



ASX ANNOUNCEMENT

Investor update presentation

24 July 2024 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to provide an investor update presentation providing investors with information on the Company's strategic growth plans and investment opportunity.

In addition, the investor presentation outlines Cann's production facility, product & services portfolio, R&D program, management team and market opportunity.

Other announcements:

The Company will release its fourth quarter activities update and Appendix 4C on 31 July 2024, and its full year results on 30 August 2024. The Company plans to host a webinar for investors to discuss recent activities and results and will provide further details for this in due course.

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

For all other information please contact:

Jenni Pilcher
CEO & Managing Director
Cann Group Limited
+61 3 9095 7088
contact@canngrouponlimited.com

Steven Notaro
Joint Company Secretary
Cann Group Limited
+61 3 9095 7088
contact@canngrouponlimited.com

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 research facilities and corporate headquarters in Melbourne and operates 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

CANN GROUP LIMITED

ASX:CAN

INVESTOR DECK

24 JULY 2024

AT THE FOREFRONT OF MEDICINAL CANNABIS IN AUSTRALIA SINCE 2017

Disclaimer

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 and is not an invitation nor offer of securities for subscription, purchase or sale in any jurisdiction. This Presentation should not be considered to be an offer or invitation or a solicitation of an offer to acquire securities or any other financial products and neither this Presentation nor any of its contents will form the basis of any contract or commitment.

Future performance and forward-looking statements

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.

Not financial advice or recommendation

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CANN GROUP

Est. 2014 in Australia

ASX:CAN

Cann Group is proud to be the first company in Australia to have been issued with a Cannabis Research Licence by the Australian Government's Office of Drug Control in February 2017.

Cann was issued with Australia's first Medicinal Cannabis Cultivation Licence to grow and produce cannabis for medicinal purposes in March 2017.

Our flagship Mildura facility is world class with a level of automation and sophistication of its continuous cropping system that sets Cann apart from its competitors.

Cann's strong customer relationships, collaboration agreements, and research and commercialisation agreements with key government and commercial participants gives Cann a leading edge in this industry.

Investment highlights



Large producer in Australia

Cann has the only GMP production facility in Australia producing high quality medicinal cannabis



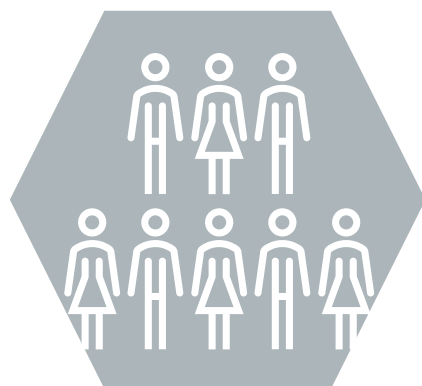
Revenue growth year on year

Cann has been growing its revenue for the past 5 years and with clear line of sight to EBITDA positive



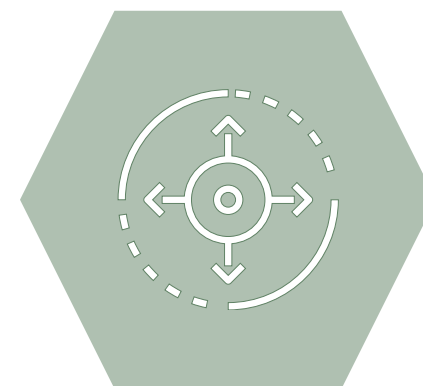
Mildura GMP facility

Cann's facility in Mildura has year-round, multiple production run GMP facility



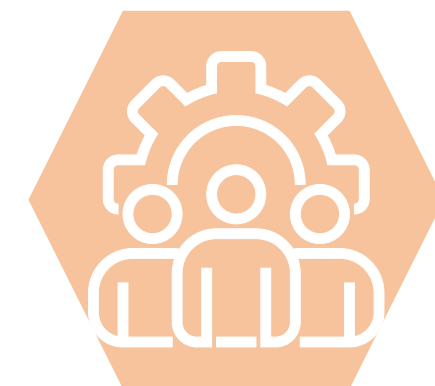
Growing market in Australia

The demand for locally produced, high quality, GMP medicinal cannabis continues to increase in Australia



Multiple revenue streams

Cann has multiple product lines & service offerings generating multiple revenue streams



Board & management

Management with multi-industry experience and results driven

LARGE, LOCAL PRODUCER OF MEDICINAL CANNABIS



Cann Group's Mildura facility is the most technologically advanced indoor, full GMP medicinal cannabis cultivation & manufacturing facility in the southern hemisphere."

