

## ASX ANNOUNCEMENT

17 February 2022

### Investor presentation

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**17 February 2022** – As announced on 16 February 2022, Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) will be presenting an investor update webinar and Q&A with CEO Peter Crock, COO Shane Duncan and CFO Deborah Ambrosini.

The webinar will be held on **Friday 18 February 2022 at 9:30am** (Melbourne time).

A copy of the presentation for tomorrow's webinar is attached.

Anyone wishing to attend the seminar is invited to register at the following link:

[https://us02web.zoom.us/webinar/register/WN\\_gdICP\\_95RnGuNffegE0rYq](https://us02web.zoom.us/webinar/register/WN_gdICP_95RnGuNffegE0rYq)

**Authorised for release by the Board of Directors of Cann Group Limited.**

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#### **About Cann Group**

Cann Group Limited (ABN 25 603 949 739) is building a world-class business focused on breeding, cultivating, manufacturing and supplying medicinal cannabis for sale and use within Australia and for approved overseas export markets. Cann also owns Satipharm, a Europe-based business exclusively licensed to manufacture, develop and market a proprietary delivery system for cannabinoids. Cann has established research, cultivation and GMP manufacturing facilities in Melbourne and is developing a state-of-the-art cultivation and manufacturing facility near Mildura, Victoria. Cann Group has established a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. The Company is commercialising a range of imported and locally sourced and manufactured medicinal cannabis products.

**Learn more at:** [www.cann grouplimited.com](http://www.cann grouplimited.com) | [www.satipharm.com](http://www.satipharm.com)



**CANN**  
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# HALF YEAR 2022 UPDATE

February 2022

Cann Group Limited

ABN 25 603 949 739

# DISCLAIMER | IMPORTANT NOTICE

This presentation (Presentation) has been prepared by Cann Group Limited (ABN 25 603 949 739) (Cann).

## Summary information

This Presentation contains summary information about Cann and its activities which is current as at the date of this Presentation. The information provided in this Presentation pertaining to Cann and its business assets, strategy and operations is for general informational purposes only.

## Future performance

This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues and other potential synergies and estimates about the future performance of Cann. Forward looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward-looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Cann, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Cann). There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Cann as at the date of this Presentation.

