

ASX ANNOUNCEMENT

29 August 2022

Investor presentation

29 August 2022 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to invite shareholders, investors and interested parties to an investor update webinar and Q&A with CEO Peter Crock, COO Shane Duncan and CFO Deborah Ambrosini to outline the Company's FY22 financial results.

The webinar will be held **today, Monday 29 August 2022 at 11am** (Melbourne, Australia time).

For the Q&A session, investors are invited to send questions prior to the webinar to:

matt@nwrcommunications.com.au

Register for the webinar at the following link:

https://us02web.zoom.us/webinar/register/WN_U-r7yWicQqWHhYGy_Wuz6Q

After registering, you will receive a confirmation email containing information about joining the webinar as well as dial-in details for those that would prefer to join by phone. A recording will be available at the above link shortly after the conclusion of the live session.

A copy of the Company's presentation for today's update is attached.

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

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has built world-class research, cultivation and GMP manufacturing facilities in Melbourne, and a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.canngrouponlimited.com | www.satipharm.com



FY22 full year results and business update

August 2022

Cann Group Limited
ABN 25 603 949 739

CANN
GROUP LIMITED

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

Investors should note that past performance, including any historical information in this Presentation cannot be relied upon as an indicator of (and provides no guidance as to) future Cann performance including future share price performance.

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Enhancing patients' lives by
developing, producing and supplying
innovative cannabis medicines.



1

Financial results

Financial results

	FY22 000's	FY21 000's	Mvt	% Mvt
Revenue from operating activities	6,411	4,293	2,118	49.3%
Other income	4,827	4,275		
Operating expenses	(31,081)	(26,889)		
EBITDA	(19,843)	(18,321)	(1,171)	(6.4%)
Finance costs	(1,828)	(4,151)		
Depreciation and amortisation	(4,797)	(2,631)		
Loss after tax	(26,468)	(25,103)	(1,014)	(4.0%)
Earnings per share (cents)	(7.9)	(9.75)		
Cash at 30 June 2022	1,914	3,105		

- Sales revenue was \$6.4m representing an increase of 49% on the prior financial year.
- R&D Tax Incentive refund of \$1.8m accrued to March 2022. Final rebate expected to be higher.
- Increased operating expenses attributable to additional headcount to staff up Mildura for commercial operations.
- Closed the year with \$1.9m cash in the bank. Notable expenditure items included S3 clinical trial, additional hires and costs associated with the finalisation and commissioning of Mildura.
- New \$15m working capital facility, \$11.5m available at 30 June 2022. Renegotiated terms on existing \$50m facility from NAB.



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Commercial operations

Commercial operations | Sales & supply

	Domestic (% split)	International (% split)
Satipharm	38%	62%
Dried flower	100%	0%
Formulated oil, API and other	94.2%	5.8%

- Sales increase 49% on prior year to \$6.4m across 17 customers comprising white label, private label, API, and Satipharm products.
- Expanded Australian business development team, additional clinic / pharmacy representation.
- Majority of revenue still driven by formulated oil products.
- Sales increasingly driven by GMP dried flower products, which launched in March 2022 and already comprise >15% of annual revenue.
- GMP dried flower is fully processed in-house, enabling improved margins.
- Satipharm grew its net revenue 54% on FY21.

GMP capabilities drive margin expansion

- Mildura and Southern facilities issued with GMP licences.
- Allows for manufacturing, which includes extraction, Satipharm capsules and dried flower products.
- GMP-approved analytical chemistry lab can now conduct mandatory regulatory compliance tests.
- GMP-approved storage capability allows for in-house product stability testing.

This greatly reduces reliance on third parties, which increases oversight, control, and responsiveness while reducing operating costs





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Mildura facility

Mildura facility



- Construction and commissioning of major components complete.
- ODC permits granted in March / April 2022.
- GMP manufacturing licence granted in June 2022.
- Satipharm CBD capsule production commenced.
- Harvesting of first commercial crop in June 2022 followed by two more harvests that month.
- Current capacity is 12,500kg of dried flower per annum – more than 10x the capacity of Southern facility.
- New contract services for third parties being developed to leverage Mildura's capabilities including:
 - Research cultivation
 - Commercial cultivation
 - GMP laboratory testing
 - GMP product stability testing

