



ASX ANNOUNCEMENT

19 September 2024

Investor presentation

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

This presentation shall be presented by Cann CEO, Jenni Pilcher, at the 2024 Pitt Street Research Life Sciences Conference today.

Authorised for release by the Company Secretary of 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 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.canngrouplimited.com | www.satipharm.com

CANN GROUP LIMITED

ASX:CAN

Pitt Street Research Life Sciences Conference

19 SEPTEMBER 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).

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CANN GROUP

Est. 2014 in Australia

ASX:CAN

Cann Group is proud to be the first Australian company to have been issued with a Cannabis Research Licence and Cannabis Cultivation Licence to grow and produce cannabis for medicinal purposes by the Australian Government's Office of Drug Control in February and March 2017 respectively.

Our flagship Mildura facility was fully commissioned in 2022, and is world class with a level of automation and sophistication of its continuous cropping system that sets Cann apart from its competitors.

Cann's Botanitech brand, strong customer relationships, collaboration agreements, and research and commercialisation agreements gives Cann a leading edge in this industry.

Mildura facility secures strong competitive advantage

Cann Group's Mildura facility is arguably 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
- In-house analytical chemistry and microbiology laboratories
- GMP licence for contract manufacturing and packing
- Automated plant movement conveyors and plant propagation systems
- 14-head automatic filling system for flower with Pre-CheQ weight analyzer for high accuracy
- Manufacturing and encapsulation capability & IP



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
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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 later this year.



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



Local manufacture and supply of dried flower & oils (white label)

Botanitech dried flower, oil and vapes

Multiple SKU's with various THC and CBD combinations

Bulk dried flower (sold to manufacturers & compounders)

Satipharm – CBD, THC & balanced* capsules featuring patented Gelpell technology
**CBD capsules available, THC & balanced (THC/CBD) capsule under development and will be available from December 2024*

Contract services offered at cGMP facility



Contract growing

- ODC permit for genetic stock, cultivation and production of medicinal cannabis
- Located near Mildura, microclimate-controlled protected cropping facility (glasshouse)
- 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

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

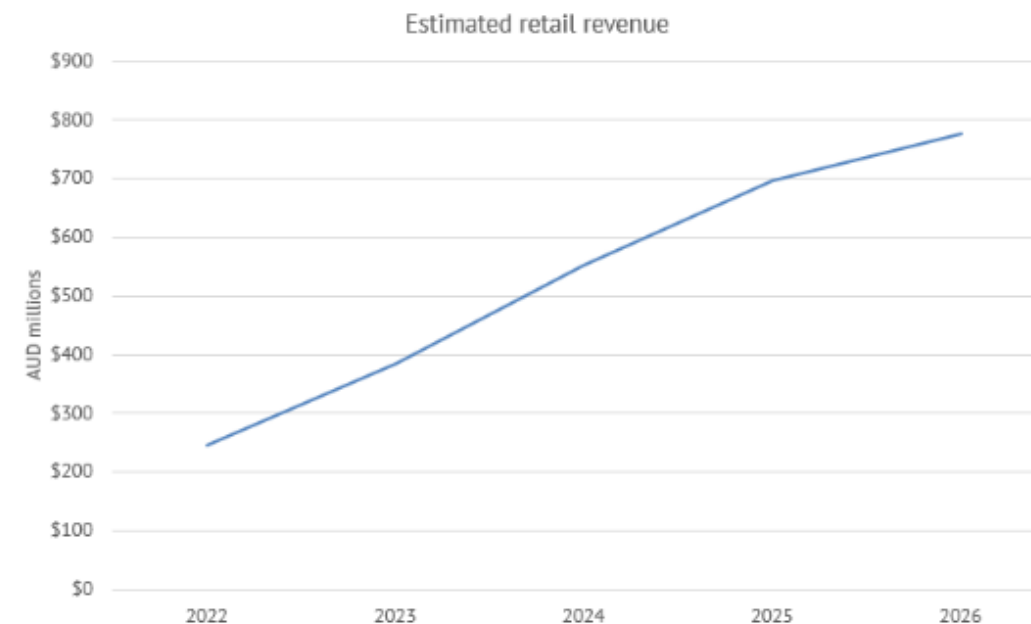
Growth rate and price movement assumptions