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## Past performance

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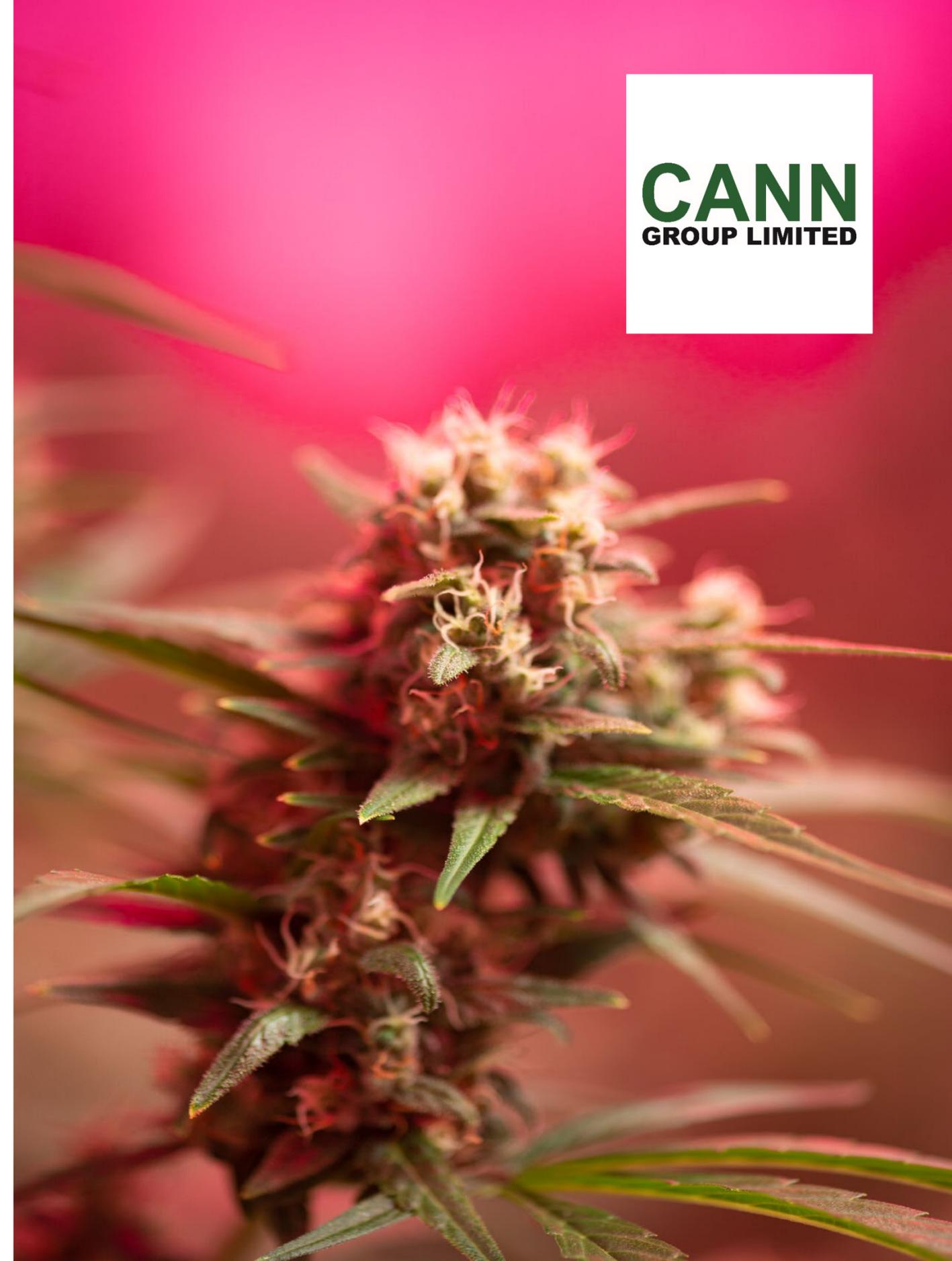
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# AGENDA

- 1** Financial results
- 2** Commercial operations
- 3** Mildura facility
- 4** Regulatory progress
- 5** Satipharm update
- 6** Industry status
- 7** Outlook for H2 2022
- 8** Pillars of growth



