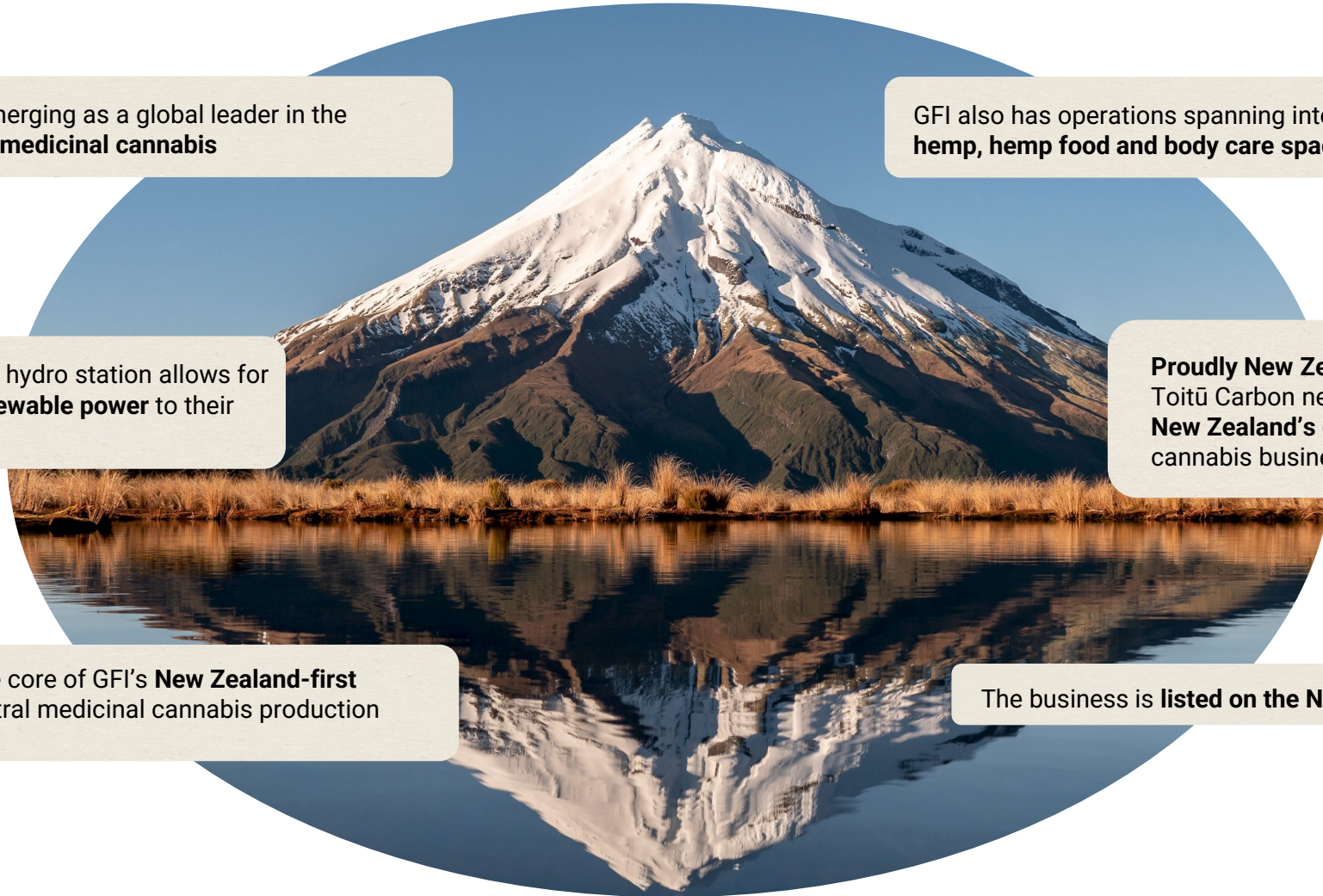
GFI also has operations spanning into **biotechnology, industrial hemp, hemp food and body care spaces**