Mildura facility secures strong competitive advantage

Cann Group's Mildura facility is the most technologically advanced indoor, full GMP medicinal cannabis cultivation & manufacturing facility in the southern hemisphere

- A microclimate-controlled glasshouse with manufacturing and warehouse space
- Year-round production
- Automated plant movement conveyors and plant propagation systems
- In-house analytical chemistry and microbiology laboratories
- Satipharm manufacturing and encapsulation capability
- Paxiom Primocombi 14-head automatic filling system for flower with Pre-CheQ weight analyzer for high accuracy
- GMP licence for contract manufacturing and packing



COMMERCIAL PRODUCTS

“

Cann has a diverse product portfolio, including dried flower, oils, vapes, & capsules - led by its own “Botanitech” brand, supplemented with white label. Cann also offers a variety of contract services at its Mildura GMP facility.”

Botanitech (own-brand) heads up a diverse product range



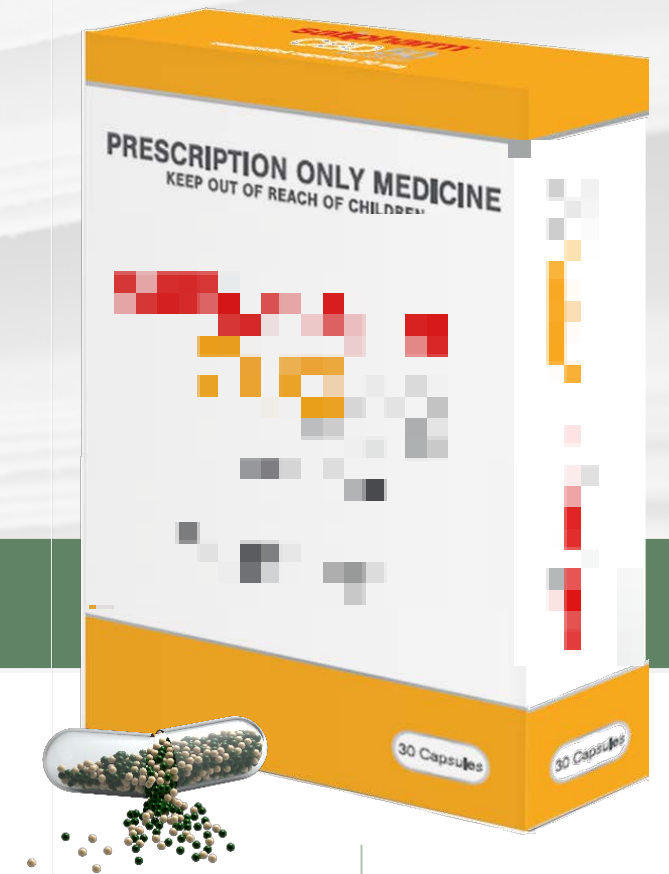
Local dried flower & oils
(sold white label)



Botanitech flower, oil, vapes



Bulk dried flower (sold to
wholesalers, distributors
& compounders)



Satipharm – CBD
capsules featuring
patented Gelpell
technology

Contract services offered at cGMP facility



Contract growing

- ODC permit for genetic stock, cultivation and production of medicinal cannabis
- Located in Mildura, microclimate-controlled protected cropping facility (glasshouse)
- Current capacity of ~10,000 kgs annually
- Able to cultivate from Cann's library of genetics and/or from genetics sourced by customers
- Cann adheres to GACP guidelines applying well established horticultural methodology for consistent yield and quality
- Hang drying, and curing processes
- On-site cGMP analytical chemistry & microbiology laboratory

Contract packing services

- cGMP manufacturing facility
- Licensed to produce Active Pharmaceutical Ingredients and Finished Dosage forms including dried herb and hard capsules
- Contract biomass packing with both hand fill and mechanical fill capabilities
- Mechanical capability utilising Paxiom Primocombi 14-head automatic filling system for flower with Pre-CheQ weight analyser for high accuracy
- Capability for >6000 units in single shift
- Validated for multi jar sizes and capping with induction seals
- In house batch printing and jar labelling capability

Contract laboratory services

- Onsite cGMP (TGA) certified laboratory
- TGO93 (Medicinal Cannabis Standard) testing including Analytical and Microbiology
- Range of equipment capability to support TGO93
- Laboratory Information Management System (LIMS)
- ICH stability studies capability
- Experienced scientists

RESEARCH & DEVELOPMENT



“

Our R&D team is focused on identifying new cultivars with optimal growth characteristics which can be transferred to our Mildura facility to enhance our product portfolio. Cann's breeding program continues to support the Company's goal of being a global supplier of choice.”

