



LIFE ON EARTH<sup>®</sup>

# Corporate Presentation

OTC: LFER

October 2019



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# Disclaimer

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## CURRENCY

All references to \$ or "dollar" in this presentation are references to USD, unless otherwise indicated.

## CANNABIS-RELATED ACTIVITIES ARE ILLEGAL UNDER U.S. FEDERAL LAWS

The U.S. Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug. Accordingly, cannabis-related activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis and cannabis products are illegal under U.S. federal law. Strict compliance with state and local laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal prosecution which may be brought against the Company with respect to adult-use or recreational cannabis. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.



# Company Focus



## Focused on Branded Retail and Digital Platforms

Building a national retailer and digital platforms for the modern cannabis consumer



## Meaningful Share in Core Markets

Beginning in California, and expanding to key markets



## Playbook for Growth

Compelling roadmap to deliver profitable and long-term growth



## Accelerating Revenue Profile

Strong financial goals supported by prudent capital allocation





# Life On Earth Strategy

## Objective 1

### Build Life On Earth Brands Through Retail Stores And Digital Strategy

- Capitalize on first mover advantages by opening stores in top markets
- Build brand awareness and customer acquisition through marketing



## Objective 2

### Expand Retail Footprint and Create Omni-Channel Experience

- Deepen market share in core consumer markets across the U.S.
- Leverage data and insights to launch delivery, loyalty and targeted CPG brands
- Drive Potential Profitability Through Investments in Supply Chain





# Life On Earth Strategy

## Objective 3

### Drive Potential Profitability Through Investments in Supply Chain

- Partner and Scale in manufacturing to increase share of higher-margin private label brands
- Leverage scale to maximize operating leverage and control supply chain





# The Value of Cannabis Retail

- **Cannabis Regulations Favor Retailers**
- **Retailers Control the Supply Chain**
- **Retail Experience and Consumer Touchpoint**
- **Real-Time Data and Insights**

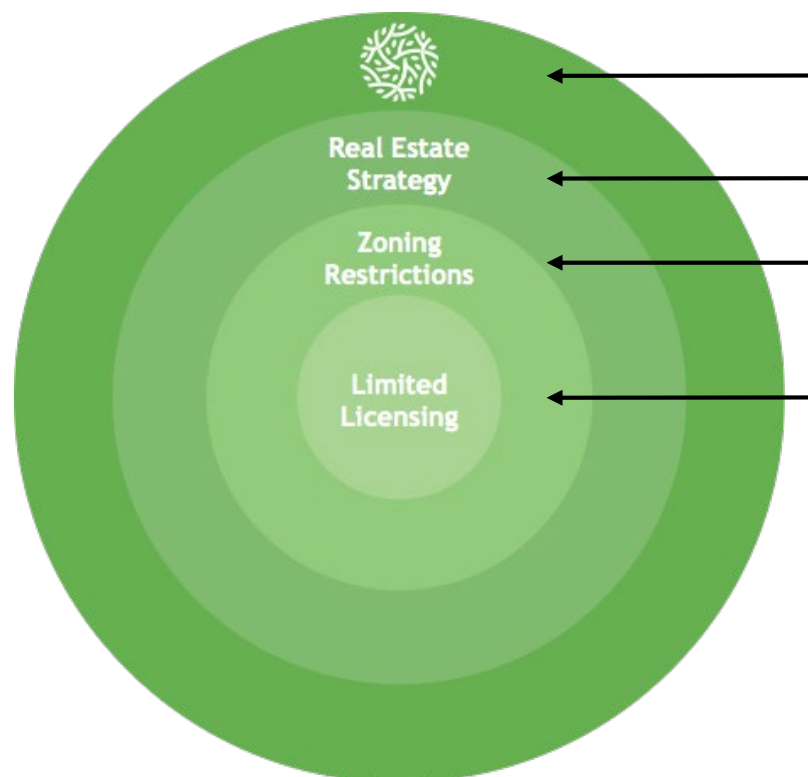




# Cannabis Regulations Favor Retailers

Regulations in core markets provide significant first mover advantages for cannabis retailers

## Layers of Defensibility



As regulations potentially ease, Life On Earth will have head start to build consumer loyalty

First-mover advantage to secure limited prime real estate

Strict zoning restrictions for cannabis retailers limits viable storefront locations