Retail revenue estimates:

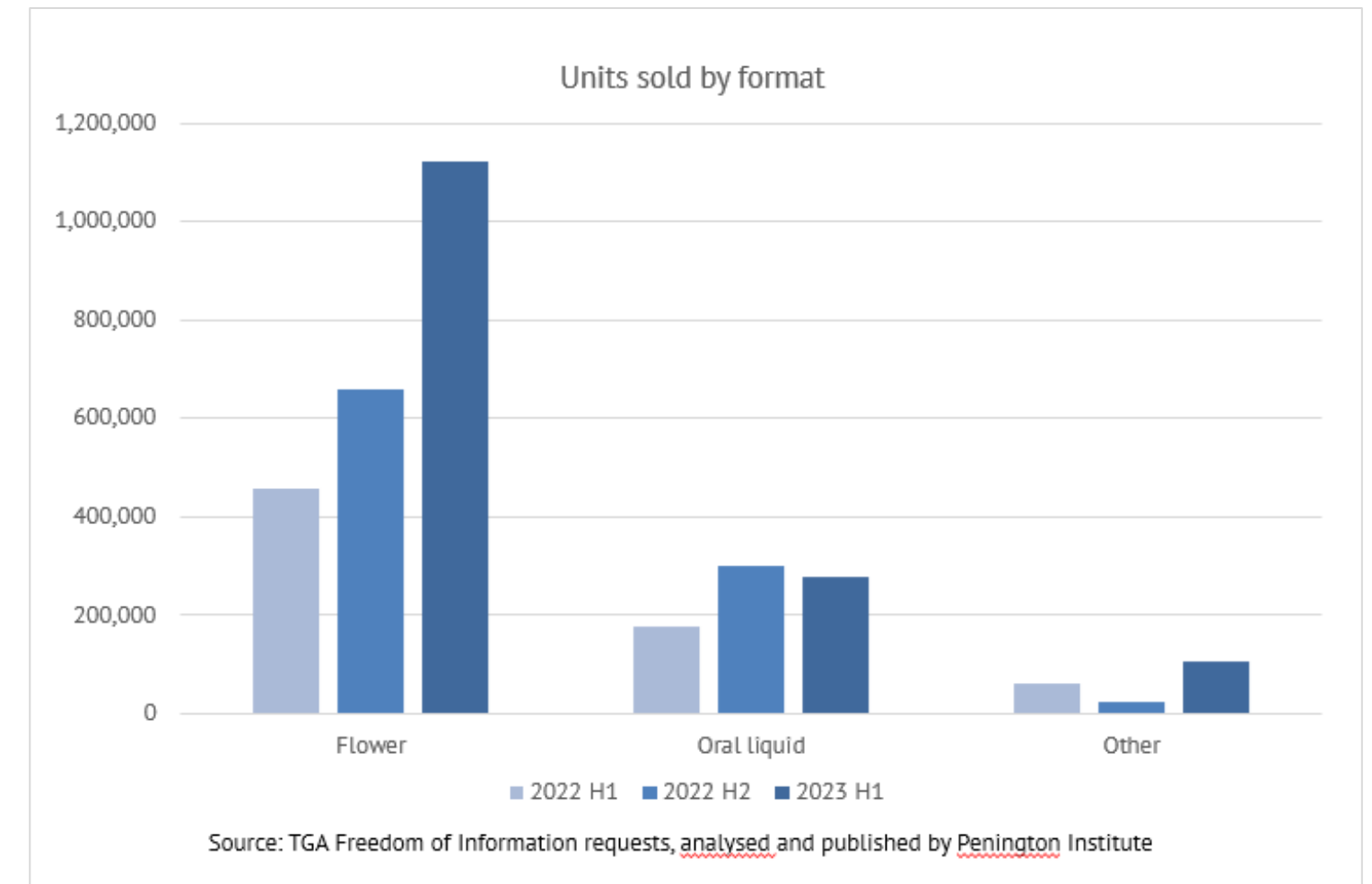
- 2023: ~\$380 million
- 2026: ~\$770 million