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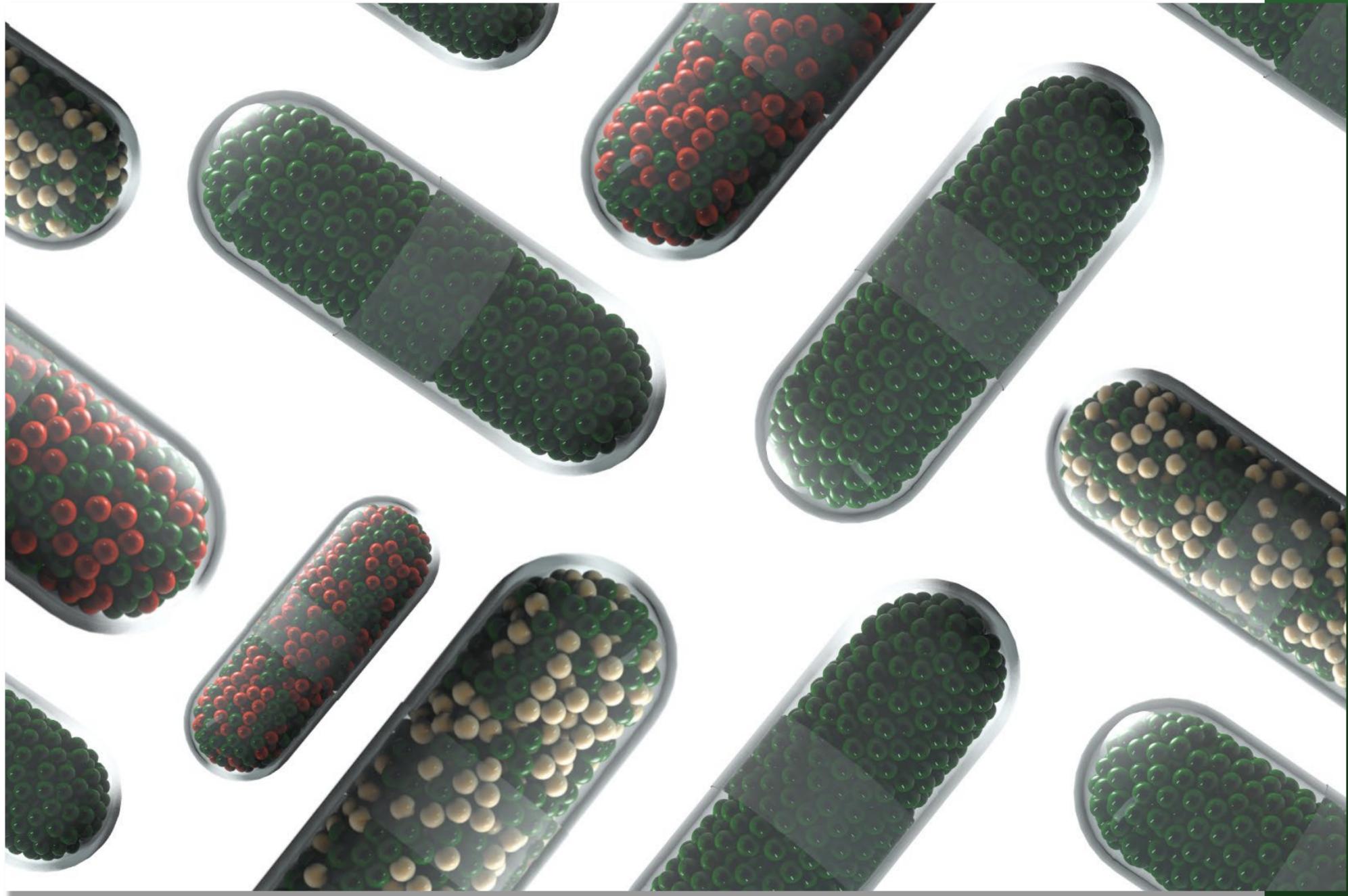
# FINANCIAL RESULTS



# 1. FINANCIAL RESULTS

|                                   | 1H 2022<br>\$000's | 1H 2021<br>\$000's | \$ Mvt       | % Mvt        |
|-----------------------------------|--------------------|--------------------|--------------|--------------|
| Revenue from operating activities | 3,172              | 1,081              | 2,091        | 193.4%       |
| Other income                      | 2,970              | 4,150              |              |              |
| Operating expenses                | (12,492)           | (9,592)            |              |              |
| EBITDA                            | (6,350)            | (4,361)            | (1,989)      | (45.6%)      |
| Finance costs                     | (652)              | (3,732)            |              |              |
| Depreciation and amortisation     | (1,277)            | (1,305)            |              |              |
| <b>Loss after tax</b>             | <b>(8,279)</b>     | <b>(9,398)</b>     | <b>1,119</b> | <b>11.9%</b> |
| Earnings per share (cents)        | (2.77)             | (4.98)             |              |              |
| <b>Cash at 31 December</b>        | <b>10,680</b>      | <b>3,105</b>       |              |              |

- Revenue generated from customers was \$3.2m representing an increase of 193% to the prior corresponding period.
- Other income – Cann Group received an R&D Tax Incentive of \$2.2m in December 2021.
- Other operating expenses include production and manufacturing expenses, employee salaries and wages, insurance and legal expenses.



# COMMERCIAL OPERATIONS

## 2. SUMMARY OF COMMERCIAL OPERATIONS

- Significant increase in sales and production half on half.
- B2B model gaining momentum with multiple new supply agreements.
- Upgrade of Southern facility allows production and distribution of Active Pharmaceutical Ingredient (API) and medicinal cannabis products under cGMP conditions, including dried flower.
- Mildura facility advancing swiftly to completion.
- Satipharm capsule manufacturing equipment commissioned at Mildura facility.
- S3 registration program underway.



