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primary hemp

APH INVESTOR PRESENTATION

26th April 2021

ASX Release

Australian Primary Hemp (ASX: APH) (APH or the Company) is pleased to release the attached Investor Presentation.

ENDS

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About Australian Primary Hemp Ltd

Australian Primary Hemp Limited ("APH") is a vertically integrated business which produces, manufactures, and distributes a range of plant based nutrition brands including hemp products under the Mt Elephant and APH brands, to retail, wholesale, and white label customers in Australia. APH engages across the hemp value chain, encompassing seed selection, farming, processing, packaging as well as distribution and sales of bulk and retail products.

ASX Code: APH

AUSTRALIAN PRIMARY HEMP LTD

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Australian Primary Hemp (ASX:APH) – Company Presentation

April 2021



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APH is unleashing the power of plant-based nutrition (including hemp) for better health and wellbeing

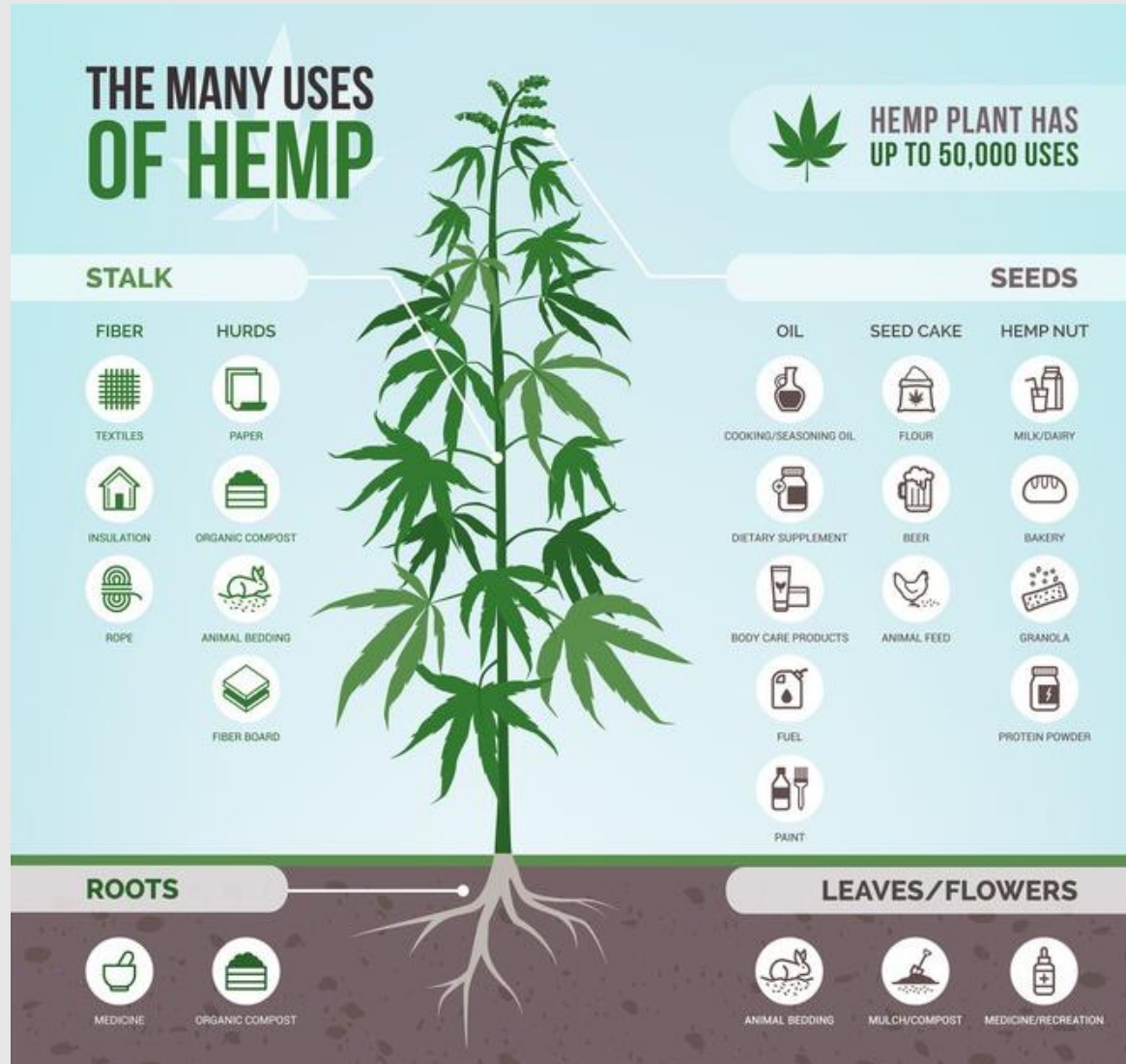
Strong commercial tailwinds and growing investor proposition for plant-based nutrition

