



CANN
GROUP LIMITED

Investor presentation

March 2019

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This Presentation references contractual arrangements between Cann and Agriculture Victoria Services, Victoria Government Department of Health & Human Services, IDT Australia, Aurora Cannabis, Aurora Larssen Projects (ALPS), Anandia Labs, La Trobe University and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). These parties, their personnel and advisers, do not take any responsibility for the contents of this Presentation, including without limitation the accuracy and completeness of any representation made, or the merits of the investment to which it relates nor infer any endorsement of the offer contained within this Presentation by virtue of being referred to in the Presentation. The references to research and development activities in the Presentation appear as a matter of record only.

Mission

Supply high-quality, trusted & innovative medicinal cannabis products & delivery platforms to enhance the wellbeing of patients in Australia & globally.



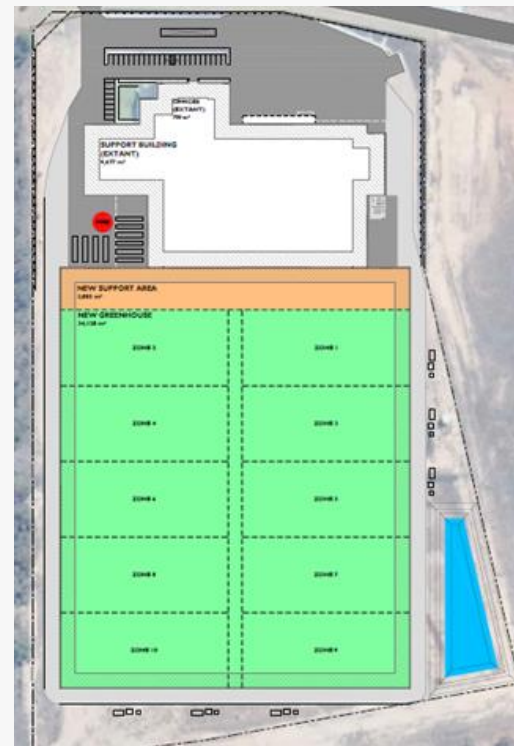
Cann Group is an industry leader in Australia

- First Australian recipient of research & medicinal cannabis cultivation licences & permits
- Two cultivation & R&D facilities currently operational in Victoria
- Site secured for major Stage 3 expansion near Mildura, Victoria – works to commence immediately
- Offtake agreement secured with major Canadian producer Aurora Cannabis covering current & future planned production capacity (beyond Australian demand)
- Aurora holds strategic 22.9% stake
- Key relationships with Aurora Cannabis, Agriculture Victoria, CSIRO, La Trobe University, Anandia Labs & IDT Australia add substantial value in areas including genetics, analysis & research, manufacturing capability & industry know-how



Major expansion plans comprising world class facility

- Mildura site to be purchased for \$10.75m
- State-of-the-art 34,000m² facility comprising world scale greenhouse & associated support areas
- Expected production capacity of 50,000 kg of dry flower per annum
- Facility to be fully commissioned in third quarter of calendar 2020
- \$130m construction cost – to be funded using mix of debt & existing balance sheet equity
- Site provides both build & operational cost benefits – high sunshine hours & dry climate lower energy costs
- Potential to partner with growing renewable energy producers in NW Victoria
- Design & engineering plans completed by Aurora Larssen Projects (ALPS) ideally suited to the new site
- Potential for GMP manufacturing facility &/or greenhouse production expansion at Tullamarine



Offtake agreement with strategic investor Aurora Cannabis Inc.

