

WE ARE SEACH

Pioneers of the Israeli
Medical Cannabis Industry

Investors Deck – Financial Statements of 2020

Seach
MEDICAL GROUP



April 2021



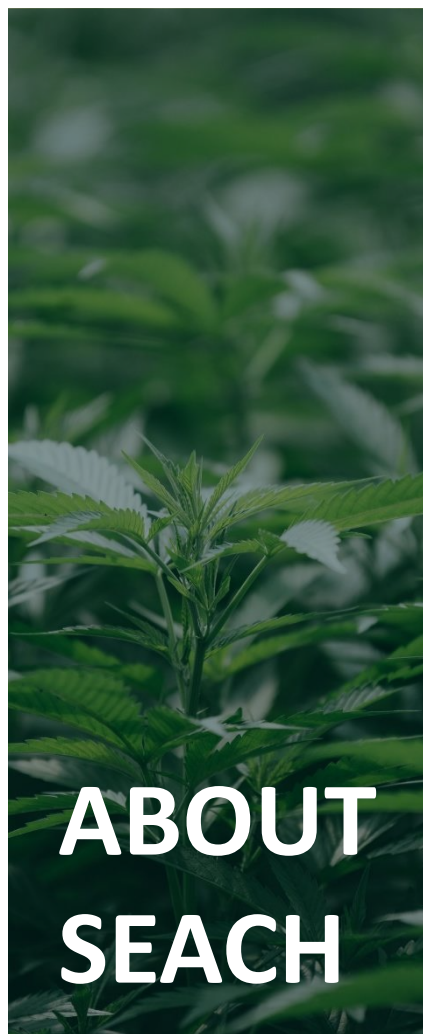
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2020 financial overview

- * 2020 Revenues reached NIS 37 Million
- * 2020 Profit and Adjusted Profit* amounted to NIS 12 Million and 18 Million, Respectively

Technological and R&D leader

- * Execution of clinical trials to develop the next generation of medical Cannabis products
- * Investments in various technological oriented companies within the Cannabis sector

Focused on brands & several markets

- * Leading the Israeli market with top brands: *Nitzan, Axiban*
- * Executed first commercial export during November 2020, additional shipments to different countries
- * Worldwide collaborations for supply of top-quality medical Cannabis products

Experience & production capacity

- * Has been cultivating and supplying medical Cannabis to thousands of patients in the last 14 years
- * Increasing production capacity in company's facility & through domestic and international joint ventures
- * Genetic bank with more than 500 genetic lines