Market embracing Australian sown and grown

Evolution to a branded, value-added health and wellness company



WHAT IS HEMP?



Hemp is not Medicinal Cannabis.

Hemp was legalised for food in Australia in November 2017 and does not contain the same levels of THC found in Medicinal Cannabis.

Hemp seed foods include hulled hemp seed, and foods derived from hemp seed such as oil, beverages, flour and protein powder. Like nuts and other seeds, hemp seed is a superfood that includes:

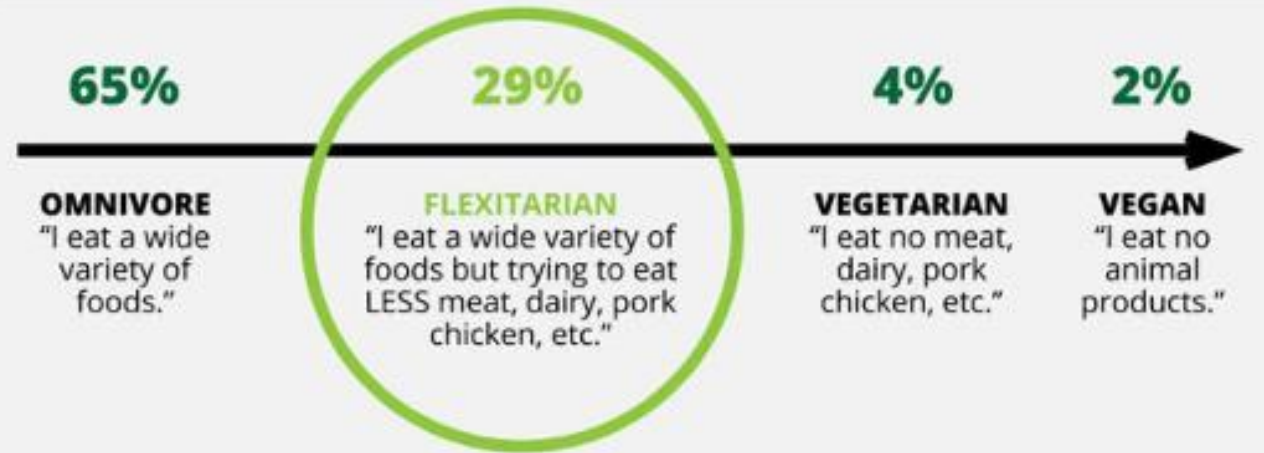
- Protein
- Dietary fibre
- Polyunsaturated (omega-3 + 6) fats
- Magnesium
- Gamma Linoleic acids

Hemp seeds do not contain any psychoactive properties. APH uses only hemp seeds as an ingredient in our products.

A SECULAR SHIFT IN CONSUMER EATING HABITS

- “Flexitarians” are leading the secular shift in consumer eating habits
 - Mostly vegetarian but sometimes eat meat
 - Represent ~29% of US population
 - Largely Millennials and Gen Z
- Vegetarians have historically been driven largely by ethics (i.e., animal welfare) and religion
- Flexitarians are focused on weight, health, and the environment
- Of the ~40% of Americans that consume alternative milks, only 1/3 did so exclusively

HOW AMERICANS IDENTIFY THEIR DIET



Source: Plant Based Foods Association, Mattson Survey, 2017

SIZING THE US RETAIL PLANT-BASED FOOD MARKET

Retail plant-based food sales

- Market size estimated at US\$7.0B in 2020
- Up 43% over 2018, more than double US total retail food sales growth of 17% over this period

