



ASX ANNOUNCEMENT

6 November 2024

AGM Presentation

6 November 2024 – In advance of this morning's Annual General Meeting of shareholders to be held at 10:00am, and in accordance with ASX Listing Rule 3.13.3, Cann Group Limited (CAN:ASX) is pleased to provide a copy of the presentation that will be made to shareholders at the AGM.

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 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

ANNUAL GENERAL MEETING

6 NOVEMBER 2024

CANN
GROUP LIMITED



5

CEO & MANAGING
DIRECTOR'S
ADDRESS – JENNI
PILCHER



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.

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FY2024 FINANCIAL PERFORMANCE RECAP

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

*FY 2024 Loss of \$51.2M included:

- \$20.1M write down of Mildura facility to latest valuation
- \$6.8M Finance charges (including non-cash interest relating to the convertible note)
- \$11.1M Depreciation & Amortisation

Which are excluded from EBITDA loss

Valuable learnings since 2022

Cann has come a long way since the first harvest at Cann's Mildura facility in June 2022.

More specifically, we have experienced and taken away valuable learnings from the following activities over the past couple of years:

- We have now experienced all 4 growing seasons, all which produce different growing conditions and outcomes.
- We now have commercially grown & experienced many different cultivars, to ensure we end up with the most commercially viable flower.
- Initially targeting 12.5 tonne per annum in 2023, we now know that the maximum cultivation per year in our 2 operational zones is, at best, 10 tonne per annum, without compromising flower quality and exposing the site to a greater risk of pests and disease.
- We are far more knowledgeable around prevention and cure of pest and disease and have implemented an integrated pest and disease management program.
- We understand the seasonal labour requirements for cultivation, harvesting and packing, and have a far more established & reliable work force and are no longer reliant on expensive contract labour.
- We have learnt the inefficiencies that exist with tray drying and have moved to the far more efficient/better quality hang drying process.
- We have experienced the labour-intensive hand-packing process and have since invested and commissioned in more efficient automated filling equipment.



3 Phase Plan following Strategic Review (March 2024)

In light of the learnings outlined on the previous slide, in March 2024 the Company embarked on a 3 Phase Plan following a strategic review of its operations.

We have completed Phase 1 and are now in Phase 2

	PHASE 1	PHASE 2	PHASE 3
Objective(s)	Efficiency program and financial reset	EBITDA positive	Free cash flow positive
Expected outcomes	<ul style="list-style-type: none"> a) Cost savings >\$3M per annum b) Secure new short-term funding c) Realise cash from sale of surplus assets d) Relisting on ASX 	<ul style="list-style-type: none"> a) Expansion of Botanitech product range b) Efficiencies in Mildura c) Stable production, 5.5t pa d) Refinancing (2H) 	<ul style="list-style-type: none"> a) Increase production ~ 8t pa b) Accelerate revenue growth
Timing	By 30 June 2024	1 July 2024 – 30 June 2025	1 July 2025 – 30 June 2026
Status	All Completed	<ul style="list-style-type: none"> a) Complete/continuing b) Complete/continuing c) Complete, on track for 5.5t d) In progress 	Phase 3 will commence following completion of Phase 2

Cann's three unique advantages

1 World Class, full GMP, cultivation and production facility

- Year-round production
- Highly automated
- ~10 tonne max capacity in zones 1 & 3
- Expansion opportunity remaining 8 zones (with investment)
- GMP services offering e.g. contract packing, growing

2 Cutting edge, innovation & breeding program with established partners

- Dedicated R&D facility in partnership with La Trobe University
- “CRADA” genetic program developed with Agriculture Victoria
- Aggressive seed importation and phenotyping program targeting leading breeders in North America

3 Well-positioned “Botanitech” & “Satipharm” Brands

Diversified revenue portfolio via:

- Delivery forms (flower, oil, vape, capsule)
- Product range – CBD/THC combinations
- Price point – Curated range (high end) through to more affordable “It’s Not Craft” (INC) range



1. GMP FACILITY



1. 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



GMP facility

Production Target 5.5t FY2025

- ✓ Stable production (Q1 1t), now ramping up over warmer months, longer daylight hours
- ✓ 12-14 cultivars in production (will reduce)
- ✓ ~46 employees (50% Perm / 50% Casual)
- ✓ No longer using expensive contract labour
- ✓ 420 days – “Loss Time Injury” Free
- ✓ New Multi Head Filler
- ✓ New Hang Drying Technique
- ✓ Integrated Pest & Disease Management (IPDM) Program
- ✓ Investigating Solar and CO2 efficiency initiatives