Their company-owned, on-site hydro station allows for **direct supply of low-cost, renewable power** to their cultivation facility

**Proudly New Zealand based and branded**, GFI is a Toitū Carbon net zero certified organisation, and is **New Zealand's only** certified B Corp medicinal cannabis business





The hydro station is at the core of GFI's **New Zealand-first** purpose-built, carbon-neutral medicinal cannabis production facility

The business is **listed on the NZX** (GFI:NZX)





# OUR CORE VALUES ARE AT THE HEART OF WHAT WE ARE SOLVING

		PROBLEM	SOLUTION
<b>CONSUMER HEALTH</b>		<ul style="list-style-type: none"> <li>The lack of quality and consistency of black-market cannabis poses a risk for those seeking to use cannabis responsibly in order to access health benefits</li> </ul>	<ul style="list-style-type: none"> <li>GFI produces and supplies regulated, high quality medicinal cannabis products that offer access to the health benefits</li> </ul>
<b>SUSTAINABILITY</b>		<ul style="list-style-type: none"> <li>A controlled environment indoor cannabis production typically uses a significant amount of energy</li> </ul>	<ul style="list-style-type: none"> <li>GFI produces cannabis products with environmental sustainability values in mind</li> <li>In New Zealand, we use clean, renewable low-cost electricity from our on-site hydro power station to reduce the cost of production while being gentle on the environment and with no compromise to quality</li> </ul>
<b>MEDICINAL CANNABIS ACCESSIBILITY</b>		<ul style="list-style-type: none"> <li>There are low volumes of medical cannabis products manufactured in New Zealand, and existing imported medical cannabis products are expensive</li> </ul>	<ul style="list-style-type: none"> <li>GFI licences GMP manufactured, quality medicinal cannabis products through world-leading partners with an aim to bring these products to New Zealand consumers in the future</li> </ul>
<b>TARANAKI REGION</b>		<ul style="list-style-type: none"> <li>The Taranaki economy is overly reliant on dairy farming, oil and gas</li> </ul>	<ul style="list-style-type: none"> <li>GFI acts and thinks locally while basing its operations in Taranaki and aims to become an alternative industry for the region</li> </ul>

# FROM HUMBLE BEGINNINGS, WE HAVE COME A LONG WAY



# INVESTMENT HIGHLIGHTS

## 1 UNIQUE AND DEFENSIBLE COMPETITIVE ADVANTAGE

- Onsite, company-owned hydroelectric power station drives carbon-neutral manufacturing as well as significantly reducing cost of energy inputs
- GFI is a market leader in terms of both environmental and cost-effective production of medicinal cannabis

## 2 EARLY MOVERS IN NZ MEDICINAL CANNABIS

- Government issued commercial cannabis license renewed in December 2021
- Successful R&D ongoing in Stage 1 production facility, with Stage 2 facility built and ready for scale-up post-raise

## 3 GROWTH OPPORTUNITIES IN MULTIPLE MARKETS

- Global Medicinal Cannabis market is large and growing year on year
- Feedback from cannabis buyers indicates consumer demand for NZ product is increasing
- German and Australian markets offer additional channels for growth through opportunities for sales of existing and future products

## 4 OMNI-CHANNEL REVENUE MODEL

- B2B channel accessed through white label Medicinal Cannabis production and sale of hemp products
- B2C & B2B2C channels accessed via subsidiaries Mato and GFI Pharma
- **Up to \$1.6m binding offtake agreement for medicinal cannabis distribution secured**
- Additional revenue generated through sale of surplus hydro energy power to national grid

## 5 INNOVATIVE RESEARCH AND NEW PRODUCT DEVELOPMENT

- Investigational Product already developed in clinical trial protocols
- Collating of real-world patient deidentified data acquired through product prescriptions allows future trial planning
- Partnerships with reputable research organisations such as Callaghan innovation solidify innovative brand reputation