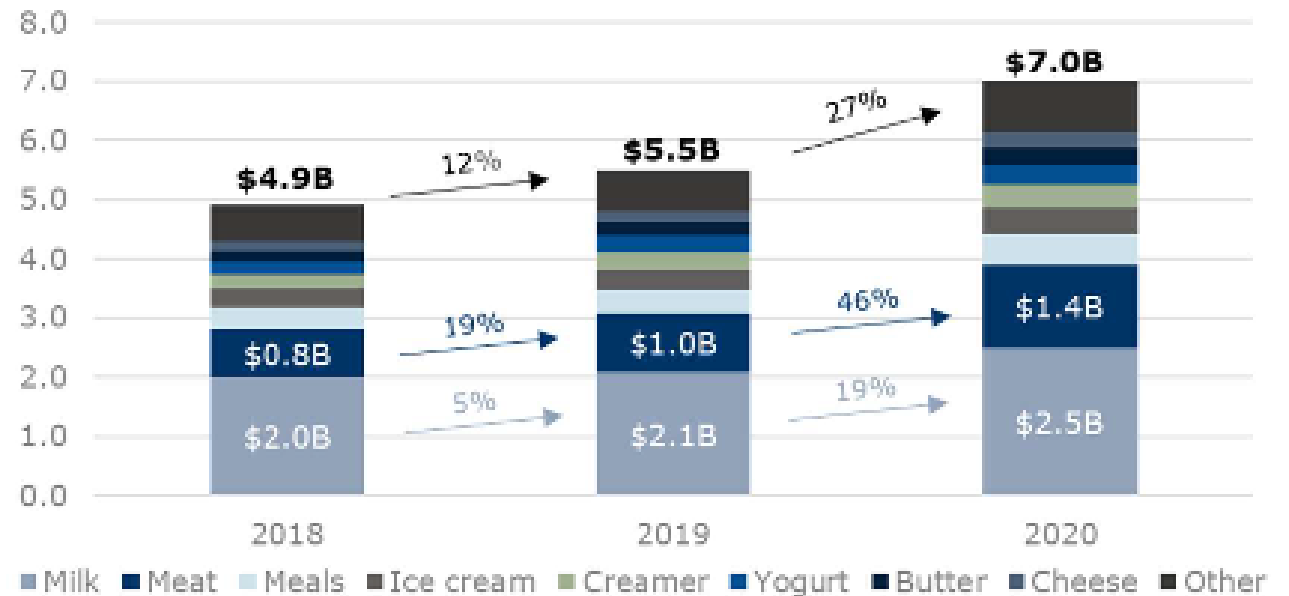
Plant-based milk -US\$2.5B market

- Growth started accelerating 20 years ago but still up 19% Y/Y in 2020
- Makes up 15% of retail fluid milk sales; purchased by 39% of households

Plant-based meat -US\$1.4B market

- Fastest growing of the major plant-based categories at 46% Y/Y in 2020
- Makes up 1.4% of retail meat sales; purchased by 18% of households

US RETAIL PLANT-BASED FOOD SALES (US\$BS)



Source: The Good Food Institute, SPINS data

STRATEGY AND RECENT COMPANY HIGHLIGHTS

APH strategy is moving the Company from an ingredients supply business to a premium, value-adding producer of plant-based nutrition.

Launched in May 2020, the Company's refined strategy integrates its ingredients supply business and consumer-focused brands in three major sectors:



FOOD &
HUMAN
NUTRITION

PET &
ANIMAL
NUTRITION

WELLNESS
& BEAUTY

Q1 FY21

- Established Mt. Elephant branded product lines – a range of consumer focused, high-quality, plant-based superfood products

Q2 FY21

- Mt. Elephant snack bars to be ranged in 7-Eleven stores

Q3 FY21

- Mt. Elephant baking products to be ranged in Woolworths
- APH raises \$5.2m and launches Share Purchase Plan of \$1m
- Mt. Elephant Hemp & Oat Mylk products to be ranged in Woolworths and Coles

Q4 FY21

- Mt. Elephant baking products to be ranged in Coles

Hemp: the plant-based superfood driving growth



\$5.25 Billion Market growing 5% per year



High-quality packaging



Achieved national distribution in September 2020



Long new product development funnel – more products launched this year and into 2021

Now available at:



525+ health food & independent supermarkets and convenience stores



ELEVATE THE EVERYDAY



FOOD AND HUMAN NUTRITION DEVELOPMENTS



Established “Mt Elephant” Brand



7-Eleven Australia becomes APH's first significant retailer for the Mt. Elephant nut bars. Valued at \$1M – 1.4M



APH secures second Woolworths retail distribution agreement for 'Mylk' products. Valued at \$250,000



APH signs distribution deal With Coles for Mt. Elephant baking range. Valued at \$3m

Q1 FY21

Q2 FY21

Q3 FY21



Two-year exclusive supply agreement with Annex Foods signed 2020. Valued at \$760,000.