Pioneering the medical Cannabis field since 2002





Management



Yogev Sarid
Founder & CEO



Shay Avraham Sarid
Founder & CTO



Amichay Rab
CFO



Ofir Sarid
Founder & COO



Dr. Iris Nesher
Chief Scientist








Nitzan Lotringer
Master Grower



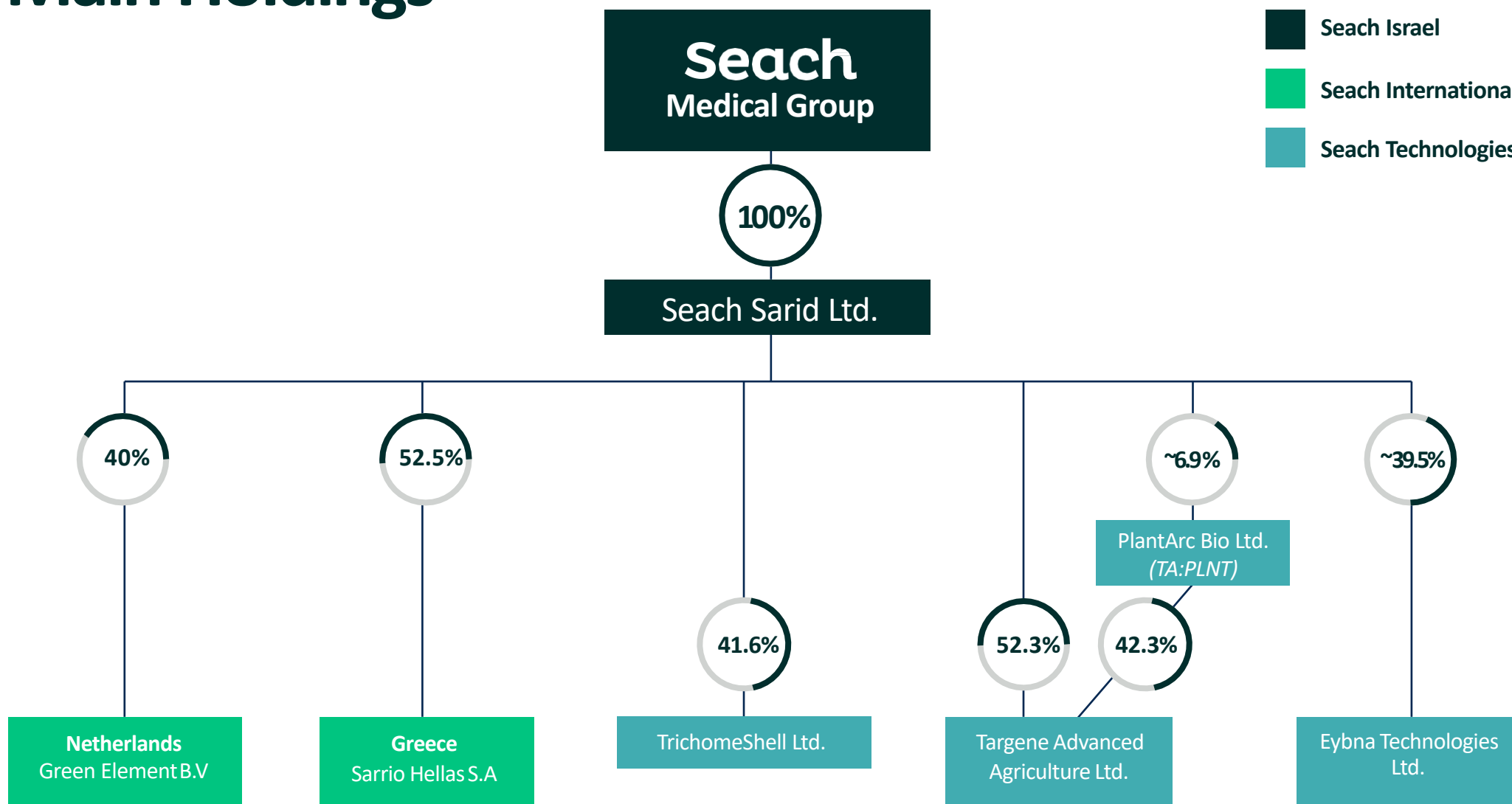
Hagai Zachor
Biz-Dev Manager



Shira Sitton-Dvorachek
HR Manager

<p>Nir Zichlinsky Chairman</p>		<h1>Board of Directors</h1>	
<p>Owner and CEO of SRI GLOBAL GROUP, served as second to the CEO of Arison investment, CPA – previously served as a senior partner at BDO Ziv Haft.</p>		<p>Itamar Elitzur Independent Director</p>	
<p>Yaakov Amidror Director</p>		<p>Has vast experience in strategic and economic consulting to high-profile organizations in the public and private sector.</p>	
<p>General in reserves, previously head of the national security headquarters, researcher of strategy & security worldwide, a member of the board of the Company of Israel, and adviser to several startups.</p>		<p>Dalit Weichselbaum External Director</p>	
<p>Hezi Cohen External Director</p>		<p>Serves as head of corporate communication and IR at Migdal Group and as an external director in several companies.</p>	
<p>CPA and financial consultant to real-estate project companies and to private companies. In addition, serves as an external director to several companies in the private sector.</p>			

