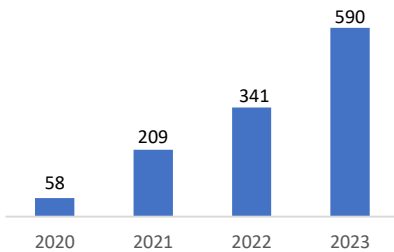


## Stanley Brothers Bid to Conquer Australia

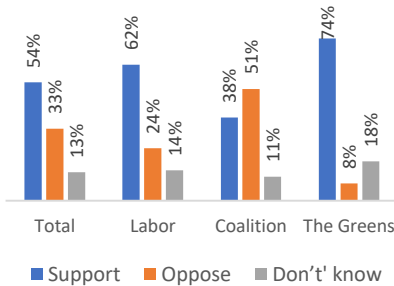
The Australian cannabis market weighs in at approximately 400 tonnes, with 355 tonnes still circulating through illegal channels. The legal medical cannabis market boasts 200,000 patients and rapidly expanding sales reaching 45 tonnes/AUD590 million in 2023. Despite concentrated distribution, the landscape for brands remains fragmented. Enter the Stanley Brothers, founders of Charlotte’s Web. They have the aspiration to establish the leading medicinal cannabis brand in Australia. To fuel their endeavor, they've launched a crowdfunding campaign seeking AUD3 million in financing. More info on the crowdfunding is at <https://www.birchal.com/company/foliumed/invest>

The Australian legal cannabis market reached 45 tonnes, AUD590m (EUR360m) in 2023



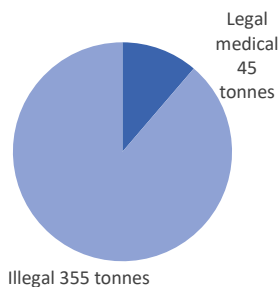
Source: Elevation estimates

Do you support decriminalising cannabis for personal use?



Source: YouGov poll 1-5 December 2023

Australian cannabis market of 400 tonnes



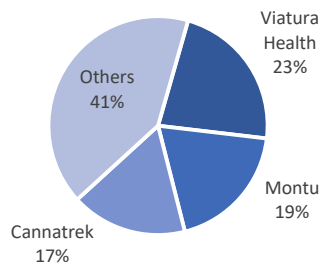
Source: Elevation estimates

**Use of medical cannabis grew by 70% in 2023.** Australia's medical cannabis market is growing steadily in patients and sales as regulatory changes have been making it more accessible to patients. We estimate that there were almost 200,000 patients in 2023, an increase by 70% and that legal medical cannabis sales reached AUD590m (+100%) or 45.4 tonnes, with cannabis patients consuming on average 230 grams of cannabis per annum at a cost of AUD13 per gram. 2024 and 2025 will see continued growth driven by the easy access through telemedicine and cannabis clinics, cannabis prices being at par with the illegal market prices, de-scheduling of CBD following ongoing clinical trials and an increase in popularity of cannabis for different ailments. The current prevalence rate in Australia is 11.5% for a population of 26m and 1% of the population uses cannabis for medicinal purposes. In US States where only medical cannabis programs exist (e.g. Florida), patient numbers tend to reach 4% of population, indicating a potential quadrupling of the current legal medical cannabis market in Australia.

**54% of Australians support decriminalising cannabis for personal use.** On 10 August 2023, Greens Senator David Shoebridge introduced the Legalising Cannabis Bill 2023 into the Australian Senate. The Senate Legal and Constitutional Affairs Committee is presently conducting an inquiry into the Bill. Submissions have now closed and public hearings have opened. The Committee’s reporting date is May 31, 2024. The Bill is expected to be debated in federal parliament later this year. At the same time, cannabis legalization bills are now being debated in several Australian states. According to a recent (December 2023) YouGov poll, 50% of Australians are in favour of legalising the cultivation of cannabis plants at home for personal use and 54% of Australians are in favour of decriminalising cannabis. Based on the prevalence of 11.5%, an average consumption per head of 130 grams (it is 160 grams in Canada and 230 grams for the Australian medical cannabis patients) and an average black market price of AUD13 per gram, the current, mostly illegal, Australian cannabis market size is 400 tonnes or AUD5.2bn but set to grow to 560 tonnes if legalisation would occur.