Data limitations:

- The future is uncertain



Source: Cassandra Hunt, Rhys Cohen



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

Growth drivers

Improved perception & locally grown quality

- Improving perception of role of MC for treating a variety of medical conditions; and
- Improving reputation of Australian grown product leading to Increased number of prescribers - providing greater patient access

Regulation & law changes

- TGA regulation changes could restrict cheaper imports
- Changes to driving laws allowing prescribed use of MC
- Improved coordination of growers' representation to government

Increasing number of delivery forms

- Alternative forms to inhalable flower and oils – for example capsules, edibles, vapes, is driving greater demand
- More and more recreational users are converting to MC for better quality, consistency

Export markets

E.g.

- UK
- Germany
- Poland



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

REVENUE

\$15.73M

↑ 11.6% YOY

PRODUCTION

4.4 TONNES

↑ 100% YOY

EBITDA LOSS

(\$13.2M)

24.1% IMPROVEMENT YOY

OPERATING EXPENSE RATIO

128%

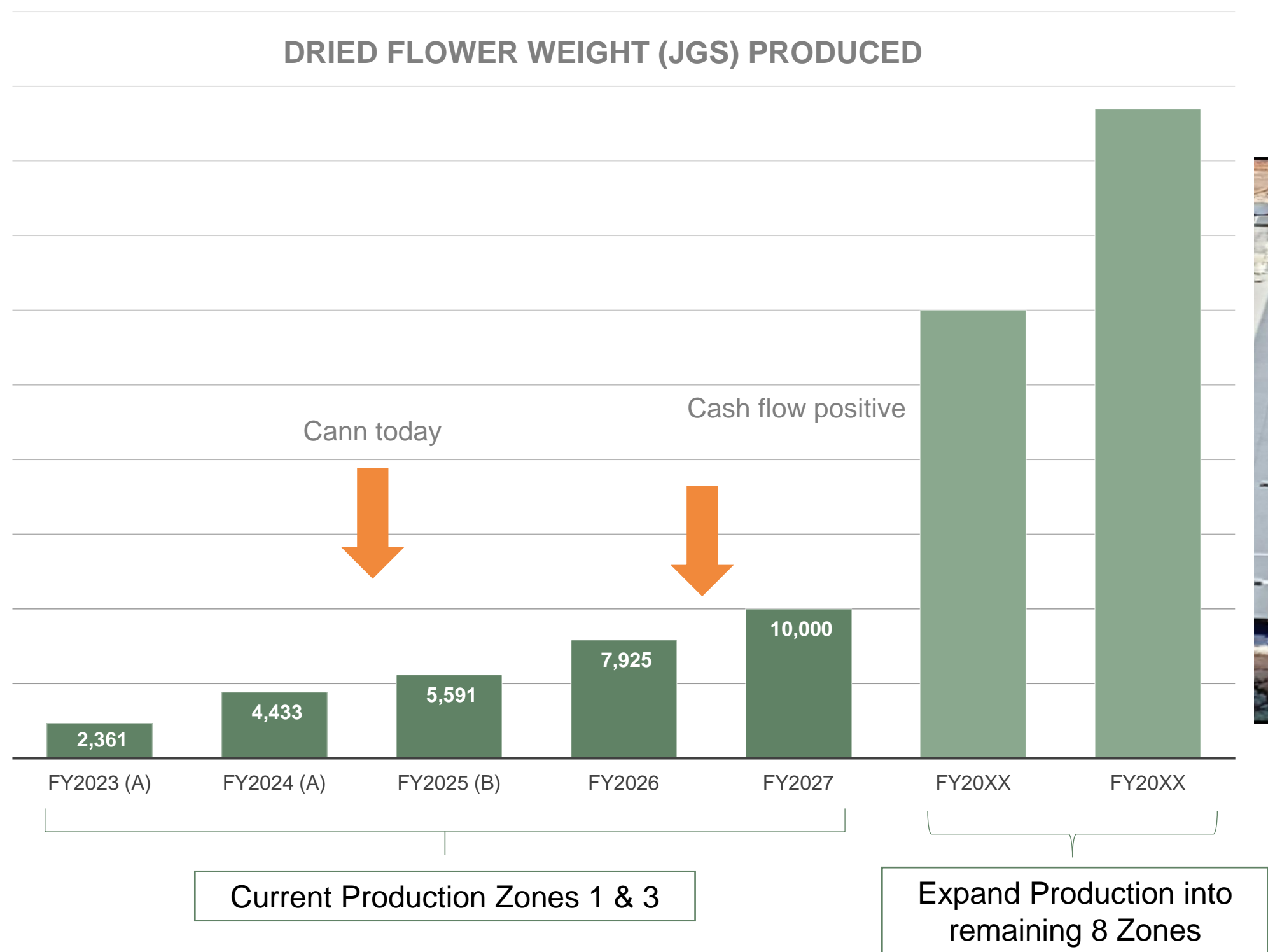
10% POINTS IMPROVEMENT YOY

FY2025 growth plan to deliver positive EBITDA is underway

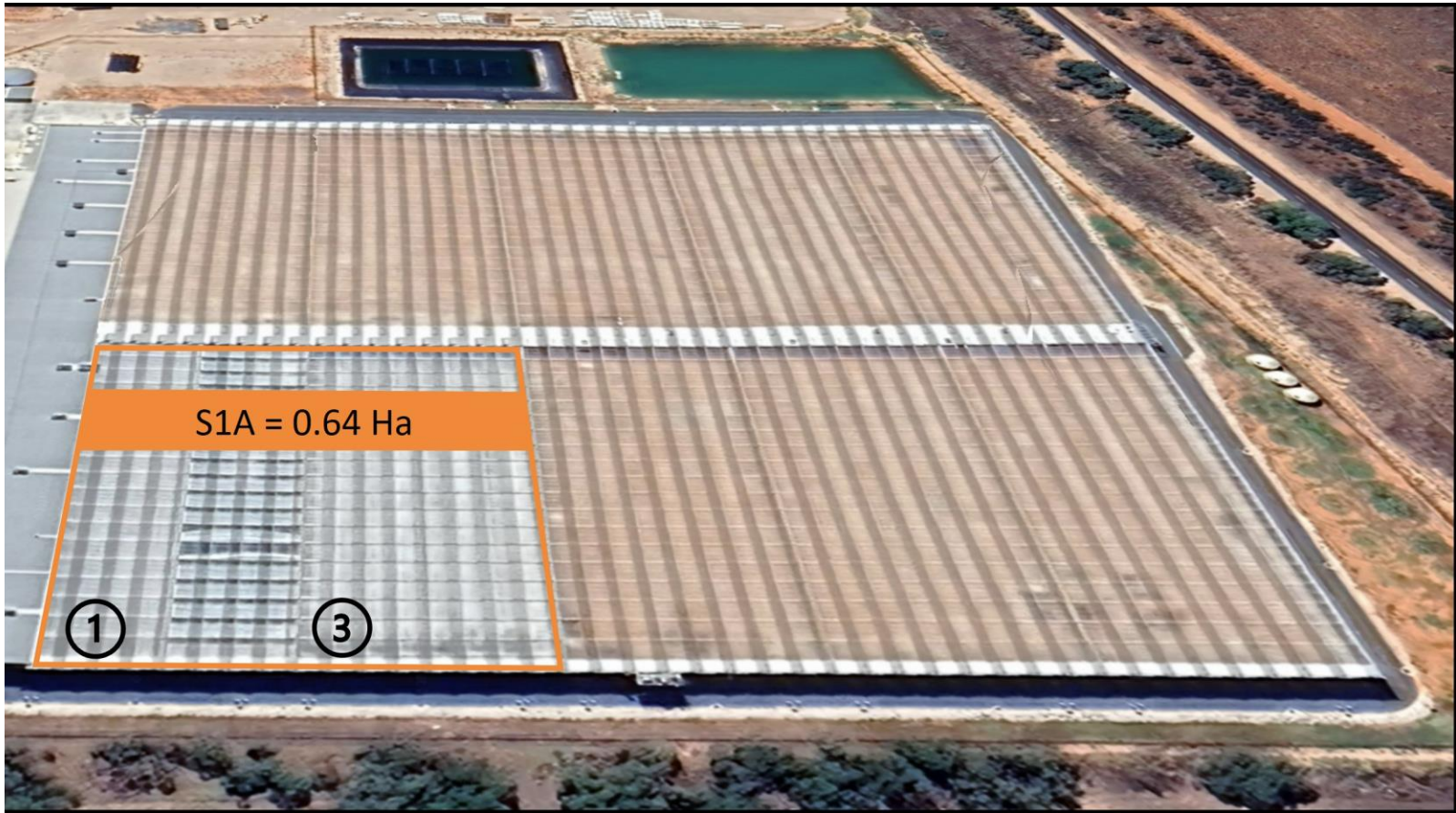
Focus on quality inhalable flower to meet market expectations	Move from 3 cultivars to a 10-12 cultivar portfolio	Expand Botanitech range	Enhance non-inhalable flower product range	Maximise margins with efficiencies & cost control
Cultivation/drying/curing standards are constantly being enhanced to deliver high quality medicinal cannabis	New candidates are well advanced at Northern facility for release Sept. 2024	Importing highest quality product to meet craft segment (curated range)	Launch of high quality imported vapes July 2024	Focus on cost-control following restructure (March 24) which has generated \$3m+ (pa) in savings
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 market 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