Automated packing via new multi-head filler

New Multihead Filler validated & commissioned August 2024

- Transitioned from labour intensive hand packing to automated Multi Head Filler
- Capacity for 9,000 units per day
- 3 x jar size options (10g, 15g, 28g)
- Labour efficiencies are significant – approximately 88 hours on a 9,000 unit run or \$3,200 savings per run
- Allows scale up of contract packing revenue opportunities



Introduction of Hang Drying Technique

Cann has responded to market preferences with both tray and hang dry capability

This caters for all markets using temperature and humidity controlled drying rooms

Benefits of hang drying include:

- Leaving the plant intact whilst drying resulting in retention of terpenes, flavour and aroma
- Enhanced cannabinoid preservation via even distribution through the plant structure
- Evenly dried buds with consistent potency and quality
- Labour efficiencies resulting in lower costs per gram



Contract services offered at cGMP facility

Contract Growing



- ODC permit for genetic stock, cultivation and production of medicinal cannabis
- 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



- 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

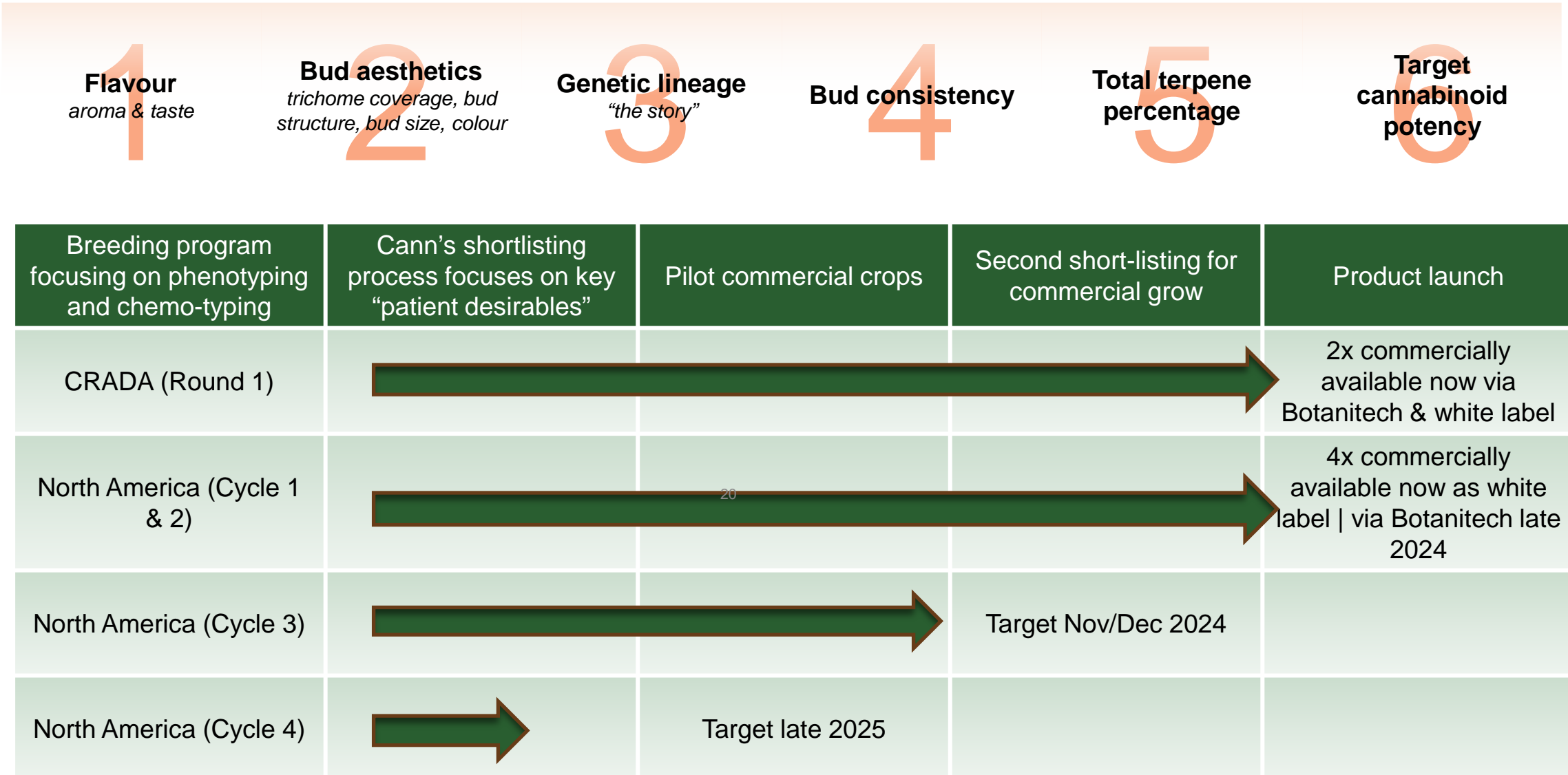


- Onsite cGMP (TGA) certified laboratory
- TGO93 (Medicinal Cannabis Standard) testing including Analytical and Microbiology
- Range of equipment capability to support TGO93
- Laboratory Information Management System (LIMS)
- ICH stability studies capability
- Experienced scientists

2. INNOVATIVE BREEDING PROGRAM



2. Established in-house breeding program



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



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

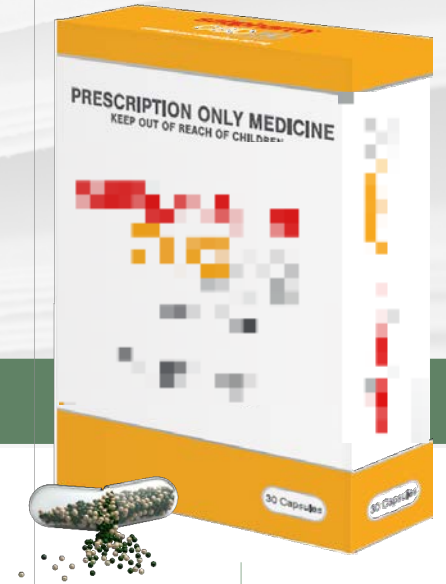


Botanitech dried flower, oil and vapes

Multiple SKU's with various THC and CBD combinations



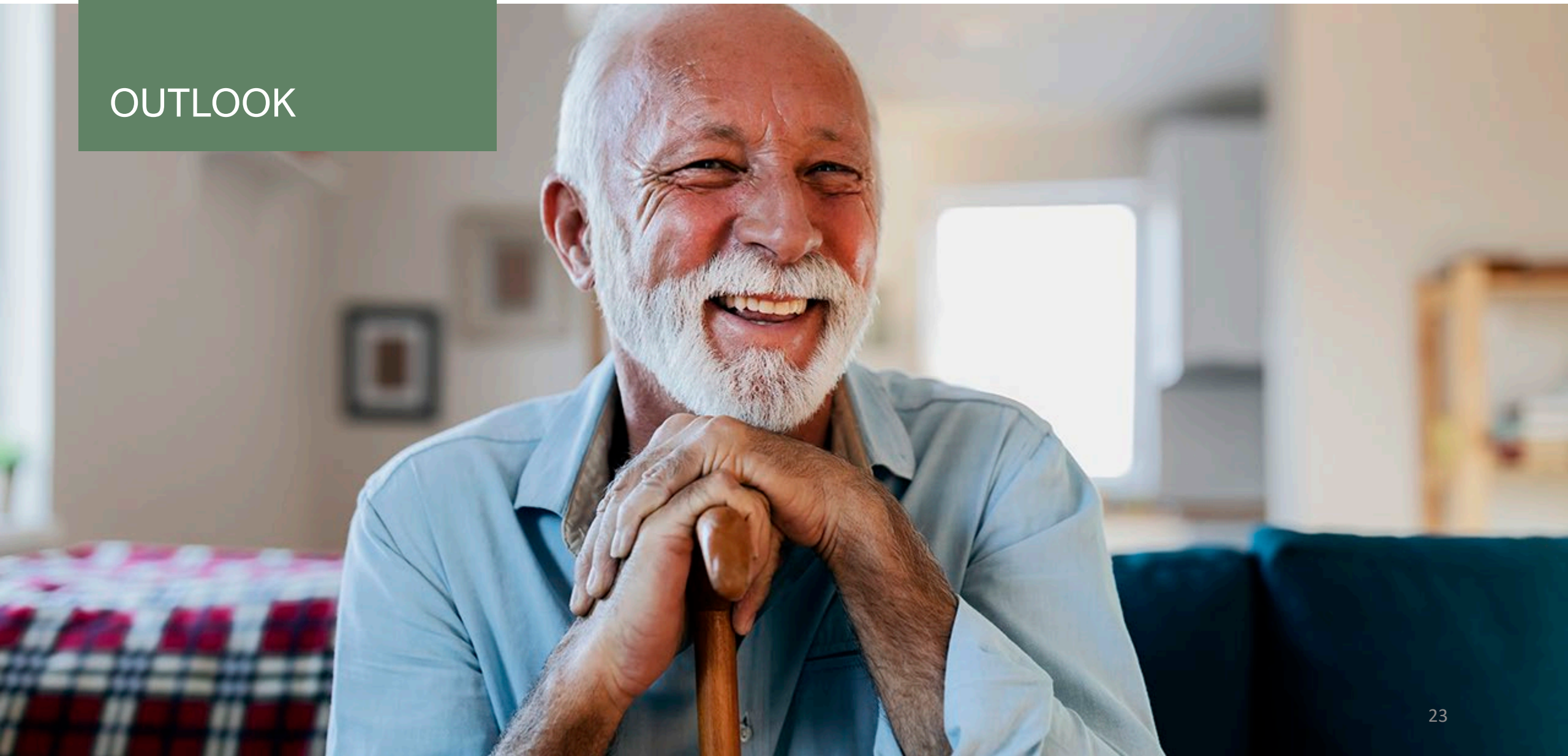
Bulk dried flower (sold to manufacturers & compounders)