Breeding program

First-round of seven shortlisted Cann Group breeding candidates developed in collaboration with Ag-VIC as part of the “CRADA” program are currently in the final stages of commercial assessment at Cann’s Mildura Facility. A selection of these shortlisted candidates became available for sale in Q1 (CY)2024.

These genetics have been shortlisted following an intensive phenotyping and chemo-typing process on-site at Cann’s Northern Facility and patient desirables assessment covering aroma and bud aesthetics.

Genetics will take part in a patient assessment study following initial small-scale Mildura crops before final commercial selection.

The second round of breeding candidates are currently in the late stages of their phenotyping and chemotyping at Cann’s Northern facility. Successful candidates from this breeding round will be available for commercial release in Q3 2024.

These genetics include next-generation crosses of Cann’s “Rhea” strain currently in the flower portfolio of two of Cann’s key white-label customers and Cann’s Botanitech label

Cann’s shortlisting process focuses on key “patient desirables” which drive growth of the Australian Medicinal Cannabis market:

1
Flavour
aroma & taste

2
Bud aesthetics
trichome coverage, bud structure, bud size, colour

3
Genetic lineage
“the story”

4
Bud consistency

5
Total terpene percentage

6
Target cannabinoid potency

Imported strains

1

Cann's breeding program sits alongside an aggressive seed importation and phenotyping program targeting the leading breeders in North America.

Genetics have been sourced as traceable "breeder packs" from various leading breeders to guarantee authenticity in a market dominated by inauthentic / copycat genetics.

2

The first import of 17 new strain lots has now all completed phenotyping and awaiting final chemotyping results.

Patient desirables assessment has been completed on the first cycle selected from this lot, and the first delivery to Mildura of shortlisted candidates occurred in Q1 (CY) 2024.

3

The second import of 20 new strain lots has been germinated at Cann's Northern Facility and is in the process of developing mature mother stock required to commence phenotyping activities.

Successful candidates from this import will be available for commercial release in later this year.



HIGHLY EXPERIENCED TEAM

“

Cann Group's executive team boasts unique skillsets across pharmaceutical research, biotechnology, finance and M&A, big-pharma management, marketing, a best-in-market legal and regulatory affairs team and agronomy.”

Board & management team

- Strong knowledge of, and reputation with, regulatory agencies (e.g. TGA, ODC)
- Experienced staff from cultivation, manufacturing and commercial
- Preferred employer in Sunraysia region with local TAFE/Uni connections



Chairman

Dr Julian Chick



Managing Director & CEO

Jenni Pilcher



Non-executive Director

Doug Rathbone AM



Non-executive Director

Robert Barnes



CFO & Joint Company Secretary

Tony Di Pietro



Head of Legal & Regulatory Affairs & Joint Company Secretary

Steven Notaro



General Manager – Commercial Operations

Liz Pepper



General Manager – Mildura

Michael Long



Head of Commercial

Carlyn Villani



Head of Research & Development

Filippa Brugliera



Head of Quality

Angelos Borobokas



Head of Human Resources

Sally Moghimi

Mission, Vision & Values

Our Mission

The mission of Cann Group is to develop excellent Australian medicinal cannabis products to improve the quality of life of more patients

Vision Statement

To be known as the leading Australian producer, by all stakeholders, based on the quality, range and volume we sell.

Our Core Values

Cann Values are about doing the *right* things *well* for our employees, stakeholders, agencies, patients and communities in which we operate.

Our values are a shared understanding of what Cann stands for as an organisation. They are *guiding principles* at the heart of the Cann Group.



CANN'S OPPORTUNITY

“

Cann is well placed with its leading brand “Botanitech” and dried-flower customer relationships to take advantage of the ~\$700m MC market opportunity - given the growing demand for locally produced, high quality product at attractive price points.”