**Three leading medicinal cannabis telehealth platforms dominate the distribution of medicinal cannabis.** A dramatic shift in Australia’s healthcare system occurred in 2020 as telehealth was rolled out in response to the COVID-19 lockdowns. From that emerged three leading medicinal cannabis telehealth platforms that together account for 60% of the medicinal cannabis market:

*Market shares in the Australian medical cannabis market*



Source: Elevation estimates

1. With 2023 revenues of AUD117.3m, Vitura Health (ASX:VIT) is the leading medicinal cannabis company in Australia. The principal operation of the group is its digital health platform, CanView, that sells and distributes approximately 40 international and domestic brands. CanView enables doctors to generate electronic prescriptions that are then sent directly to the CanView patient app where patients can view their treatment history and submit the prescription and subsequent repeats to one of the 4,000+ Australian pharmacies with accounts on CanView for dispensing. In 2023, CanView sold more than 945,000 medicinal cannabis units.
2. Hot on its heels is Melbourne-based Montu (crowdfunded) that with revenues approaching AUD100m, was named the country's fastest growing tech company in Deloitte Australia's ranking. Montu, offers Alternaleaf telehealth, a fully integrated tech-based ecosystem that includes telehealth consultations, wholesale distribution, pharmacy fulfillment, market-leading cannabis products, and clinical education.
3. With manufacturing sites in Queensland and Victoria, Cannatrek (crowdfunded) is a vertically integrated Australian medicinal cannabis enterprise that more than doubled revenue to AUD89.6m in 2022-23, from AUD41.9m a year earlier.

Those vertically integrated telehealth platforms maintain a stronghold, particularly in distribution, exerting significant influence on competitive pricing as they offer a wide variety of both imported and locally grown produce. B2B suppliers of those platforms include Australia based Cann Group (ASX:CAN) (est. 3% market share), Little Green Pharma (ASX:LGP) (est. 6% market share) and international, mainly Canadian, producers such as Aurora (TSX: ACB) and Tilray (TLRY.TO). However, a strong medicinal cannabis brand has yet to emerge.

*In the initial quarter of 2024, Stanley Brothers achieved AUD1.4 million in branded sales. However, to ascend as the premier brand in Australia, their aim should be to reach an annual turnover of AUD20 million.*

*The Stanley Brothers*



Source: CanView

**Stanley Brothers bid to become the leading medicinal cannabis brand in Australia.** Stanley Brothers who pioneered medical cannabis by creating the globally renowned CBD brand and company, Charlotte's Web, have now launched their medical cannabis brand in Australia with the objective to become the leading brand in the market. Stanley Brothers is collaborating with FoliuMed which cultivate at low cost in Colombia and does manufacturing and R&D in Germany. It has signed a deal with Vitura Health to distribute its products via the CanView platform, covering 70% of pharmacies and over a dozen of the country's largest clinics and prescribers. In the first quarter of 2024, the brand recorded already AUD1.4m and is turning a profit. They've initiated a Birchal crowdfunding initiative to assemble an "army of advocates" dedicated to advocating for regulatory reform in Australia. The decision to crowdfund was inspired by the brothers' previous experience with Charlotte's Web in the US, according to co-founder Jesse Stanley.

The offer of fully-paid ordinary shares in FoliuMed Australia Pty Ltd at AUD0.35 per share to raise a maximum of AUD3 million is currently open at the Birchal platform. Please refer to the CSF offer document, subscription agreement, and FoliuMed Australia Pty Ltd constitution for details on investor rights and the terms of the offer.