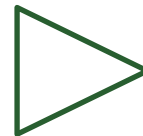
Mildura | Commissioned & operational



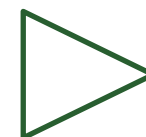
Cann Group's broad suite of capabilities



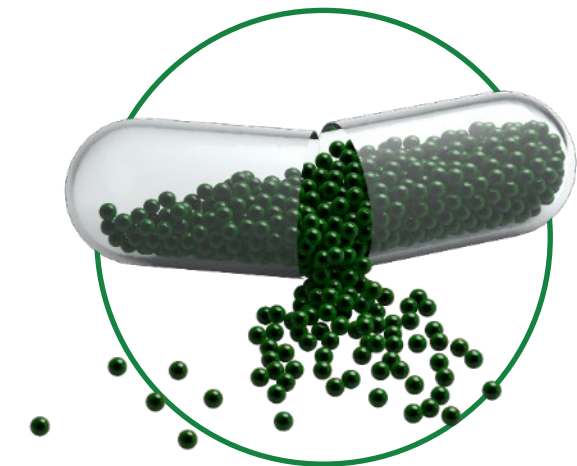
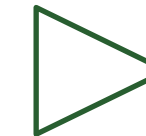
Large-scale, high-tech cultivation
Proprietary high-yield genetics



ODC and GMP licensed
In-house analytical testing



High quality dried flower, APIs and extracts



Capsule manufacturing capability
Drug registration program

Cann is now able to **cultivate, extract, manufacture, test, and supply finished products in-house**



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Satipharm update

Satipharm | registration trial underway & option signed on major distribution agreement

Phase III registration trial underway to support S3 (pharmacy OTC) product approval in Australia.

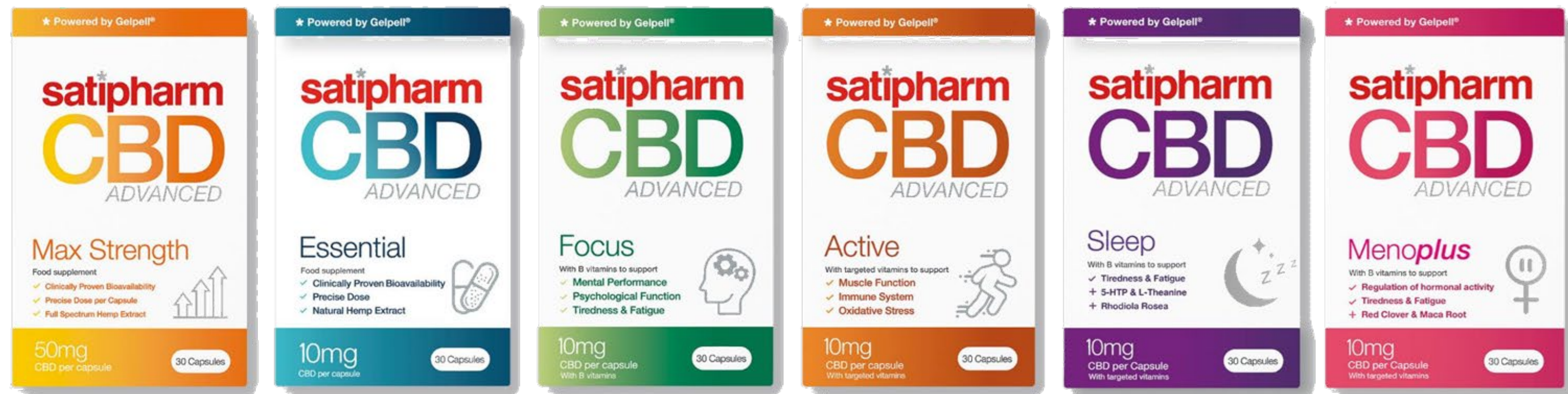
- Short-term treatment of sleep disturbances and quality of life outcomes.
- Over 50% of participants recruited.
- Recruitment supported with additional trial centres now active in New Zealand.
- Results expected end of current calendar year.

Exclusive evaluation and option agreement signed with Haleon (formerly GSK Consumer Healthcare).

- Haleon is the largest standalone consumer healthcare business in the world.
- Looking for CBD product to add to portfolio.
- Haleon is evaluating the market potential of Satipharm while Cann Group's clinical trial is ongoing.