Market overview

- 2 - 2.4 million Australians use more than 650 tonnes of cannabis each year both legally and illegally
- Legal Medicinal Cannabis (MC) market is now exceeding 100 tonnes per year
- Current MC value is estimated to be between \$500-\$700 million at a patient level, growing around 25% YoY

Market size and forecasting

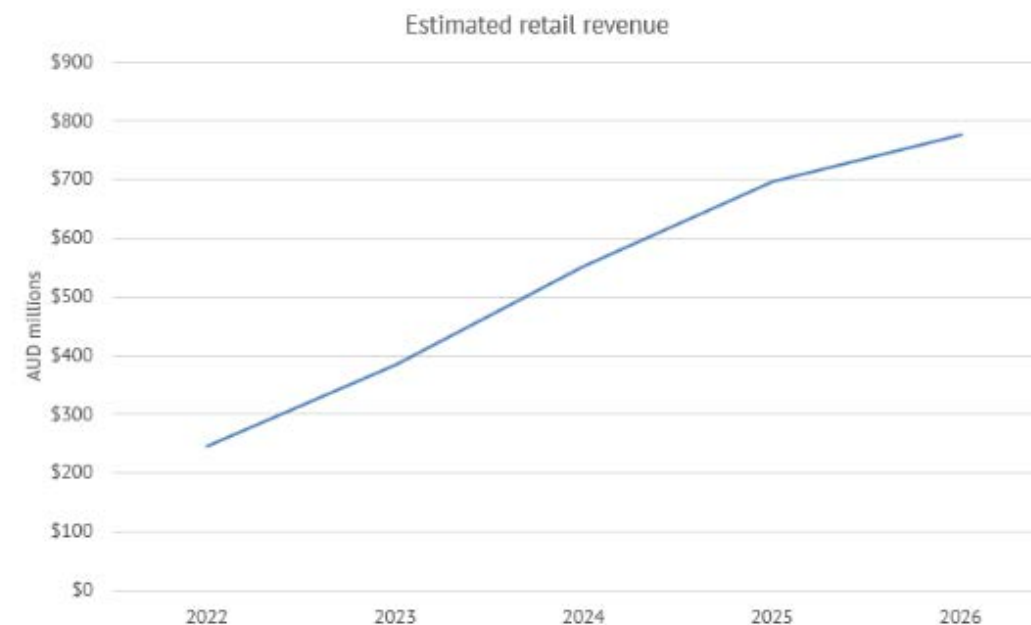
Growth rate and price movement assumptions

Retail revenue estimates:

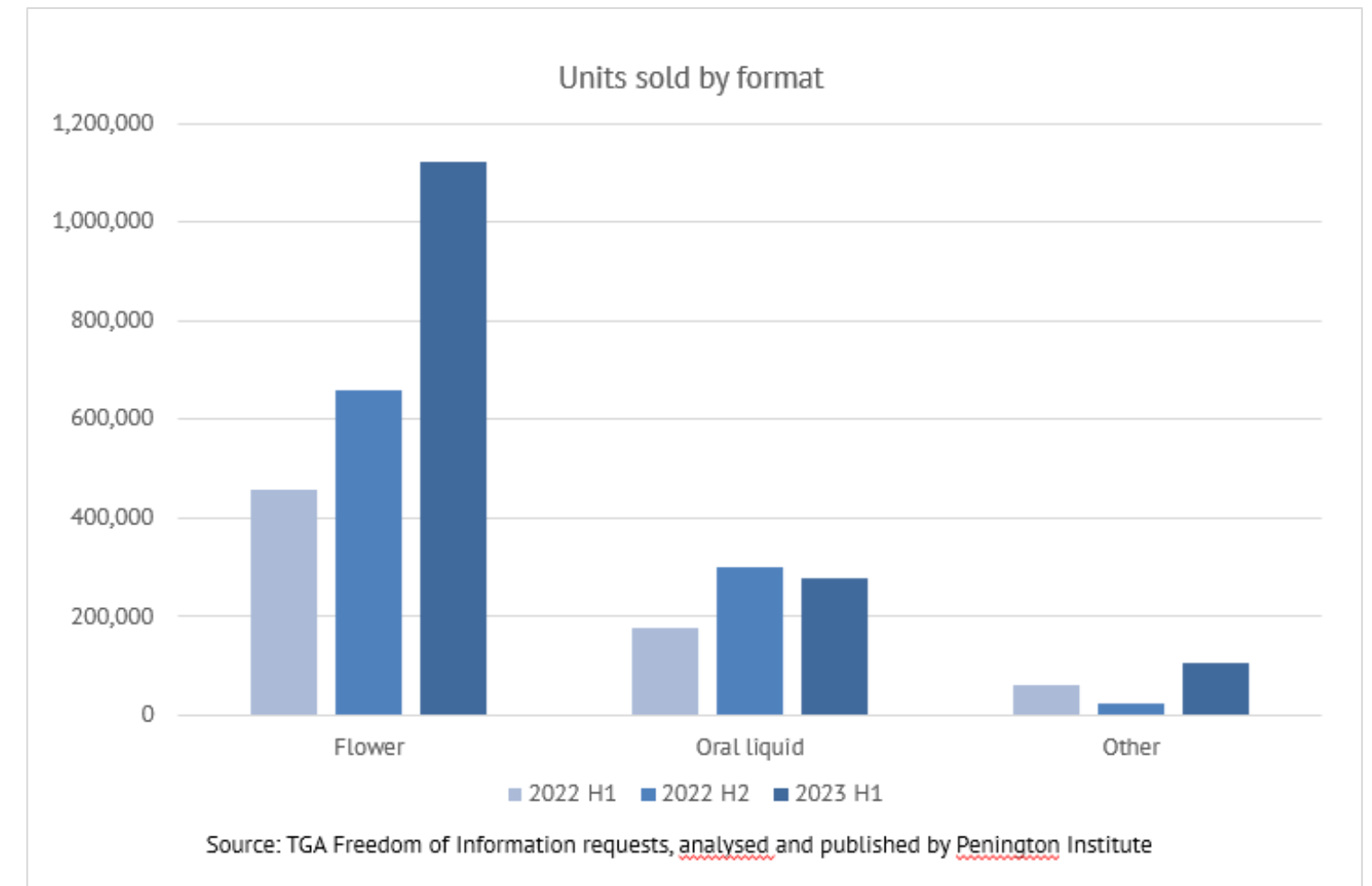
- 2023: ~\$380 million
- 2026: ~\$770 million

Data limitations:

- The future is uncertain



Source: Cassandra Hunt, Rhys Cohen



Source: TGA Freedom of Information requests, analysed and published by Penington Institute

Market opportunity

- Australian market strong and growing → increased need for higher volume and greater variety
 - Increased number of prescribers is providing greater patient access
 - Improving perception of role of MC for treating a variety of medical conditions
 - Improving reputation of Australian grown products - some prescribers/patients prefer Australian grown
 - Strong uptake of cheaper product possible without extensive promotion
- Regulation / law changes will likely lead to greater demand
 - TGA regulation and enforcement could remove some cheaper players and imports
 - Changes to driving laws would likely cause spike in demand
 - There is already improved coordination of representation of local growers especially to government
- Growing use of delivery forms other than inhaled flower, including capsules and vapes, is driving greater demand
- Export market opportunities are growing - especially in Europe
- Contract growing gaining traction in preference to importation

Cann poised to seize growing market opportunity

Expertise	GMP facility	Established customer base & commercial pathways	Cutting edge R&D program
<ul style="list-style-type: none"> • Strong knowledge of, and reputation with, regulatory agencies (e.g. TGA, ODC) • Experienced staff from cultivation, manufacturing and commercial • Preferred employer in Sunraysia region with local TAFE/Uni connections 	<ul style="list-style-type: none"> • Full cultivation and GMP manufacturing capabilities on site for dried flower (excl. Irradiation) • ~10 tonne per annum operational capacity with multiple crops simultaneously, with expansion opportunity • Table growing allows for maximum flexibility • Hang drying has realised efficiencies and resulted in a higher quality product • Multi-head filler automation provides efficiencies and less variability 	<ul style="list-style-type: none"> • Established pathways to market – Botanitech, White Label, Bulk flower • Own-brand “Botanitech” gaining market share • Diverse product portfolio eg dried flower, oils, vapes, capsules • Contract services (cGMP) gaining traction: <ul style="list-style-type: none"> • Growing • GMP packing & storage • Lab testing 	<ul style="list-style-type: none"> • Long-term affiliation with LaTrobe University and AgVic for R&D • Imminent launch of multiple new high-quality genetics matched to market needs