Path to profitability & beyond

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. Facility expansion into remaining zones will further accelerate revenue growth.



~20% of the Mildura glass house with a 10-tonne (approx.) production capacity. is operational today



**requires further expansion capital and investment*

Outlook

Increased revenue opportunity medium term via expansion into Mildura facility additional 8 zones



Progressing the **scale** and **quality** of production. Aim to meet 9-10 tonne of production per annum FY2027 within existing 2 zones



Extending portfolio range to meet market demands, via our extensive R&D breeding program



Continuing our path towards EBITDA **profitability (FY2025)** & **cash flow positive (FY2026)**

Investment highlights



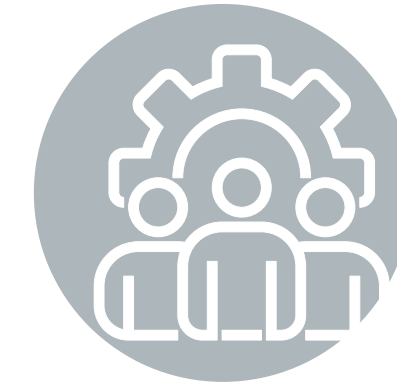
Research & development

Local genetic breeding, and seed importation and phenotyping, programs in our R&D facility



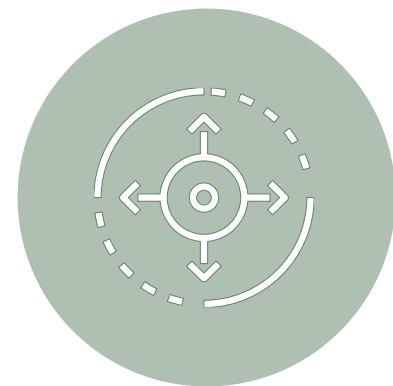
Mildura GMP facility

Cann's GMP indoor facility has unique year-round, multiple production run, & automated filling capabilities



Board & management

Management with multi-industry experience and results driven



Multiple revenue streams

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



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



Growing market in Australia

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

THANK YOU

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