Satipharm | Sales & marketing update

- UK Food Standards Agency (FSA) review process delays impacted numerous products, contracting the overall CBD market*, though we are seeing signs of a strong recovery post April 2022.
- FSA validated the sale of Satipharm products in April 2022. Novel Food Authorisation is pending.
- Despite these challenges, Satipharm is now the second largest over the counter cannabidiol brand in the UK by value within pharmacy, hospital and GP surgeries*.
- Globally, Satipharm increased net revenue by 54% over FY21.
- New THC-containing capsules are being developed in Australia to service additional patient groups.



UK products. Not available in Australia.

*IQVIA wholesale data MAT June 2022

A close-up, low-angle shot of a glass hourglass. The top bulb is filled with a thick layer of bright green, granular sand. A thin, steady stream of this green sand is falling from the narrow neck into the bottom bulb. The background is a soft, out-of-focus light green.

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Strategic priorities for
FY23 and beyond

Strategic priorities



Pivoting to a stronger commercial focus

- Accelerating sales growth.
- Building partnerships that deliver short and long term value.
- Expanding product portfolio to meet developing market demands.



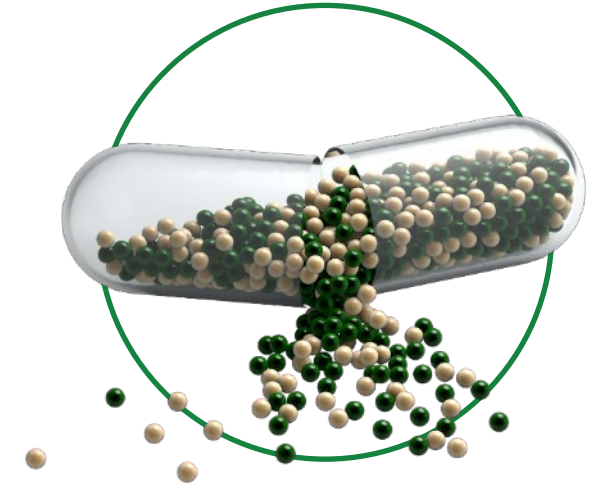
Streamlining our operational base to secure greater efficiencies

- Review of manufacturing platform.
- Rationalising activities at key sites.



Aiming to fully utilise the Mildura facility and capabilities

- Leveraging capabilities to offer new contract services in research, cultivation, analytical testing and stability testing.
- Scale up and accelerate plant breeding.



Capitalising on Satipharm CBD capsule S3 opportunity

- Fully resource clinical trial and registration program.
- Execute definitive distribution agreement with Haleon.