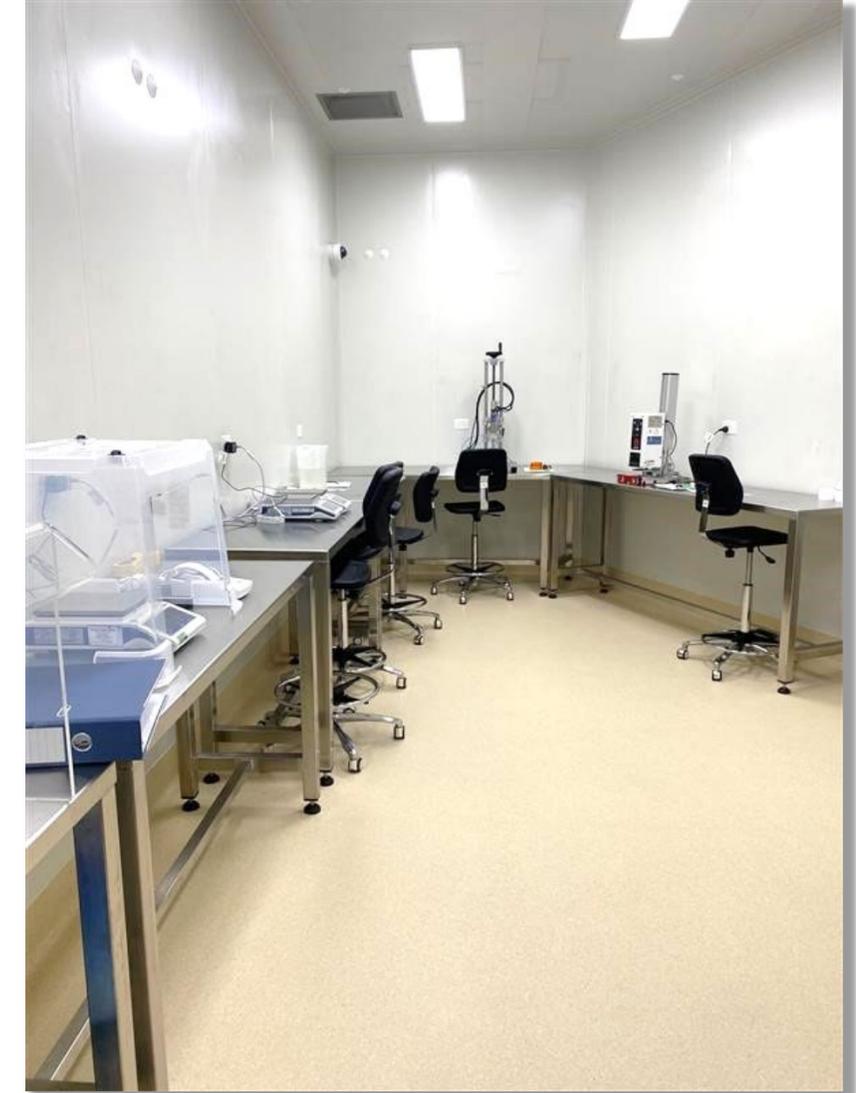
## 2. COMMERCIAL UPDATE | PRODUCTION

- GMP manufacturing has commenced on dried flower orders received in the first half of FY22.
- Significantly increased the number of customers in first half.
- Cann delivered 15,918 oil bottles in first half of FY22 vs 2,856 oil bottles first half FY21.
- In second half of the financial year the company is expecting to deliver approximately 40,000 oil bottles and around 300kgs of dried flower products.



## 2. COMMERCIAL UPDATE | GMP MANUFACTURE

- TGA licence granted for Southern facility in January 2022
- Provides ability to produce cGMP packed flower at substantial cost saving over third-party supply
- Strong demand for high THC GMP packed dried flower in patient-ready forms
- Initial batches of commercial cGMP dried flower packed and further orders in pipeline



*Cann's Southern Facility cGMP suite now operational*

# MILDURA FACILITY



### 3. MILDURA FACILITY

- Construction substantially complete – handover from principal building contractor expected in coming weeks.
- Commissioning of lab and production suites is complete and laboratory is fully operational.
- On-site ODC inspection has been completed and Mildura added to licence. Permits are pending.
- Mother plants established at Southern facility and awaiting transfer to Mildura.
- Commercial crops due to commence on handover from principal building contractor, subject to ODC permits.
- Initial TGA inspection of laboratory and production suites complete – licence pending.
- Satipharm capsule production – initial batches are underway.

