

ASX ANNOUNCEMENT**28 February 2023****Investor presentation**

28 February 2023 – As announced on 24 February 2023, Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) will be presenting an investor update webinar and Q&A with Chairman, Allan McCallum, CEO, Peter Koetsier and CFO, Deborah Ambrosini.

The webinar will be held today, **Tuesday, 28 February 2023** at **11:00 am** (Melbourne time).

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

https://us02web.zoom.us/webinar/register/WN_DWrEex9zRBqMNudrwVog1w

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 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.canngrouponlimited.com | www.satipharm.com



Cann Group Limited

2023 Half Year results and business update

February 2023

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.

Except as required by law or regulation (including the ASX Listing Rules), Cann undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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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Introducing new CEO

Allan McCallum
Non-Executive Chairman

Introducing new CEO, Peter Koetsier

- Commenced January 16, 2023
- 30 years of experience in biopharmaceutical commercial leadership roles, including General Management and Global Marketing
- Previous role as Head of Asia Pacific & ANZ for French biopharmaceutical company, Ipsen
- Strong track record in developing and enhancing strategy, process and culture to capture unrealised opportunities and to accelerate revenue growth
- Commercially minded with a relentless focus on customers and partnerships
- Bachelor of Science (Pharmacology, Immunology) from Monash University and General Management Programme, INSEAD (France)





Early impressions

Peter Koetsier
Chief Executive Officer

Early impressions

- Cann Group has done the ‘heavy lifting’ in terms of establishing a world-class production facility; building expertise and capability from genetics to finished product; and developing a B-to-B business model that can take full advantage of our scale and technology
- Joining a talented and committed team that is fully focused on providing outcomes for patients and commercial outcomes
- Medicinal cannabis market continuing to evolve, with substantial upside growth and opportunity
- Initial discussions with key customers reinforce the demand for quality products supplied on a reliable basis and support for what Cann can deliver
- Recent sales indicate strong growth trend, with margin benefits still to be captured



Financials

Deborah Ambrosini
Chief Financial Officer

Financials

CANN GROUP LIMITED HALF YEAR RESULTS

	31-Dec-22	31-Dec-21	Movement	Movement
	000's	000's	\$	%
Revenue				
Revenue from customers	5,819	3,172	2,647	83%
Other income	2,235	2,970	-735	-25%
Total revenue	8,054	6,142		
Expenses				
Admin and corporate*	-16,874	-11,544	-5,330	46%
Research and development	-2,571	-947	-1,624	171%
Total expenses	-19,445	-12,491		
EBITDA	-11,391	-6,349		
Depreciation and amortisation	-6,087	-1,277	-4,810	377%
EBIT	-17,478	-7,626		
Finance costs	-1,366	-652	-714	110%
Loss after income tax	-18,844	-8,278	-10,566	128%
Cash	7,190	1,914		

- Half year revenues up 83% on the same period in prior year
- Admin and corporate costs* increase in line with expectations as Mildura facility is scaled up (85 employees at 31 December 2021 increasing to 121 employees at 31 December 2022)
- Research and development costs increased from the prior year as a direct result of the S3 clinical trial
- Depreciation and amortisation expenses have increased in line with expectations after the depreciation of the Mildura facility commenced in April 2022
- Increased finance costs reflect higher interest rates and draw down of working capital facility (from April 2022)
- Share Purchase Plan raised \$8.18 million and closed on 30 November 2022
- Proceeds of \$5.48m from divestment of Southern facility to be received.