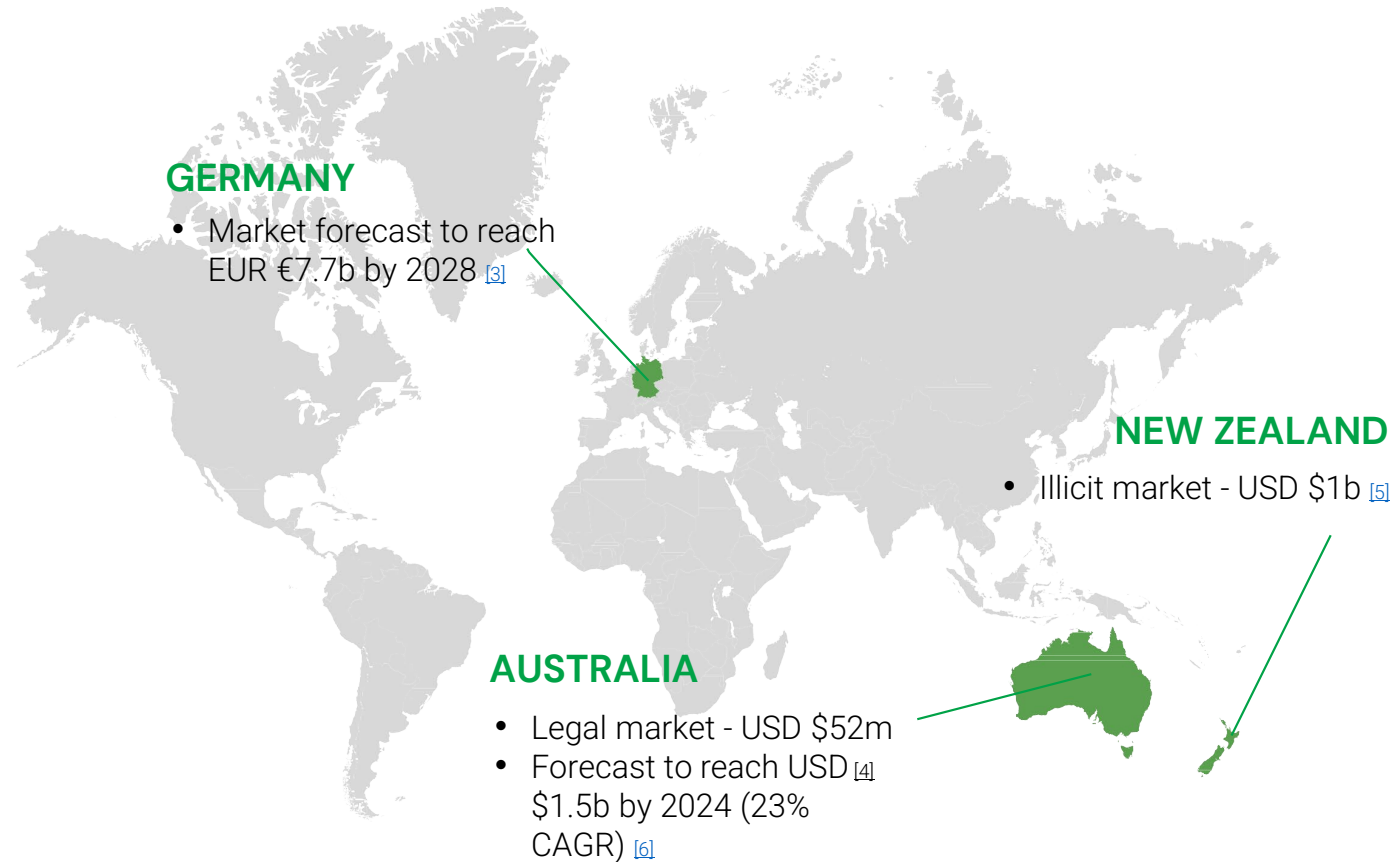
## 6 STELLAR LEADERSHIP TEAM

- Highly qualified team and board with relevant sector, strategic and geographic experience
- Clear track record of strategy execution to date