Satipharm – CBD, THC & balanced* capsules featuring patented Gelpell technology

**CBD capsules available, THC & balanced (THC/CBD) capsule under development – expected to be available from December 2024*

OUTLOOK



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

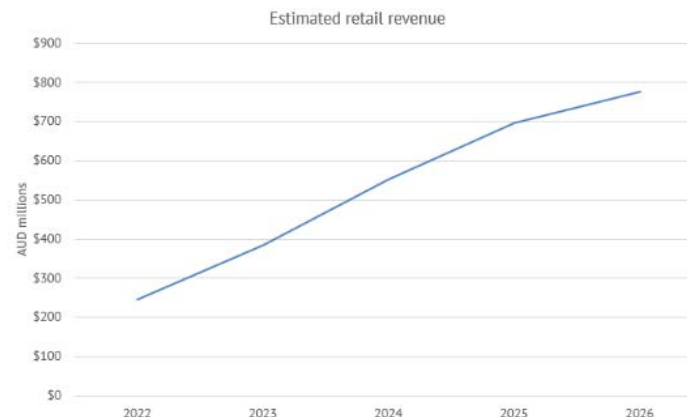
Growth rate and price movement assumptions

Retail revenue estimates:

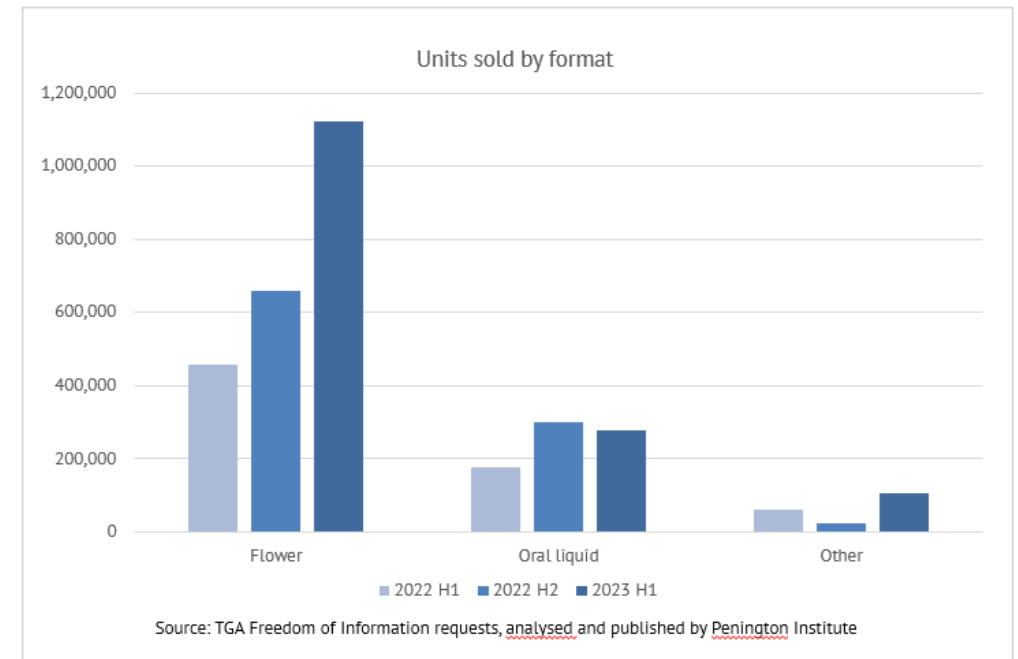
- 2023: ~\$380 million
- 2026: ~\$770 million

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

- Recent changes to driving laws allowing prescribed use of MC (CBD)
- TGA regulation changes could restrict cheaper imports
- 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

Targeting export markets

E.g.