Retail distribution agreement with Woolworths for Mt. Elephant baking range. Forecast annual sales - \$2.31m per year.



APH secures retail distribution agreement with Coles for 'Mylk' products. Valued at \$200,000.

PET AND ANIMAL NUTRITION

Field Day

FROM Paddock TO PAWS



\$12.2 Billion Market
growing 9% per year



Australia has the highest pet
ownership per capita in the
world



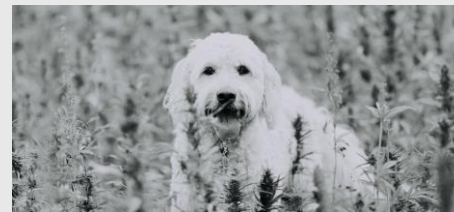
61% of Australians own
pets



Proudly 100% Paddock to Paws. A collaboration of experts in agriculture, wellness and veterinary bring 100% Australian grown hemp products from Aussie paddocks to your pooch.



Hemp benefits skin
and coat



Hemp reduces
inflammation that
impacts mobility



Hemp improves heart,
eye and gut health

**Nutritional supplements are currently in development
and assessment.**

HEALTH AND BEAUTY (SELF-CARE AND WELLNESS)



Hemp infused \$5.32 Billion market growing 5% per year



APH developing skincare, serums and supplements



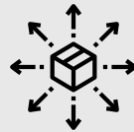
Leverages trend to natural products



Harnesses natural SPF and antioxidant properties



Emphasis on strong branding & efficacy



Defined distribution



Accessible price points

Omnichannel distribution strategy allows direct-to-consumer engagement and accesses networks of mass and specialty retailers and e-tailers.



SUPPLY CHAIN AND OPERATIONS UPDATE

Underpinning APH's recent growth, the Company is committed to its provenance and end-to-end supply chain, including organic hemp farming and ingredients processing.

- Direct farmer engagement with APH's contracted agronomist services has ensured best-practices resulting in increased yields, lower costs, and improved hemp quality.
- In Q2 FY21, APH received Organic Certification. This enables APH products to carry Australian Certified Organic BUD Logo.
- Record hemp crops in 2021



FY 2021/2022 OUTLOOK

Increase Supply Security and Operational Flexibility

- ☒ Improve quality
- ☒ Decrease costs
- ☒ Increase crop yield and supply security
- ☒ Bring previously outsourced services in house

Evolving from ingredients producer to value-added supplier

- ☒ **Launched Mt. Elephant** brand
- ☐ Launch branded pet nutrition **Field Day** – August 2021
- ☐ Launching new beauty and wellness brand – Q4 FY22
- ☐ Expand product lines with existing partners; Coles, 7-Eleven and Woolworths

Refocus and expand distribution partners/channels

- ☒ Grow distribution in grocery, health food, convenience, specialty retailers and e-tailers
- ☒ Win more ingredient supply contracts
- ☒ Growing direct-to-consumer online business via APH digital platforms

Enhance brand marketing & consumer engagement

- ☐ Investment in digital and traditional marketing programs direct-to-consumer
- ☒ Investing with retailers in promotional activity e.g., market, influencer engagement

CAPITAL STRUCTURE

Current Share price	\$0.44*
Total Issued Capital	95.605m
Market Cap.	\$42.06m
Cash Reserves (As of 31 March 2021)	\$5.8m