*includes staffing and cultivation costs



S3 Clinical Trial update & Satipharm platform

S3 Clinical Trial update

- A preliminary review of the analysis of the primary end-points has not shown a statistically superior response compared to placebo
- While study participants receiving Satipharm CBD showed a positive response, that response was not statistically superior compared to placebo
- Cann Group expects these trial results will delay submission of the S3 registration application to the Therapeutic Goods Administration (TGA) for this indication
- Final report and full data set to be carefully reviewed by both Cann and by Haleon
- 60 day period for Haleon to review final report, as per Evaluation and Option Agreement signed April 2022

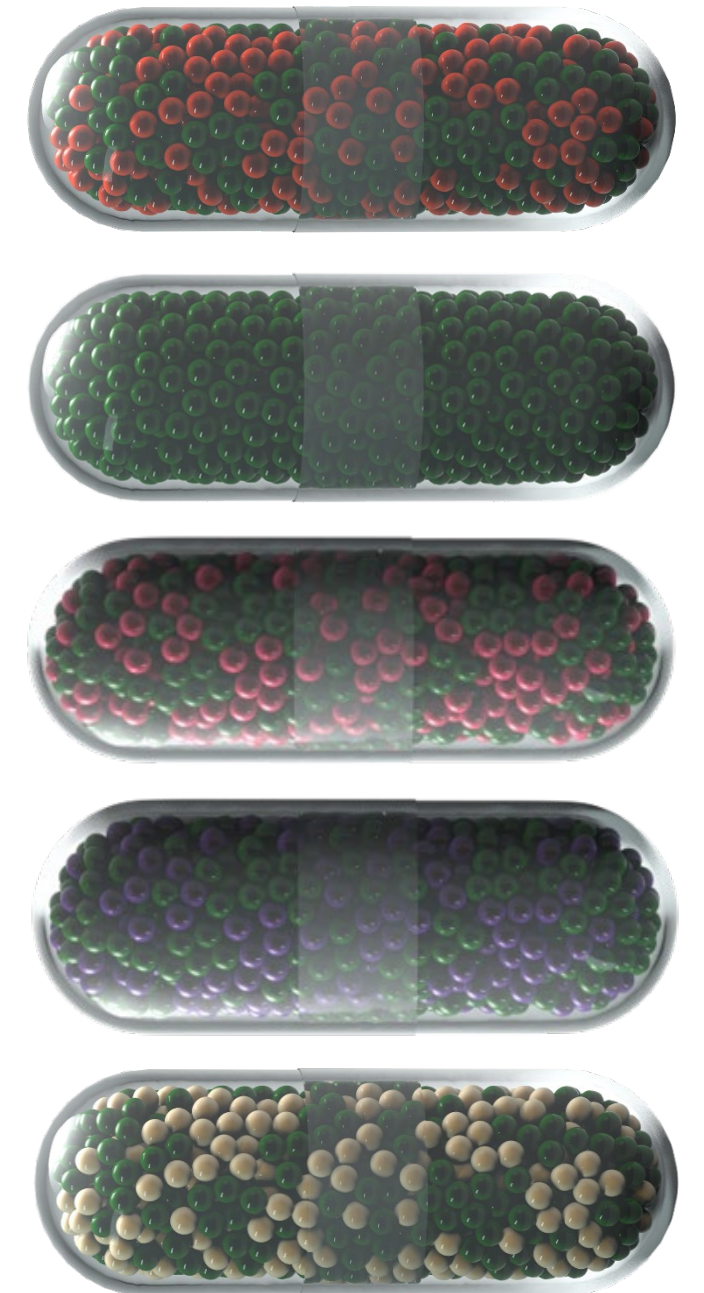
A randomised, double-blind, placebo-controlled, multicentre clinical trial that included a total of 257 participants with sleep disturbances

Satipharm platform

A unique technology platform that supports product development across multiple market segments

- Developing registerable, differentiated & IP protected medicinal cannabis products for global distribution
- Patented formulation resulting in better stability and improved shelf-life and improved bio-availability
- Presentation in a more familiar capsule form expected of pharmaceuticals, to generate greater confidence from prescribing doctors
- Exploring new Satipharm formulations to increase market opportunities within Australia

satipharm





Efficiencies of scale at Mildura facility

Efficiencies of scale at Mildura Facility

First finished dried flower products cultivated and manufactured in Mildura were released to the market during the December quarter. Focus on flower quality and volume