### 3. MILDURA | LABORATORY OPERATIONAL



### 3. MILDURA | MANUFACTURING SUITES OPERATIONAL

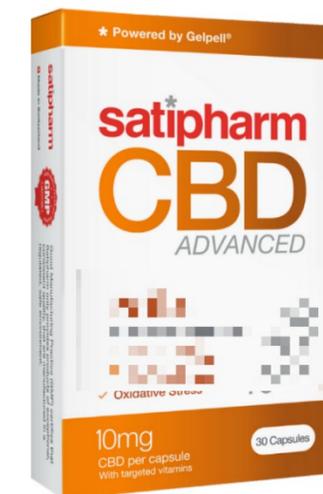


### 3. MILDURA | CULTIVATION FACILITY PROGRESS



### 3. MILDURA | EXPECTED MILESTONES OVER SECOND HALF FY22

March 2022 – June 2022\*



\*UK product only – not available in Australia

**\*Estimated timelines**



# REGULATORY PROGRESS



## 4. REGULATORY PROGRESS

### Southern facility

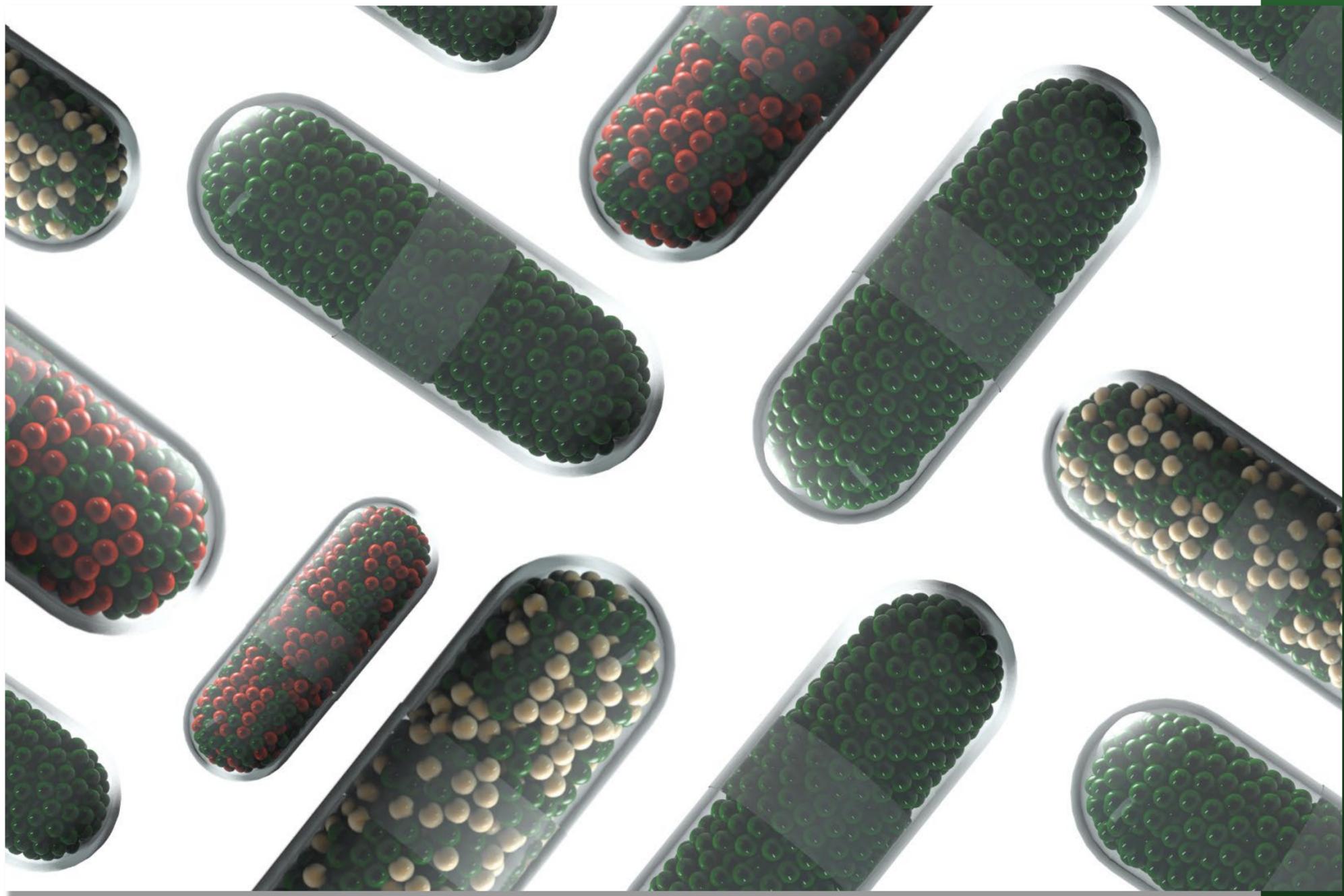
- TGA GMP manufacturing licence granted
- Operational for shipment and sale of dried flower
- GMP manufacturing has commenced