Regulated oligopolies with limited retail licenses in target markets

### Los Angeles Case Study

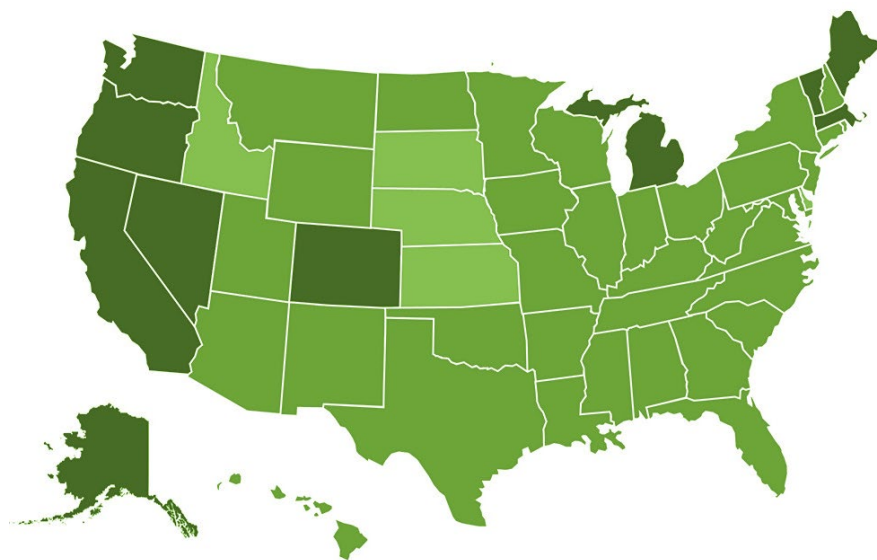
Population: 10 Million    Annual Tourists: 40 Million



# The U.S. is the Largest Cannabis Market in the World





**\$80 Billion U.S. Market <sup>1</sup>**



**\$10 Billion Canadian Market <sup>2</sup>**

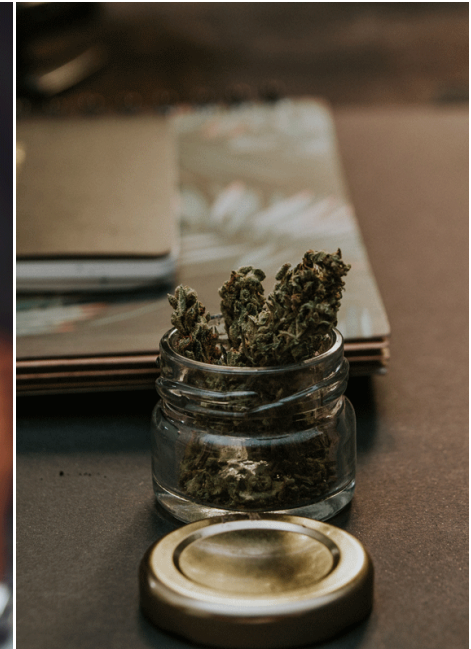


Key:

-  Recreational & Medical Use Legalized
-  Medical / CBD Use Legalized

Note: Regulatory map based on National Conference of State Legislatures  
(1) Cowen Group estimate for 2030 (January 2019)  
(2) Eight Capital estimate for 2024 (May 2018)

# 86% of Potential U.S. Cannabis Market is Un-penetrated



Beer

**\$100B+**

25% Penetration

Wine & Spirits

**\$100B+**

20% Penetration

Coffee

**\$50B+**

50% Penetration

Cannabis

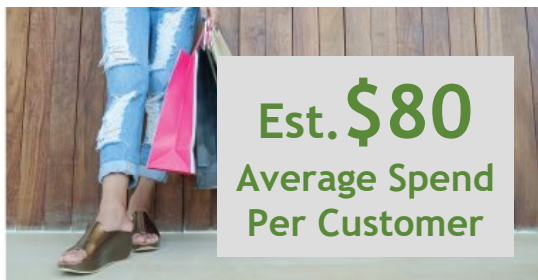
**\$80B+**

14% Penetration

Source: Market size based on Brewers Association (beer), Park Street (wine and spirits), Ackrell Capital (coffee), Cowen Group (cannabis). Penetration rates based on Nielsen Panel Data (beer), Park Street (wine and spirits), Ackrell Capital (coffee) and Cowen Group (cannabis). Penetration defined as percentage of adults consuming respective product in the past year



# Target Four-Wall Economics



(1)Store-level payback defined as time required to pay back initial store buildout costs through store-level cash flows  
(2)Represents steady-state revenue estimates for a store located within a recreational market.(MJBizDaily)

# Driving Potential Profitability Through Investments in Supply Chain



## Share of Owned Brands vs. Third-Party Brands



Third-Party



Owned Brands



< 6%  
Owned  
Brands



50%  
Owned  
Brands

Scaling cultivation and  
manufacturing

# Targeting Partnerships with Best-in-Class Local Manufacturers and Growers



## Partnerships Create Significant Economic Value:

- ✓ Strategic investments
- ✓ Exclusive products
- ✓ Co-manufacturing rights
- ✓ Wholesale discounts
- ✓ Equity for shelf-space
- ✓ Subsidized promotions





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# THANK YOU

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