Main Holdings

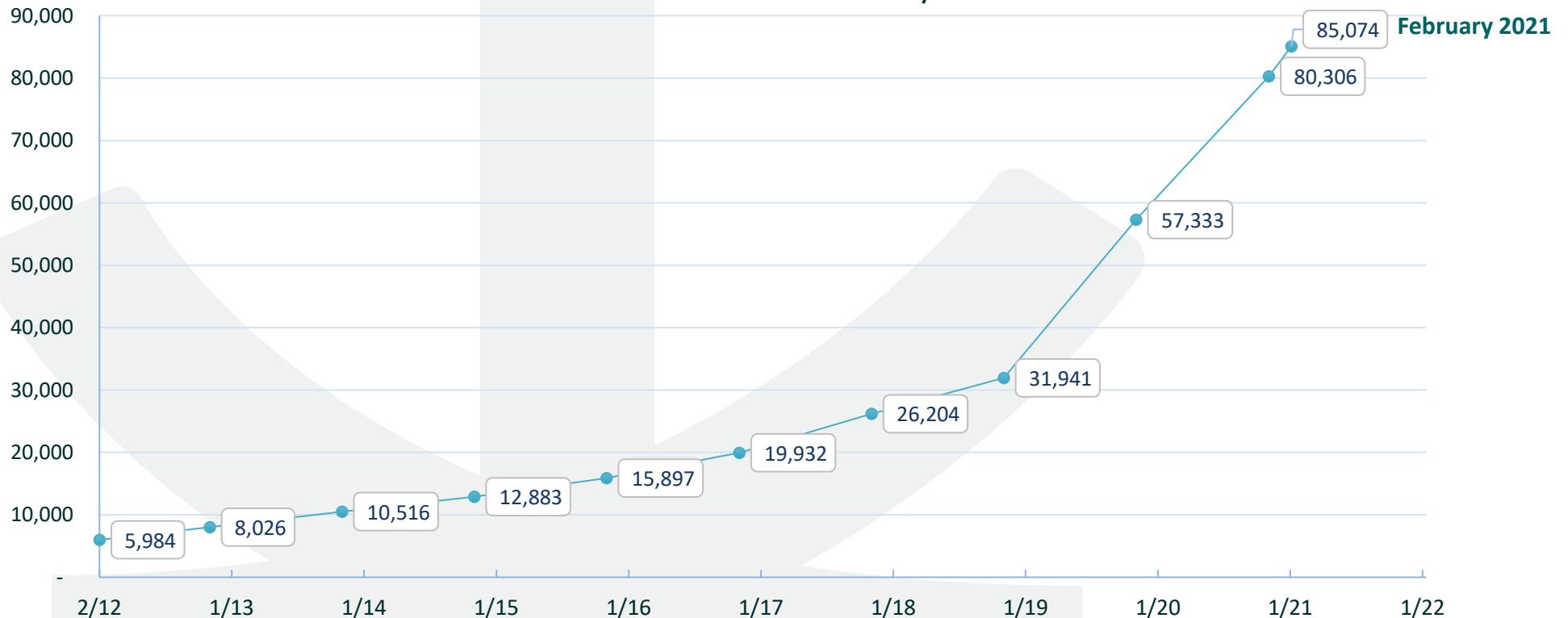


The Israeli Cannabis market



Number of patients holding active medical Cannabis licenses in Israel

Source: Medical Cannabis unit - the Ministry of health



- Number of patients as of February 2021: 85,074
- Estimations for 70% growth rate to 140,000 patients in 2022



Increasing production capacity



Increasing production capacity by upgrading the greenhouses with modular cultivation systems



Strategic agreements with sub-farms to increase production capabilities while receiving royalties from sub-farms



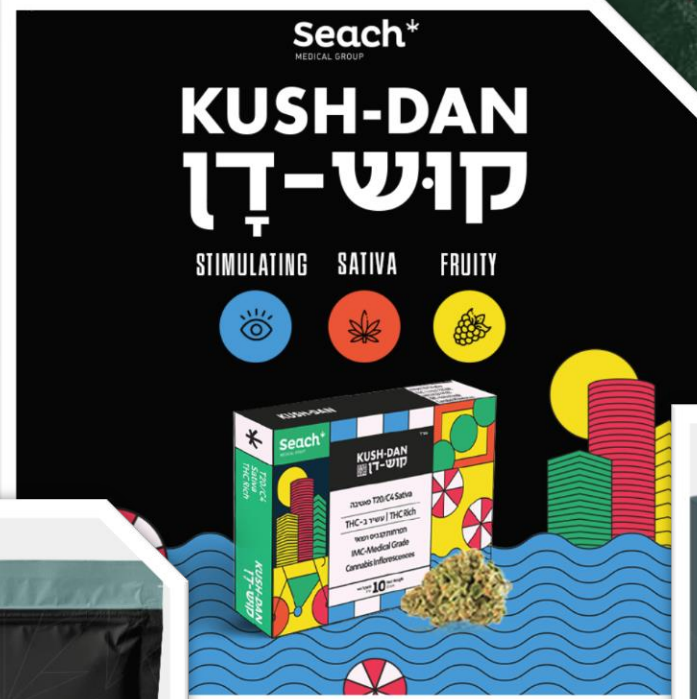
Import of top-quality Cannabis inflorescences from leading companies worldwide





Seach's Brands

- Over the course of a decade unique strains have been developed in accordance with medical standards and patients needs
- Products and brands are widely sold to licensed pharmacies in Israel
- New products are under development and will enter the market in accordance with regulation developments
- Seach is focusing on building products and brands with an emphasis on patient user experience





Brands & Products

Rafa.

אקסיבן
קנאביס רפואי מבית רפא

PANAXIA
MEDICAL DEVICES & COSMECEUTICALS



Seach*
MEDICAL GROUP

המרכז הרפואי
האוניברסיטאי
הדסה
מיסודו של ארגון נשות הדסה



Illustration

Co-brand collaboration with Rafa & Panaxia

- Collaboration for production and sale of *Axiban* Cannabis oils between Seach, Panaxia and Rafa which integrates several parts of value chain

Co-brand collaboration with Hadassah

- Collaboration for production and sale of mutual Cannabis oils brand between Seach and Hadassah hospital

Research & Clinical Trial based Products

- Execution of clinical trials for development of innovative products based on Seach's formulations
- Potential clinical trials include diabetic neuropathy, autism in young people, pain, Alzheimer's and more
- **Nitzan Spectrum** Cannabis oil is based on a designated formulation which was developed by Seach in the past years

December 2019

Beginning of **Nitzan Spectrum** clinical trial to examine its therapeutic effect on young people with ASD disorder

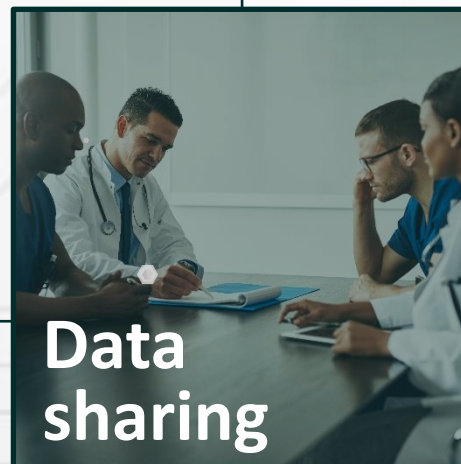
Nitzan
Spectrum

שמן קנביס רפואי T1/C20, T10



Our Data Base

For over a decade we have created a genetic bank with more than 500 strains. In Addition, during 14 years of direct work with our patients, we created extensive database comprised of medical indications, strains consumed by our patients, strains efficacy on various diseases and more.