# THE MARKET OPPORTUNITY IS LARGE AND GROWING

## GLOBAL MEDICINAL CANNABIS MARKET

- USD \$26b [\[1\]](#)
- Forecast to hit USD \$63b by 2024 [\[2\]](#) (24% CAGR)
- Consumption legal in 40+ countries



## KEY FOCUS MARKETS

### Australia [\[12\]](#)

- Australian medicinal cannabis revenue from product sales more than doubled in 2021, exceeding \$200m
- Active patient numbers grew 15x in 2021, estimated to reach 75k by end of the year
- 670k patients seeking to use medicinal cannabis forecast by 2030 [\[2\]](#)

### Germany [\[3\]](#)

- Growing demand for imported cannabis - legalised medically in 2017 and recreational legalisation imminent
- Leading European therapeutic cannabis users - estimated 128k patients today, forecast to reach 1m by 2024
- Quarterly imports exceeding 3t

### New Zealand

- \$43b billion NZD health care expenditure 2021 [\[7\]](#)
- Currently ~250k medicinal cannabis users [\[8\]](#)
- 700k patients with arthritis [\[9\]](#)
- 25k new cancer patients p.a. [\[10\]](#)
- 50k patients with epilepsy [\[11\]](#)

# FINANCIALS

NZD \$ (to 31 March)	FY19	FY20	FY21	FY22
<b>Revenue</b>				
Normanby Generation	-	-	-	58,909
Hemp Meal	-	-	-	17,270
MaTo	-	-	17,149	3,304
GFI Pharma Medicine - AU	-	-	-	118,918
<b>Total Revenue</b>	-	-	<b>17,149</b>	<b>198,401</b>
Total Cost of Sales	30,000	20,000	12,380	207,210
<b>Gross Profit</b>	<b>- 30,000</b>	<b>- 20,000</b>	<b>4,769</b>	<b>- 8,809</b>
Other Income	36,657	23,119	67,063	31,415
Expenses	82,637	1,683,294	1,327,613	2,034,847
<b>Net Profit</b>	<b>- 75,981</b>	<b>-1 ,680,175</b>	<b>- 1,255,781</b>	<b>- 2,012,241</b>

## NOTES

Expenses related predominantly to salaries, direct listing fees and advisory fees.

GFI continues to expend material time and cost in R&D, construction and negotiations with the aim of driving growth in future periods.

The FY22 result was in line with the board's expectations.

# KEY REVENUE CHANNEL – MEDICINAL CANNABIS

Cultivation of pharmaceutical grade cannabis for current medicinal markets



## *Progress Report:*

- New Zealand Government issued commercial cannabis licence successfully renewed in Dec 2021
- R&D and small commercial crop in Phase 1 pilot facility ongoing
- Binding 2 year medicinal cannabis offtake agreement worth up to \$1.6m secured for overseas market
- Development and stabilisation of desired and unique genetics for the overseas market ongoing
- GFI intends to scale this operation into their existing Phase 2 facility using proceeds from the Offer

**Key Takeaway:** GFI is uniquely positioned to leverage critical offtake agreement to take share in a growing market both domestically and globally.

# KEY REVENUE CHANNEL – GMP PHARMA

Sale of GMP medicines in Australia with New Zealand as a target market

## *Progress Report*

- GFI's successful move into the patient acquisition and prescriber space in Australia through partner Cannvalate has yielded strong growth (31% new patient growth MoM, 27% returning)
- Australian TGA/GMP standards are strict, and will assist GFI in working with MedSafe to register existing product formulations in NZ in FY23
- Syndros is one of only 4 globally Food and Drug Administration (FDA) approved cannabinoid medicines in the world. GFI have entered a non binding term sheet to work towards securing a 10+10 year licencing deal for Australia, New Zealand and the Pacific Islands by November 30<sup>th</sup> 2022, in exchange for NZD \$5m cash or equity, through their partnership with Cannvalate.



**Key Takeaway:** GFI sees the larger and more advanced Australian market to be a key growth driver and is working towards securing a significant licensing agreement for Australia (as well as NZ and the Pacific Islands).