STRATEGY FOR GROWTH



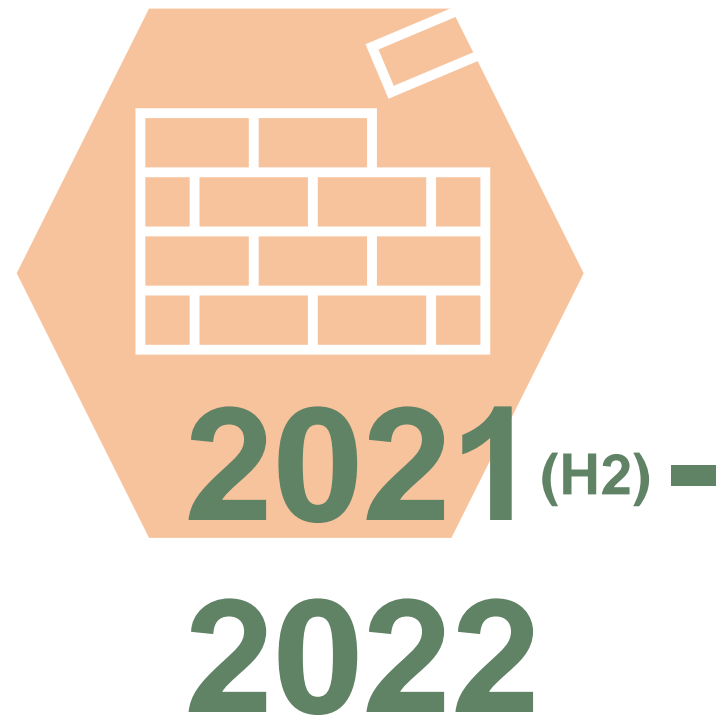
Cann expects to achieve positive EBITDA in FY2025, and cash flow positive in FY2026 onwards which will be used to repay debt.”

The evolution of Cann's focus so far



The vision

- Project management and construction to enable larger yields of cannabis



Laying the foundation

- Practical completion of the Mildura site
- Commissioning of equipment
- Obtaining requisite licensing
- Recruiting talent



Growing into the facility

- First plants transferred to Mildura
- Site is operational and systems, processes and efficiencies are being developed



Scaling up

- Increasing all areas to maximise efficiency of scale for greater yield, productivity and quality



Continued growth

- Increased revenue
- Quality & reliable production
- Benchmark in medicinal cannabis in AU and globally

Cann's growth strategy going forward



FY2025

- Expand Botanitech range with new genetics & forms (e.g. vapes)
- Production target 6.5 tonne
- EBITDA positive
- Restructure debt



FY2026

- Production target 9-10 tonne (close to full capacity)
- Revenue growth, supplemented with exports
- Cash flow positive
- Reduce debt



FY2027

- Facility expansion, fit-out extra 2-4 bays (capital investment needed)
- Production target 11-13 tonne
- Cash flow positive
- Reduce debt