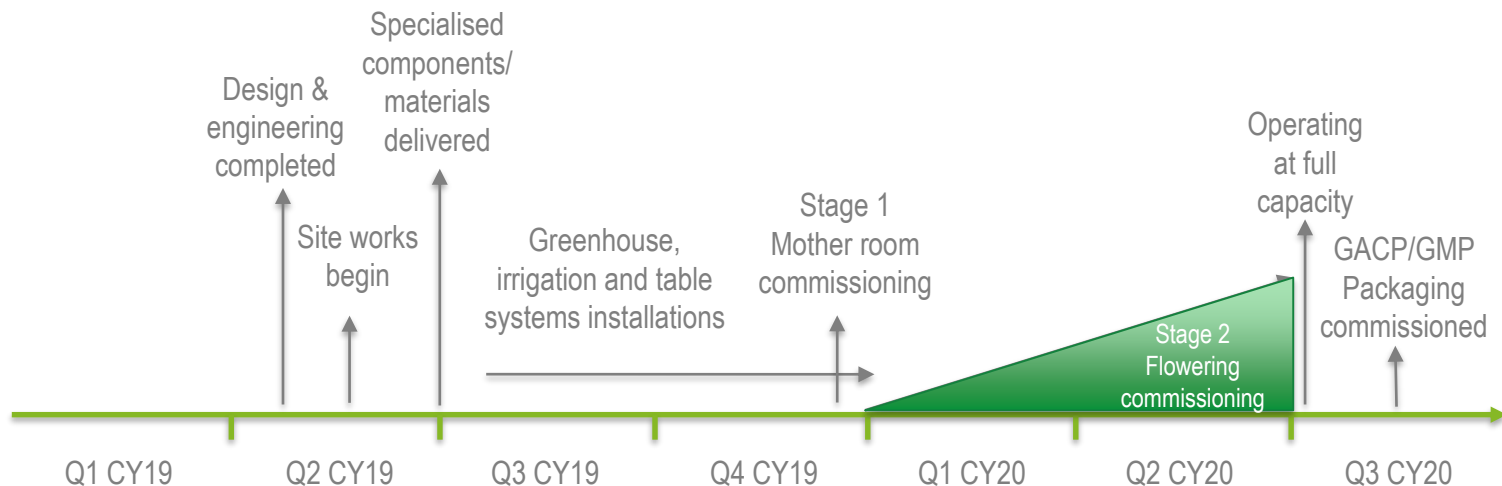
- Five-year offtake agreement underpins Cann's investment risk in its major expansion program
- Covers Cann's total current & planned future capacity (subject to satisfaction of Australian demand)
- Cann to supply GMP processed dry flower, extracted resin & manufactured medicinal cannabis products
- Necessary export licence from the ODC secured; Cann to seek relevant export permits & corresponding import permits as required
- Exported product will help meet growing global demand for GMP grade medicinal cannabis
- Initial testing of export pathways using supply from Cann's Southern & Northern facilities



AURORA®

**Aurora Cannabis
(TSXV:ACB), one of
Canada's largest
cannabis companies,
holds a 22.9% strategic
shareholding in Cann**

Mildura facility provides a clear pathway to sustained profitability



Expected to produce up to 50,000 kg per annum at full capacity¹ which will generate revenues of approximately \$160-200 million at the current wholesale price of cannabis dry flower.

Manufacturing partnership with IDT Australia

- IDT Australia (ASX:IDT) to provide manufacturing support in relation to cannabis-based product formulations
- Intended for supply to patients in Australia & overseas
- IDT brings excellent capabilities & experience in the manufacture of cGMP quality pharmaceuticals
- Equipment currently being installed & commissioned at IDT to facilitate full GMP manufacturing of medicinal cannabis products



Proven capability with continuous cultivation since May 2017



- Most experienced cultivator in Australia
- 36 crops now harvested
- Southern & Northern facilities provide important springboard for large scale cultivation
- Mildura will be Cann's third facility
- Ongoing supply with Victorian Department of Health & Human Services (DHHS)
- Imported genetics program established
- Key capability for research & accelerated breeding program

Existing facilities add critical long term value

Southern Facility

- Proven capability to produce medicinal grade cannabis
- Continues to operate at full-capacity
- Harvested material is being supplied for manufacture of resin for manufacture & supply of the Victorian Government Department of Health
- Secure repository for international genetics



Northern Facility

- Combining commercial & research cultivation capabilities
- Focus on tissue culture program
- Supports a number of research programs to be conducted by Cann, both independently & with third party research bodies



Supply agreement with Victorian DHHS

- Contract with Victorian DHHS for the supply of cannabis plant extract (resin)
- For use in Victorian Government's compassionate access scheme for children with severe & intractable epilepsy
- Agreement term – April 2019-30 June 2020
- Revenue stream for Cann – full commercial terms remain confidential

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Cann Group wins deal to supply medical cannabis to Victoria

By SAMANTHA BAILEY
BUSINESS REPORTER
Follow @SammyAnneBailey

1:09PM OCTOBER 29, 2018

NO COMMENTS



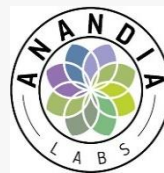
Cann Group CEO Peter Crock, examining cannabis cuttings at an undisclosed location in Victoria. Pic: AFP

Medical cannabis company Cann Group has secured a supply deal with the Victorian Department of Health and Human Services.

Key partnerships complement in-house skills & capabilities



- New research collaboration agreement signed with CSIRO
- Research program underway with Agriculture Victoria
- Cann Group is the key commercial partner in the Australian Research Council funded La Trobe University Medicinal Agriculture Hub
- Ongoing collaboration with Aurora Cannabis Inc & Anandia Labs



Substantial & rapidly growing global market

- Estimated global legal market – US\$20 billion¹
(~US\$232 billion projected by 2027²)
- More than 50 countries have legalised medicinal cannabis – momentum continues with another ~10 expected this year³
- Recreational use in markets such as Canada placing pressure on supply of medicinal cannabis
- Registered patient numbers growing in various geographies



¹ <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>

² Bryan, Garnier & Co

³ Prohibition Partners

Local & export opportunities

Australian market

- Access legalised in 2017, state hurdles being removed
- Special Access Scheme allowing patient prescription
- Numerous clinical trials expected or underway
- Potential \$1 billion per annum local industry at 1.2% of population using cannabis for medicinal purposes¹