Our data-base is comprised of several information sources



The Israeli medical Cannabis market is expected to reach 140,000 patients in 2022



Demand

Sales in Israel and export to several designated countries



Dozens of pharmacies in Israel



Worldwide customers

Supply

Tens of tons of Cannabis in the upcoming years



Seach's facilities in Israel



Joint ventures with sub-farms



Import

November 2020

For the first time in the history of Israel, Seach executed commercial export of medical Cannabis from Israel

March 2021

Execution of the largest-scale commercial export by an Israeli company - 120 kg of inflorescences to Australia



Seach*
MEDICAL GROUP

* According to the company's knowledge Seach is the first Israeli company to execute commercial export of medical Cannabis from Israel

Commercial export



First commercial export of medical Cannabis in the history of Israel



November 2020 - **EXECUTED**

December 2020 - **EXECUTED**

March 2021 (120 kg of Inflorescences) - **EXECUTED**



December 2020 - **EXECUTED**



March 2021 - **EXECUTED**



Planned during 2021



Seach cultivation facility is GACP certified

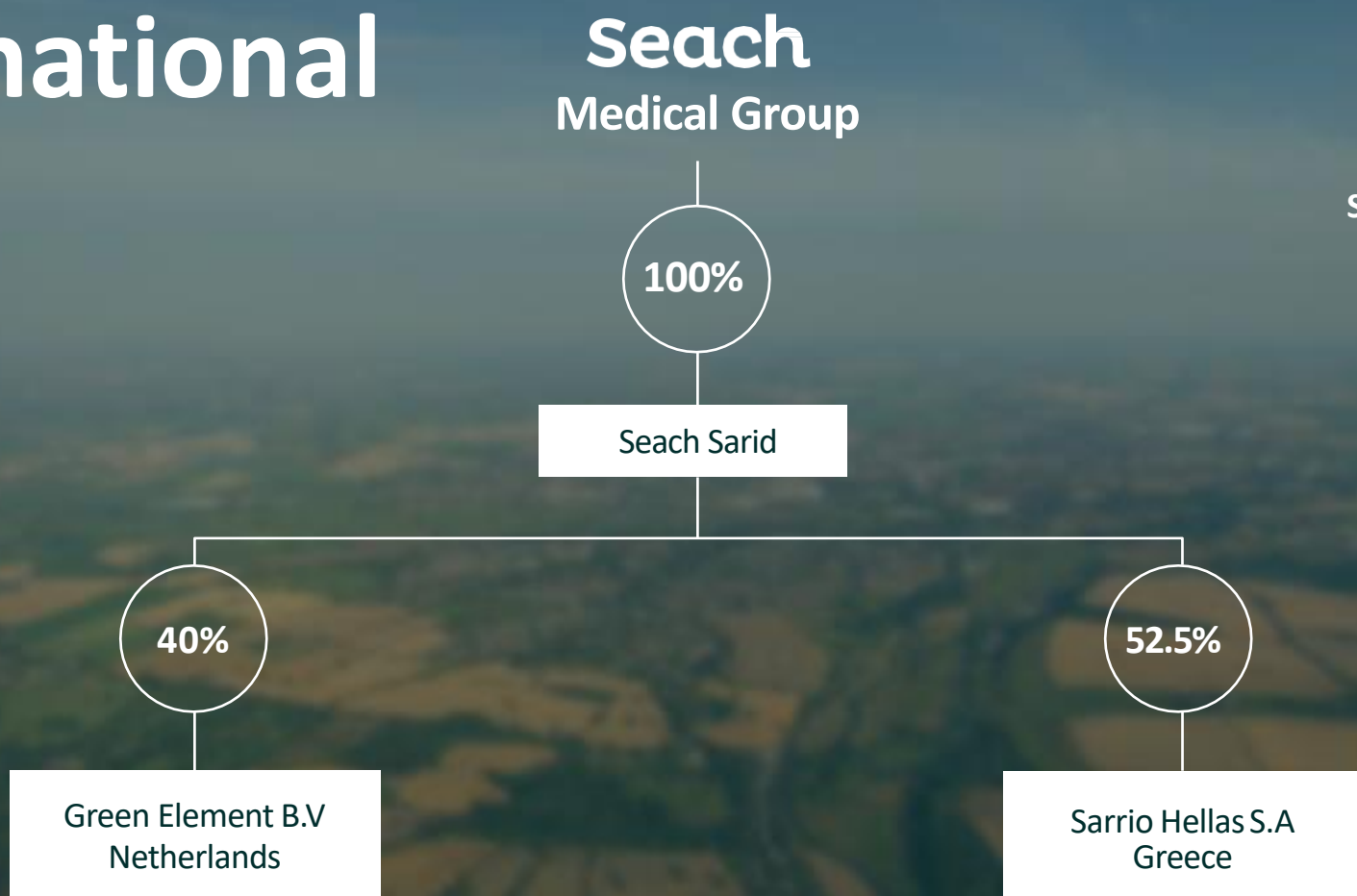


The manufacturing facility is EU-GMP certified



Seach International

Main holdings



STRATEGIC JOINT VENTURES

USA
Harmony Foundation

Canada
GMPC

Sarrio Hellas S.A

Greece



- Seach holds 52.5% of Sarrio Hellas S.A shares, together with Israeli and Greek partners
- In January 2020 Sarrio received an initial license for cultivation, manufacturing, marketing and selling of medical Cannabis in Greece and export to European countries
- Sarrio owns 60,000 sq. meters land located 80 kilometers north of Athens by the city of Thiva
- The facilities are in planning and construction licensing processes and are expected to include hybrid greenhouses and a manufacturing plant
- Cultivation and manufacturing shall be done in compliance with GACP and EU-GMP standards
- Potential production capacity of tens of tons of Cannabis inflorescence per year