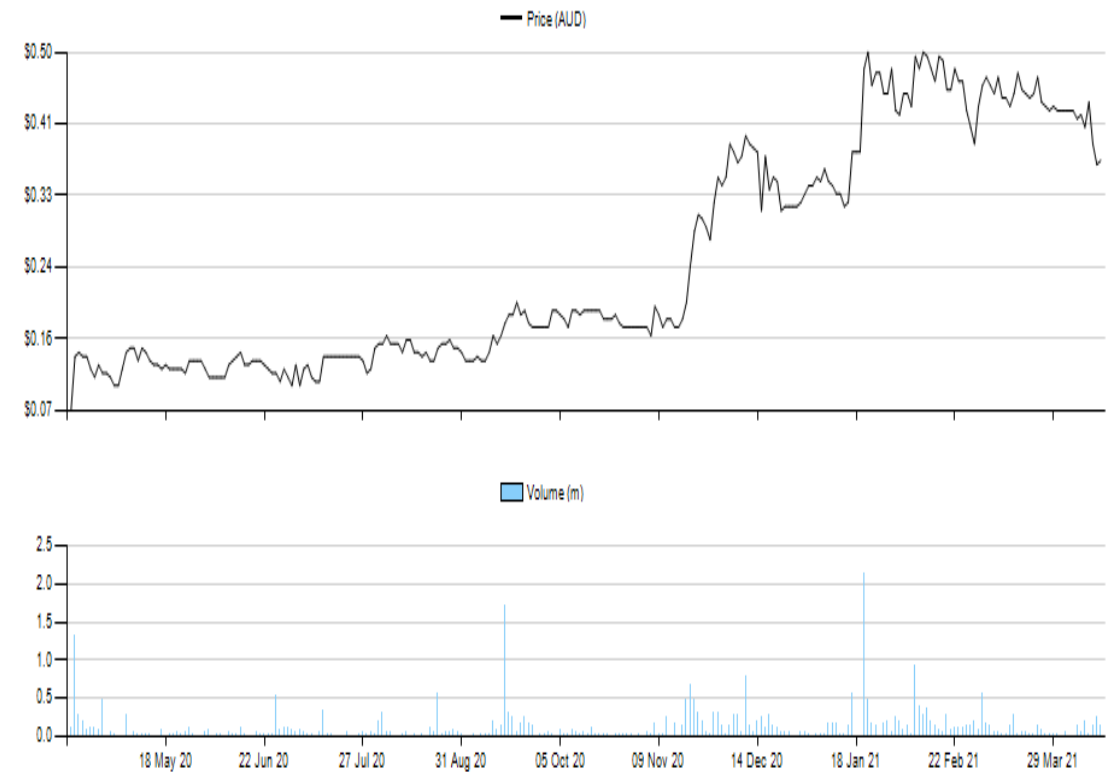
* 22 April 2021

Shareholders	Shareholding *	Ownership %IC
CIA Mann Family Pty Ltd	11,667,654	12.20%
HBSC Custody Nominees (Australia) Limited	8,186,609	9.20%
James Hood Pty Ltd (Director and COO)	7,600,000	7.95%
TTOR Pty Ltd (Non-Executive Director)	4,999,999	5.23%
Mutual Trust Proprietary Ltd	3,683,455	3.85%
Top 20 Shareholders		66.31%

* 31 March 2021

14 Apr 2020 - 14 Apr 2021

Price & Volume for APH.ASX





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APPENDIX



DRIVERS OF CONSUMER CHANGE

- **Taste:** Technological improvements have led to improved taste, texture, and appearance
- **Cost:** High commodity feed and energy prices have supported the shift to inexpensive plant proteins. Most of the plant energy consumed goes into developing non-edible parts like hooves and bones. Bypassing the animal for the plant reduces this waste and the associated cost

ENVIRONMENTAL IMPACT OF ANIMAL VERSUS PLANT-BASED AGRICULTURE			
	Greenhouse-gas emissions kg of CO ₂ equivalent per kg	Freshwater withdrawals litres per kg	Land use m ² per kg
Meat*	Beef (herd)	99.5	1,451
	Pork	12.3	1,796
	Chicken	9.9	660
Beyond Burger	3.5	9.7	2.7
Impossible Burger	3.5	107	2.5

Source: Ron Milo, Weizmann Institute and Alon Shepon, Harvard University *Global average, 1kg of fat and bone-free meat and edible offal

Source: The Economist

- **Health:** No cholesterol, usually less fat, more fibre, more vitamins, no antibiotics, no risk of CV disease or animal-derived diseases
- **Environment:** Raising animals for meat, eggs, and dairy produces 15% of global greenhouse gas emissions; 33% of global arable land is used to grow animal feed, 26% of earth's terrestrial surface is used for grazing, and 8% of our water is used for animal production (UN, National Academies, Institute of Food Technologists).

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