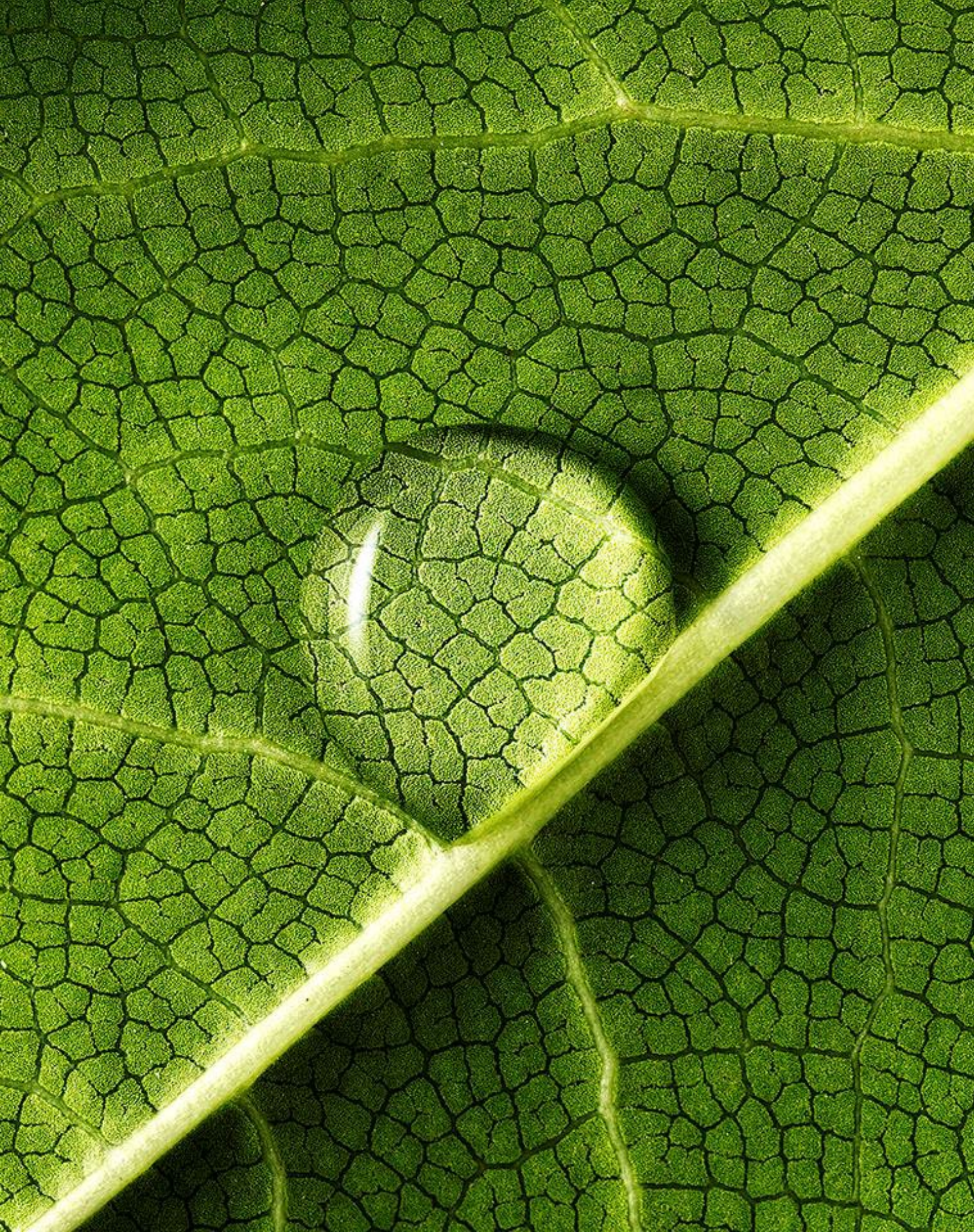


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Outlook for FY23

Outlook for FY23

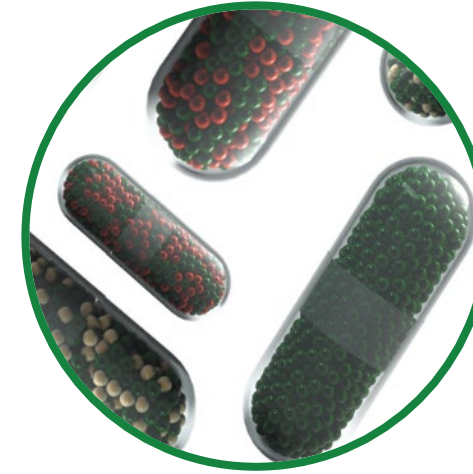
- Cann Group has commenced the FY23 financial year with a clear focus on building sales revenue as quickly as possible.
- Additional resources will be allocated to commercial activities, while the operational platform is streamlined to fully capitalise on Mildura's capacity, technology and cost of goods advantages.
- Cann's product portfolio and production will be tuned to meet current market demand and most profitable short-term sales opportunities.
- Medicinal market in Australia is expected to grow, with improved access and a bias towards locally produced GMP products.
- Global markets expected to develop, offering new opportunities for export business.
- Satipharm sales expected to grow in overseas markets.
- Satipharm CBD Australian clinical trial to be completed, with submission lodged for S3 registration.



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Pillars of growth

Pillars of growth



Capacity & capability

- Efficiently scalable to meet growing demand.
- Industry-leading cultivation and automation technology.
- GMP-licensed for manufacturing and testing.

Domestic & international business development

- Expanded domestic and international customers.
- New marketing and distribution agreements in Europe.

Path to registered products

- S3 registration program.
- Evaluation and option agreement with Haleon for Australia.
- Potential for registration in other global markets.

Innovative product pipeline

- Accelerated plant breeding program.
- Novel, proprietary genetics.
- R&D projects in extraction and formulation technology.

Cann Group

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