**Seach
International**

Strategic activities in
designated countries



Sarrio Hellas S.A

Greece

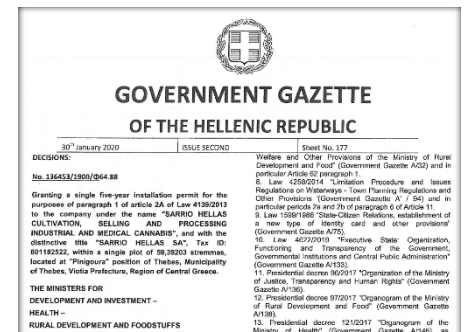


Why Greece?

- Relatively developed Cannabis regulations in comparison to other European countries
- The Greece government has declared the Cannabis industry as a strategic growth engine
- Greece is a gate to the EU
- Relatively low operational costs (labor and resources)
- Ideal weather and climatic conditions (similar to Israel)
- Supporting business environment

**Seach
International**

Strategic activities in
designated countries



Initial license January 2020

Green Element BV

Netherlands



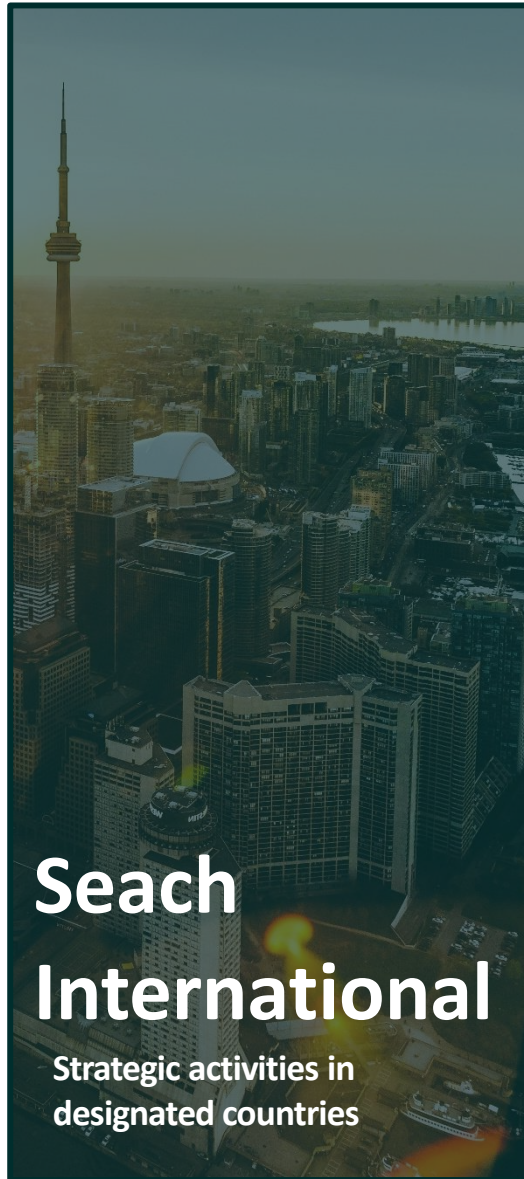
- The company engages in manufacturing, marketing and selling of CBD-products in Europe
- The company operates, inter-alia, in the field home-pets' products, based on a network of local veterinary clinics
- The company has signed several commercial agreements for the production of CBD inhalers, CBD toothpicks, and CBD powder - for mixing in drinks
- This collaboration will enable Seach to develop a CBD-enriched line of products in Europe
- In accordance with expected regulatory developments in Israel in the field of CBD, Seach will be able to import existing product lines from the Netherlands



**Seach
International**

Strategic activities in
designated countries


GreenElement



GMPC

Canada



Seach has entered into a long-term agreement with GMPC (Global Medical Cannabis Producers Corporation) to grant exclusive right of use in Canada to GMPC for the cultivation, marketing and sales of products based on Seach's specific formulations and strains in Canada in exchange for royalties from their sales