# KEY REVENUE CHANNEL – CLINICAL TRIALS

Writing clinical trial protocols to pursue OTC low-dose CBD registered medicines in Australia through the Therapeutic Goods Administration (TGA)



## *Progress Report*

- Writing of clinical trial protocols is 90% complete
- TGA legalised OTC purchase of low dose CBD products in Feb 21, which is anticipated to aid market growth to AUD \$250m+ and to capture up to 2m consumers
- Products reduced from Schedule 4 to Schedule 3 allowing certain patients to purchase CBD from pharmacists
- Schedule 3 products require TGA approval and ARTG listing, requiring significant safety and efficacy testing
- GFI have entered a **non-binding** term sheet to investigate securing licensing rights for a product manufactured by market leader, (American based manufacturer of small molecule active pharmaceutical ingredients), in Phase 2 clinical trials for anxiety in Australia

**Key Takeaway:** GFI is increasing their presence in the biotechnology and clinical research space, aided by a new partnership linking GFI with a world class pharmaceutical cannabinoid manufacturer



# KEY REVENUE CHANNEL – ELECTRICITY GENERATION

Sale of surplus hydroelectricity produced on-site

## *Progress Report*

- Exclusive Heads of Agreement entered with Vortex Group to negotiate a joint development upgrade of hydropower generation plant at Normanby, Taranaki (purchased by GFI for \$750k in Dec 2020)
- Station generates renewable power to run GFI's onsite cannabis cultivation facility enabling significant cost benefits that provide a meaningful margin advantage relative to GFI's peer group
- Excess power is sold back to the national grid for additional revenue.
- Development is expected to increase generation capacity from 250Kw to ~950Kw and increase asset book value to approximately \$3.5m
- GFI and Vortex will each own a 50% stake in the upgraded asset



**Key Takeaway:** GFI's onsite hydropower plant is a meaningful differentiator both environmentally and in terms of manufacturing costs.



**GREENFERN**  
INDUSTRIES

**THANK YOU**



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[www.gfi.nz](http://www.gfi.nz)



[Greenfern Industries Video](#)



# REFERENCES

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- [2] [https://www.mtpconnect.org.au/images/MTPC\\_Australian%20Medicinal%20Cannabis%20Industry.pdf](https://www.mtpconnect.org.au/images/MTPC_Australian%20Medicinal%20Cannabis%20Industry.pdf)
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- [11] <https://neurological.org.nz/news/a-closer-look-at-a-condition-epilepsy/>
- [12] <https://freshleafanalytics.com.au/australias-most-comprehensive-medicinal-cannabis-report-h2-2021/>

# GLOSSARY

**TGA** – Therapeutic Goods Administration. Australian Government agency, part of the Department of Health, that safeguards and enhances the health of the Australian community through effective and timely regulation of therapeutic goods.

**GMP** - Good Manufacturing Practice. TGA-administered code that describes a set of principles and procedures that, when followed, helps ensure that therapeutic goods are of high quality.

**GACP** - Good Agriculture and Collection Practice. Globally recognised certification indicating compliance with guidelines for quality assurance in plant cultivation.

**BPA** - Bio-Resource Processing Alliance. NZ Agency that co-funds and undertakes research and development projects with companies by using expertise at partner organisations and universities.

**OTC** – Over-The-Counter. Process of purchasing pharmaceutical products without needing a prescription from a doctor.

**CBD** – Cannabidiol. A compound found in the Cannabis Sativa plant, also known as cannabis or hemp.

**ARTG** – Australian Register of Therapeutic Goods. Register of therapeutic goods that can be lawfully supplied in Australia.

**FDA** – Food & Drug Administration. US Agency responsible for protecting the public health by ensuring the safety, efficacy, and security of human and veterinary drugs, biological products, and medical devices.

**30-day VWAP** – The Average Market Price (as defined in the Listing Rules) except that the calculation was made over the period of 30 days before 27 September 2022, being the date that was 3 Business Days before the Rights Issue was announced.