### Mildura facility

- ODC and TGA inspections completed for laboratory, extraction and manufacturing – licences and / or permits pending
- Growing rooms fitout complete, ODC licences pending
- Ready for mother plants and commencement of cultivation



# SATIPHARM UPDATE



## 5. SATIPHARM PRODUCT REGISTRATION

- S3 registration process on track, dossier preparation advancing.
- Ethics Committee approval granted February 2022.
- Pre-submission meeting held with TGA.
- Clinical trial product released and ready for patient supply.
- Clinical trial sites selected, trained and ready to commence recruiting patients.
- Patient recruitment for clinical trial commencing in March 2022.



\*UK product only – not available in Australia

## 5. SATIPHARM UPDATE

- Expanding Satipharm distribution in Australia and UK/Europe – with other markets now in focus
- Expanding product range
- Manufacturing line delivered & installed at Mildura facility, manufacture of initial batches has commenced
- A proprietary technology platform to support product development across multiple market segments
- Strong revenue growth for Satipharm anticipated for FY22





# INDUSTRY STATUS

## 6. INDUSTRY STATUS

### Australian Medicinal Cannabis Market Key Highlights\*

- Medicinal cannabis revenue (from patients) expected to exceed expectations in 2021, hitting the \$200m mark.
- Patient numbers have grown by a factor of 15x over the past two years.
- Slow-down in delivery format innovation with only one new format introduced in the last six months.
- Sizable patient cohort expected to migrate to the pharmacy channel once low-dose CBD products become available over the counter in pharmacies.
- 2022 will bring evolution in the regulatory landscape, a greater emphasis on product quality, growing investment in R&D and further industry consolidation.

\*Source: Freshleaf Analytics: Australian Medicinal Cannabis Market, Patient, Product and Pricing analysis.



## 6. INDUSTRY STATUS

### Opportunities for Cann

- Cann is well placed to capitalise on a rapidly growing market in Australia in 2022.
- Increased manufacturing capacity coming online, expanded cGMP product range that includes dried flower, oil and capsule finished dose forms.
- Expanded Satipharm range of capsules will provide prescribers with a capsule form of CBD and THC containing products.
- TGA changes relating to the cGMP requirements for extracted products will see an increase in B2B demand.



# OUTLOOK FOR H2 2022



## 7. OUTLOOK FOR H2 2022

- Sales and production momentum to continue, both domestic and international.
- Regulatory licences expected to be in place.
- Mildura facility to commence production and release first commercial crop.
- Southern GMP manufacturing to increase.
- Clinical trial for S3 registration to commence.





# PILLARS OF GROWTH

## 8. PILLARS OF GROWTH

# Cann Group



### Capacity & Capability

- Efficiently scalable to meet growing demand
- GMP grade manufacturing
- Finished dose form and bulk API (Active Pharmaceutical Ingredients)



### Domestic & International Business Development

- BD team in Europe
- Strategic relationship with iuvo (Germany)
- BD team in Australia
- Supply to RUA/Zalm (NZ)
- Expanded domestic and international customers



### Path to Registered Products

- S3 Registration program
- Potential partnering with healthcare companies who are seeking to register products



### Innovative Product Pipeline

- R&D program, plants through to product / technologies
- Flower / oils / capsules / extracts
- Patent protected delivery technology



# CONTACT

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