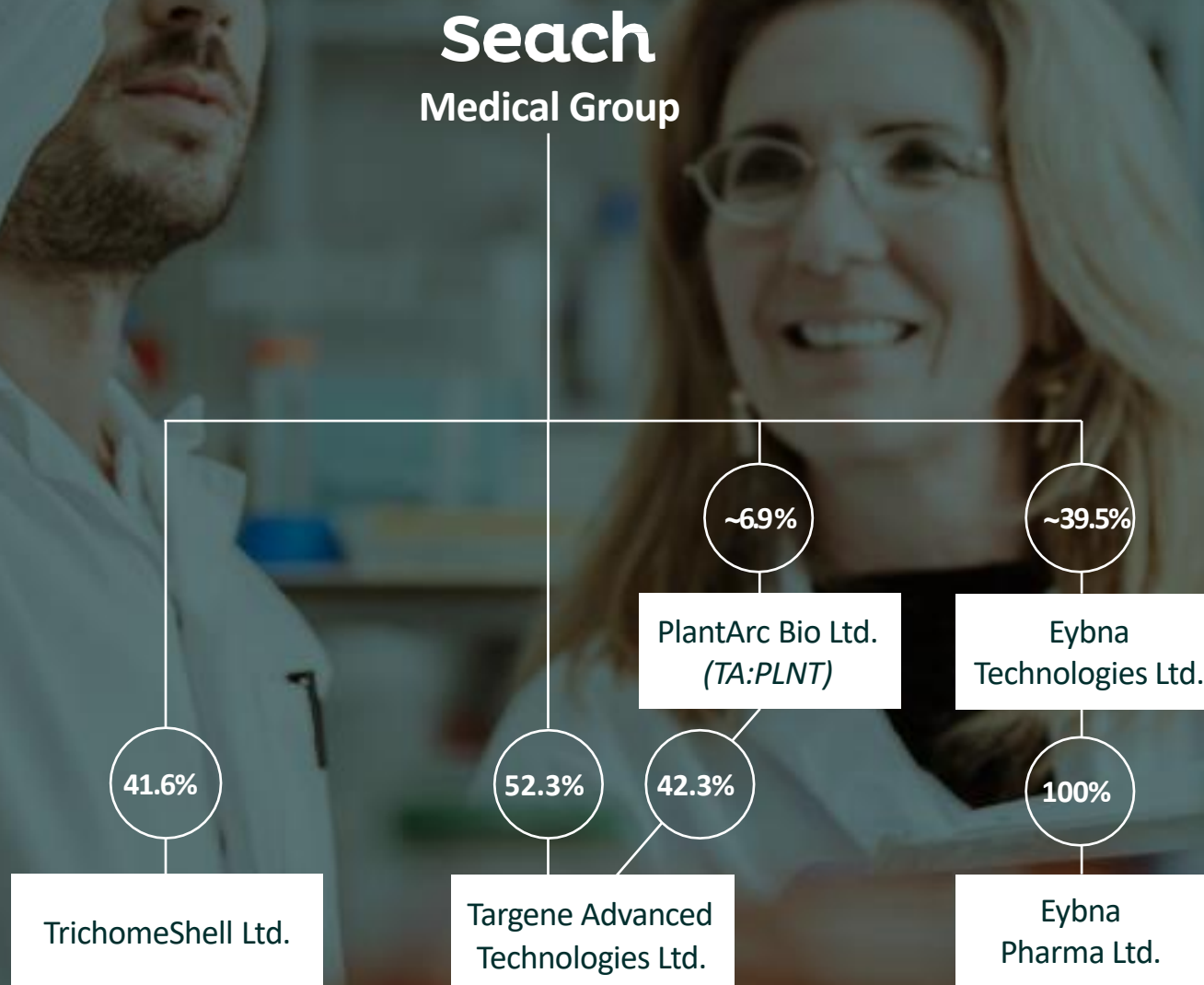
Harmony Foundation

USA



Seach has entered into a long-term agreement with Harmony Foundation, which is incorporated in the US and holds licenses to cultivate, manufacture and distribute medical Cannabis products in New Jersey. Under the agreement Seach grants Harmony a non-exclusive right to manufacture, market and sell Seach's products in New Jersey in exchange for royalties from their sales

Holdings in innovative technology companies



Seach Technologies

Terpenes Technology



Eybna Technologies Activity - 39.5%

- An R&D company which conducts research on the medical activity of phytochemicals found in Cannabis with a strong emphasis on a group of substances called Terpenes
- Eybna develops and manufactures natural terpenes formulations with various medical effects for use in the Cannabis, food, cosmetics and pharma industries
- Eybna's R&D center and factory are in Israel, the marketing and sales offices are in California, USA
- Eybna's formulations are used as essential component in leading products of several of the world's best-known Cannabis brands
- Analysis of terpene profiles of Seach's varieties and development of terpene formulations to enrich Cannabis oil products
- A platform for the development and production of a new generation of medical Cannabis products with increased efficiency and consistency
- Eybna funds and conducts groundbreaking academic research at the Hebrew University and Bar Ilan University

Seach Technologies

**Innovative
Consumption
Products**



TrichomeShell Activity – 41.6%

- Develops consumer products which are characterized by full repeatability per unit of product, while controlling the composition and dosage of the active ingredients.
- Patent (PCT) on the manufacturing methods and the materials used to manufacture its products.
- Develops unique manufacturing solutions for its products to enable large scale production and quality assurance
- Engages in the development of additional technologies and products to improve the accessibility of Cannabis products to end users
- Products are currently being sold in USA and Europe



Seach Technologies

Advanced Cultivation Technologies

TARGENE
we aim for the trichomes

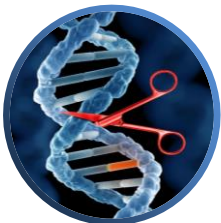


Targene Activity – 52.3%



Producing active ingredients at scale

- Production of Cannabinoids (single molecule) and Cannabis cells (full spectrum) using breakthrough technology by using a liquid medium environment (bioreactor) for pharmaceutical-grade production of API's.