FY2028

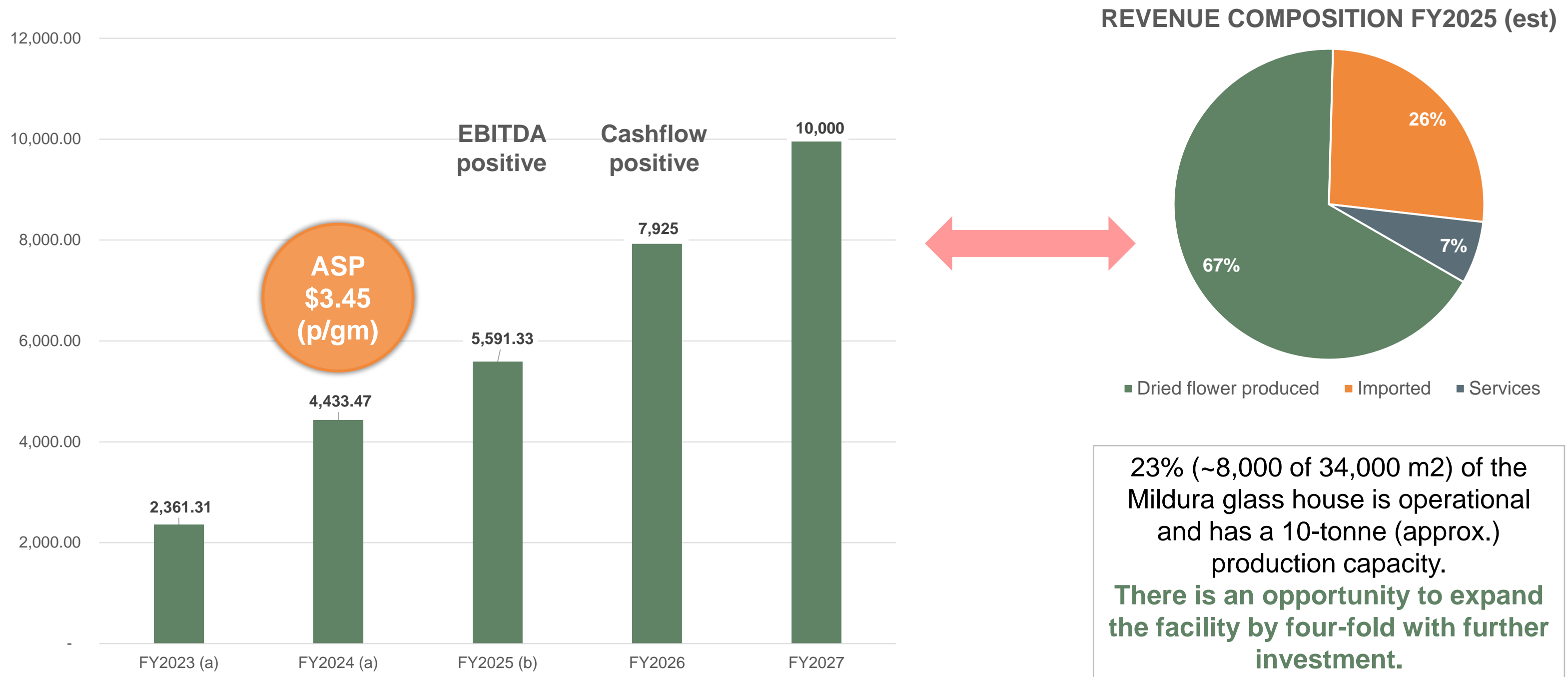
- Facility expansion completes
- Production target 14-16 tonne
- Become Australia's largest domestic producer of MC
- Cash flow positive
- Reduce debt

FY2025 growth plan to deliver positive EBITDA is underway

Focus on inhalable flower and boost quality to meet market expectations	Move from 3 cultivars to a 10-12 cultivar portfolio	Expand Botanitech range	Enhance non-inhalable flower product range	Maximise margins with efficiencies & cost control
Cultivation/drying/curing standards are constantly being enhanced to deliver high quality	New candidates are well advanced at Northern facility for release Sept. 2024	Importing highest quality product to meet craft segment	Launch of high quality imported vapes July 2024	Labour has reduced by more than \$2 million p/a since March 2024
Ensure highest terpenes, terpene combinations, bud size, appearance and cannabinoids	The range is regularly refreshed via our portfolio	Intermediate discount range (INC and Value) launched to capture growing segment	Cheaper sourced isolate makes oil range more affordable	Hang drying implementation means less casual labour and a higher quality product
		Grow channels/prescriber base via expanded commercial team	Newly developed THC containing Satipharm presentations (release December 2024)	Multi-head filler automation will reduce the need for manual filling

Dried flower production at Mildura ~65%-75% of revenue FY25

Increasing production to 10 tonnes per annum by FY2027 will ensure strong revenue growth and profitability at today's average selling price of \$3.45 per gram.



OUTLOOK

“

Cann expects to achieve positive EBITDA in FY2025, and Cash Flow Positive in FY2026.”

Strategic outlook



Progressing the **scale** and **quality** of production. Aim to meet 10 tonne of production per annum FY2027.



Extending portfolio range to meet market demands



Continuing our path towards EBITDA **profitability and cash flow positive**

CONTACT

Jenni Pilcher

CEO & Managing Director

Jenni.pilcher@canngrouplimited.com