Export opportunity

- 342,103 registered patients² + recreational use in Canada (forecast demand 650,000kg³) means shortage it has available for export
- European markets opening up – cannabis an authorised medicine in more than 25 European countries
- Germany has legalised & is reimbursing patients – almost 50,000 patients registered⁴
- Medicinal cannabis legalisation in the UK

¹ Canaccord Genuity

² Health Canada

³ Canada Parliamentary Budget Office

⁴ New Cannabis Ventures

Blue-chip board & management with extensive, broad experience



ALLAN MCCALLUM, CHAIRMAN

- Allan has extensive experience in the agribusiness sector as well as significant tenures with biotechnology companies
- Chairman of Tassal (ASX:TGR) and former Non Executive Director of Medical Developments International (ASX:MVP)
- Former Director of IncitecPivot (ASX:IPL)



PHILIP JACOBSEN, NON-EXECUTIVE DIRECTOR / DEPUTY CHAIRMAN

- Experienced public company director
- Co-founded Premier Artists & Frontier Touring Company
- Very strong financial management background & success in building businesses in evolving & competitive markets
- Director of Liberation Music, Premier Artists, The Harbour Agency and former Chairman of MCM Entertainment



DOUG RATHBONE, NON-EXECUTIVE DIRECTOR

- Doug is an Industrialist with vast experience in chemicals & agrochemicals industry / international business. He has expertise in specific functional areas & has chemical engineering & commerce background
- Formerly CEO & Managing Director at Nufarm (ASX:NUF), & earlier, Managing Director of Nufarm Australia, with over 35 years in total with the company
- Former Director of CSIRO
- Non-Executive Director of Leaf Resources (ASX:LER)



GEOFF PEARCE, NON-EXECUTIVE DIRECTOR

- More than 40 years' experience, including owning & growing Scental Pacific Pty Ltd which was sold to the Smorgon family Geoff created & built a contract manufacturing business Beautiwork Australia Pty Ltd, (sold to BWX Limited in January 2014). CEO of Beautiwork & director of BWX in the lead-up to ASX listing in 2015
- Chairman of Probiotec (ASX:PBP)
- Proven experience in business development & an in-depth knowledge of manufacturing, packaging & distribution



NEIL BELOT, NON-EXECUTIVE DIRECTOR

- Neil is Chief Global Business Development Officer of Aurora Cannabis Inc. (TSXV:ACB) – Cann's largest shareholder. He is responsible for developing & executing business opportunities on behalf of Aurora
- Neil was an Executive Director of the Canadian Medical Cannabis Industry Association & the Gas Portfolio & Energy Services Manager at the Housing Services Corporation, both Canadian entities



PETER CROCK, CHIEF EXECUTIVE OFFICER

- Peter joined Cann Group as CEO in April 2016, resetting the business plan as directed by the board, & led the company through the licence application and IPO process
- Experienced senior manager with strong skills in marketing & technology development
- 28 years with Nufarm Group, most recently working in the rapidly evolving "Ag Tech" space. Other senior management roles covering R&D, IT, marketing & business development
- Extensive experience working with regulators locally & overseas

Exciting growth opportunity for Cann Group

- Building the capability & strength of the management team
- Cann continues to grow the team with opportunities available for people with horticultural, pharmaceutical, manufacturing & engineering experience
- Working collaboratively on a focused growth strategy targeted at improving the quality of life for patients with medical conditions
- Leading position in Australia's medicinal cannabis industry
- Secured offtake agreement for growing export markets



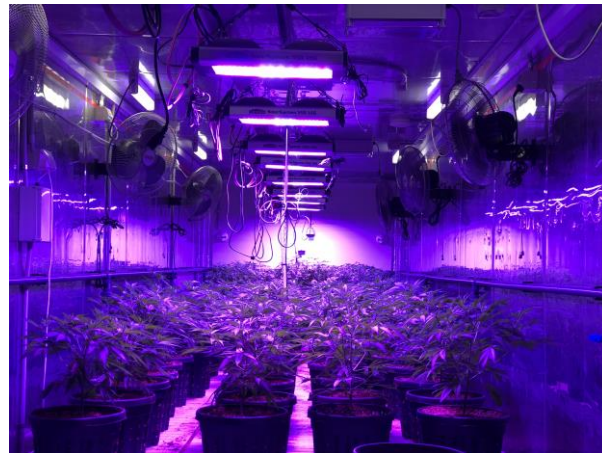
Corporate structure

METRIC	VALUE (20/3/19)
Share price	\$2.01
Shares on issue (fully diluted)	142.65m
Market capitalisation	\$286.73m
Cash	\$72.6m (31/12/18)
Enterprise value	\$214.13m

Outlook

Newsflow over the next several months includes:

- Supply of resin to Victorian Department of Health
- IDT manufacturing (pending regulatory approval)
- Clinical study involvement
- Focus on Australian patient supply
- Testing of export pathways with Aurora
- Progress Mildura facility



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