Advanced breeding methods (Gene editing)

- Using gene editing to improve plant traits such as: fungal resistance, change in cannabinoid compositions and increased yield.

Seach Technologies

Advanced Cultivation Technologies



PlantArc Bio Activity – 6.9% (TA:PLNT)

Genes discovery for the global seeds industry

- Innovative patented technology (DIP© - Direct In Plant) for the discovery of genes that has positive effects on plants
- To date, the company found genes for yield improvement & drought resistance as well as herbicide tolerance and started to commercialize these genes to leading global seeds companies.

RNAi based sprays for yield increase and insects' resistance

- Innovative RNAi-based applications for yield increase in canola, soybean and rice in collaboration with ICL, as well as the development of a tool for the destruction of the palm weevil in collaboration with Gadot-Agro

IPO

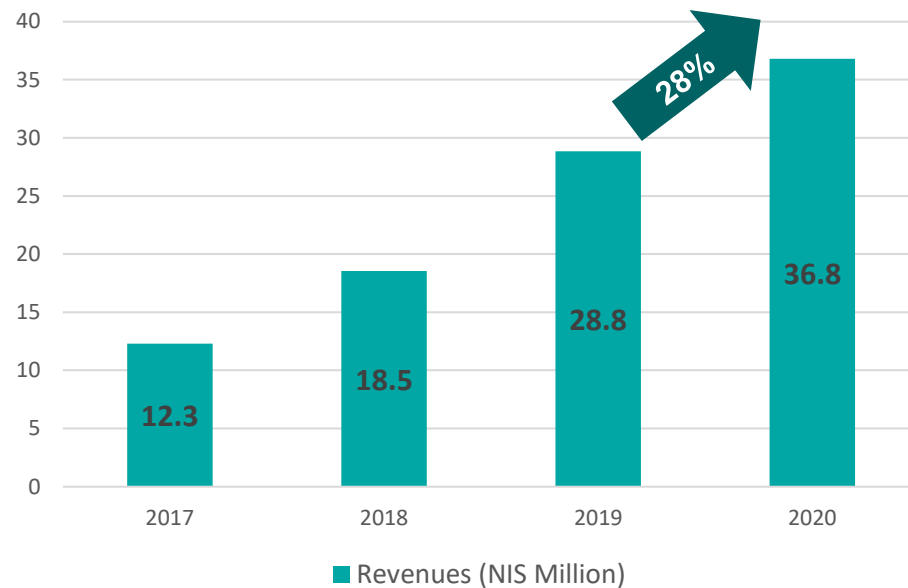
- During January 2021 PlantArc executed IPO in Tel Aviv Stock Exchange by raising approx. NIS 23.1 million*