Cultivation

Largest single harvest in week 7



Operations

Glasshouse micro-climate consistent with parameters in ideal range



Crop Health

Consistent good crop health across all crops



Manufacturing

Full jar packing capabilities in place (pack, label, print)



Outlook commentary

Outlook commentary



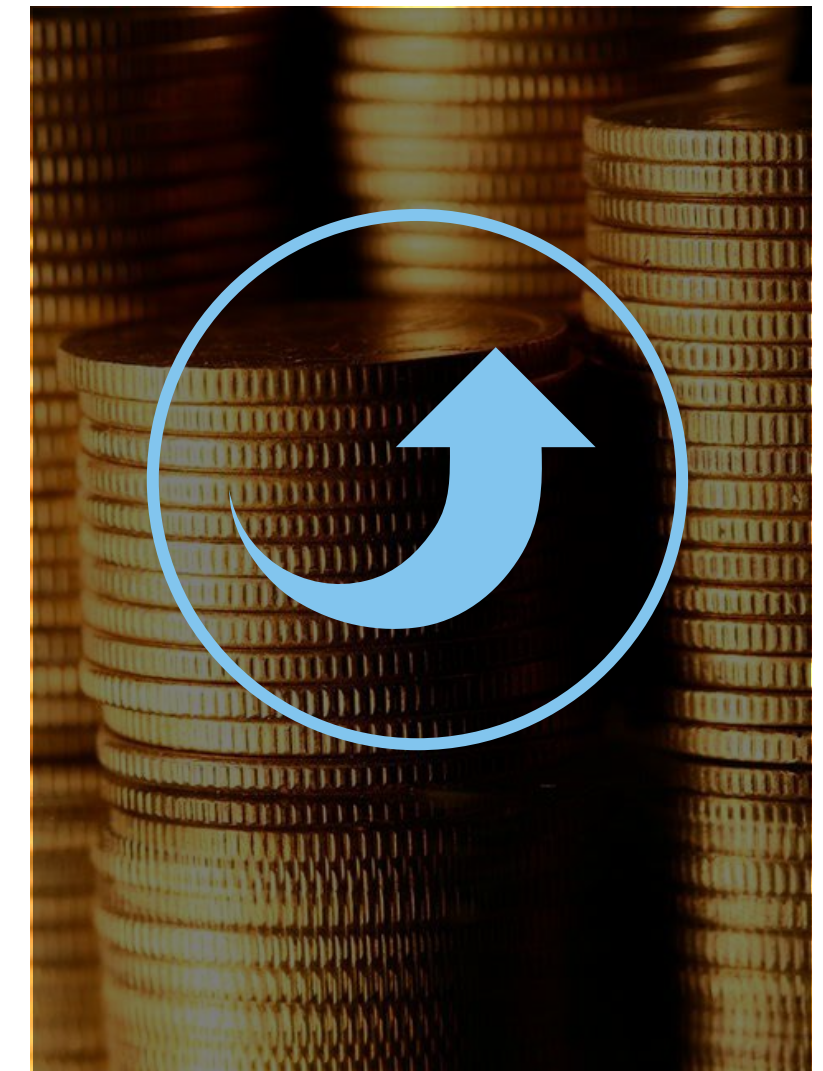
Mildura quickly transitioning to **scale-based efficiencies** – margin benefits still to be realised



Immediate focus on **streamlining operations**; securing efficiencies and building profitable revenues



Opportunity to **substantially increase market share** in a growing market



December revenues reflect **significant upturn in sales trend** which is expected to continue as we secure and supply new orders

Near-term priorities

- Optimise production systems at Mildura so that scale efficiencies can be realised
- Work with current and prospective customers to ensure Cann is ready to supply quality product in volumes required
- Continue to streamline operations to minimise overhead and direct cash in areas of greatest need/return
- Focus on top-line driven success



Q&A

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