* Gross consideration from the allotment of shares and options under the IPO

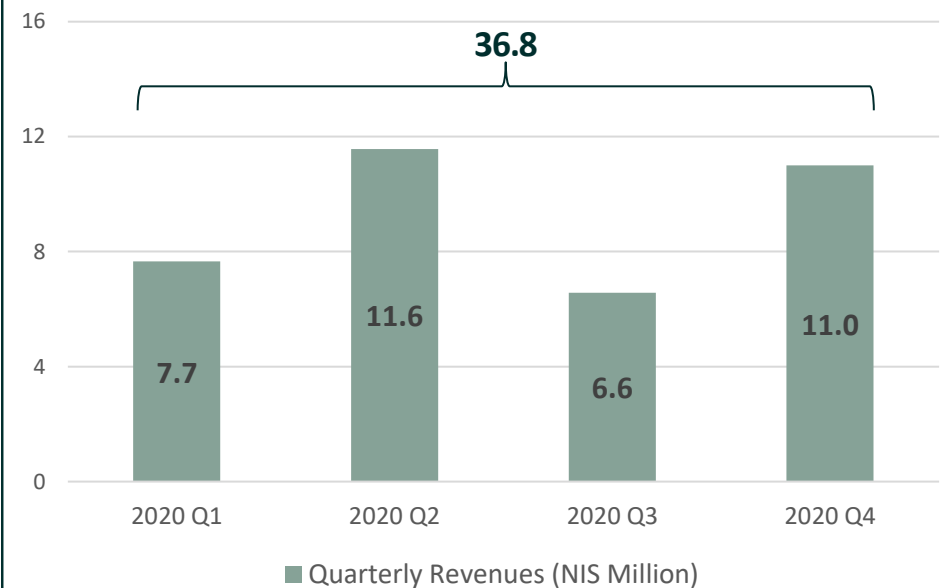
Financial Highlights

2020 Revenues reached NIS 37 Million - an increase of 28% compared to 2019

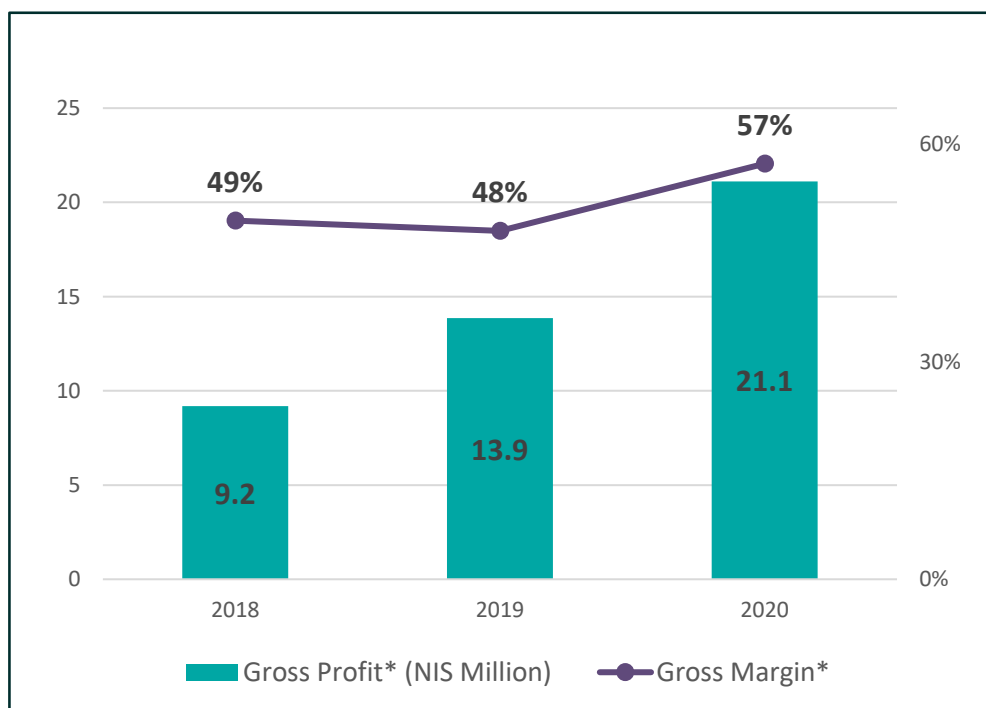
2017-2020 Revenue (NIS Million)



2020 Quarterly Revenues (NIS Million)



Gross margin* in 2020 of 57% - compared to 48% in 2019

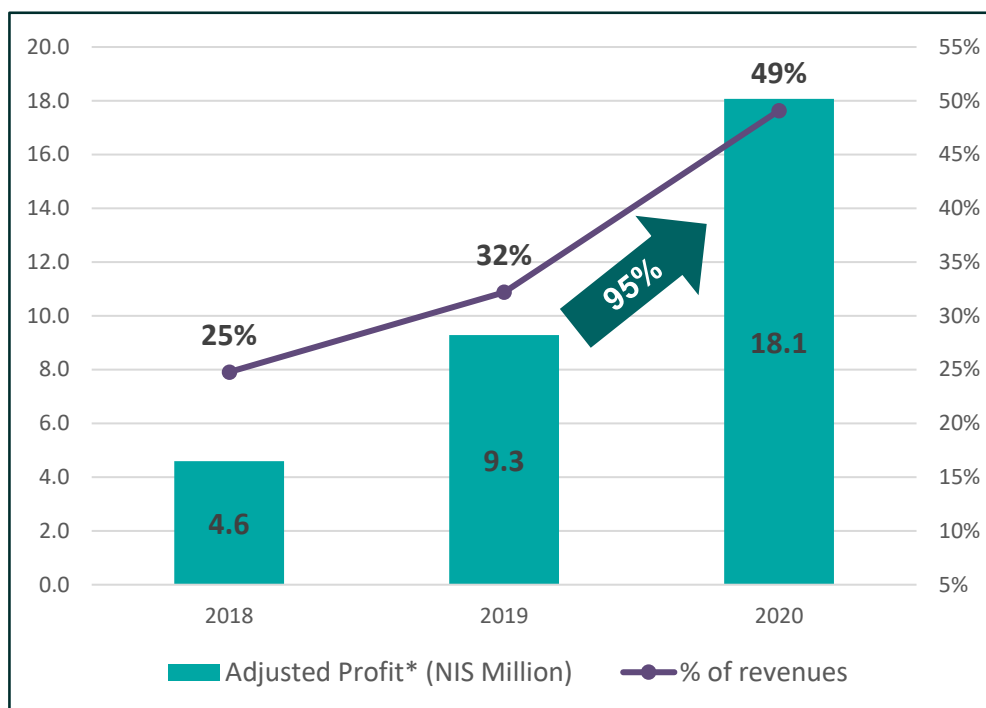


- The gross profit in 2020 was approx. NIS 21.1 Million and reflects an increase of approx. 52% compared to 2019.
- The gross margin in 2020 was 57% compared to 48% in 2019.



* Gross profit before the effect of changes in the fair value of biological assets

Adjusted profit* in 2020 reached NIS 18 Million - an increase of 95% compared to 2019



- Adjusted profit in 2020 was approx. NIS 18.1 Million and reflects an increase of 95% compared to 2019.
- Adjusted profit margin in 2020 is approx. 49%.



* Adjusted profit = net profit (loss) excluding one-time registration for trading expenses, share-based compensation and adjustments to the fair value of biological assets, net.



Revenues from
Cannabis products
in Israel



Revenues from export
of Cannabis products
worldwide



Revenues from
royalties from sub-
farms and
international
collaborations



Expanding to
additional sections
within the Cannabis
value chain



Value overflow from
Seach's subsidiaries





Thank you!

Seach Medical Group

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