- UK
- Germany
- Poland

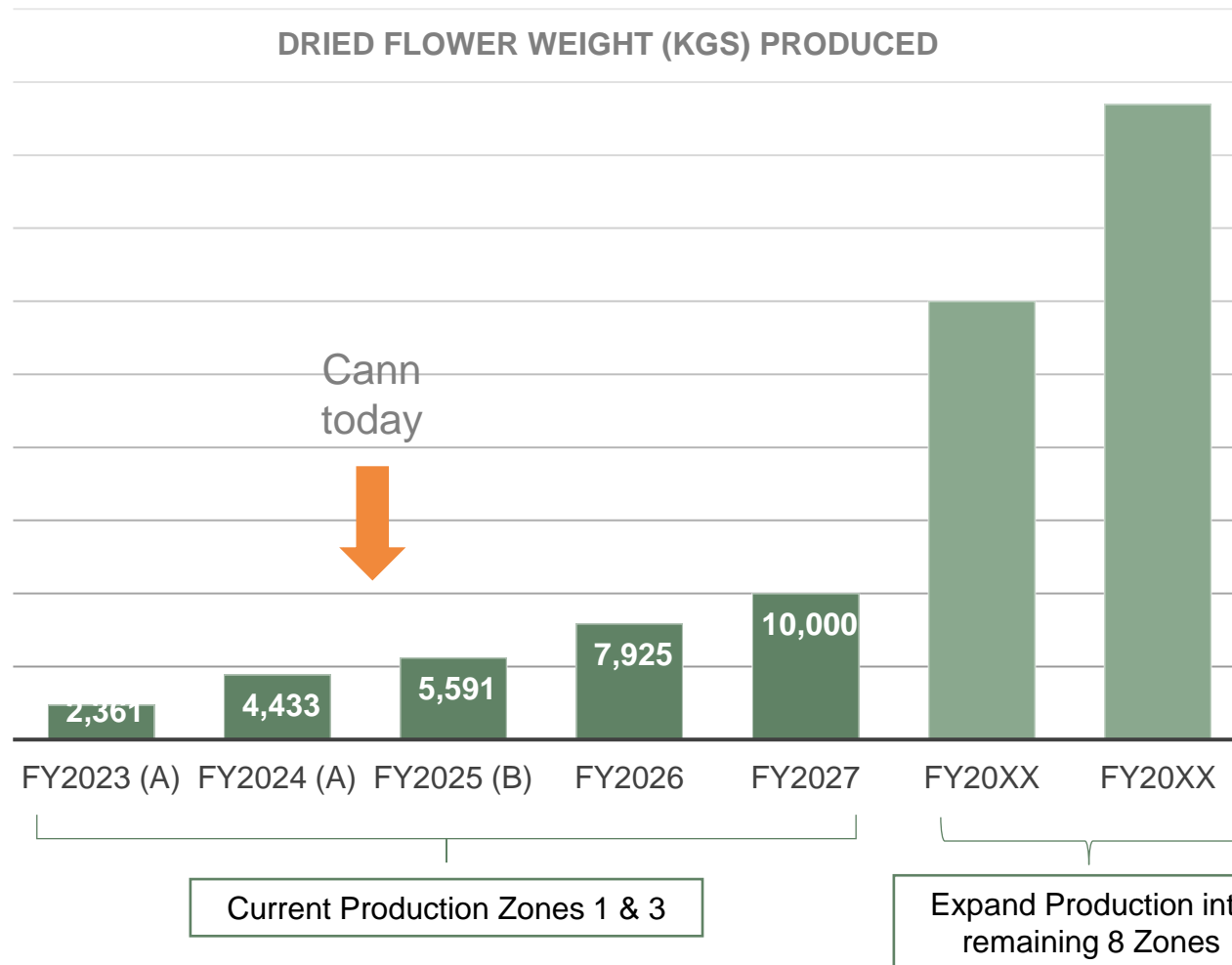


Cann poised to seize growing market opportunity

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

Path to profitability

Increasing production to 10 tonnes per annum by FY2027 will ensure strong revenue growth and profitability at an average selling price of \$3.45 per gram (FY2024). 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

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
<ul style="list-style-type: none"> Cultivation/drying/curing standards are constantly being enhanced to deliver high quality medicinal cannabis Ensure highest terpenes, terpene combinations, bud size, appearance and cannabinoids 	<ul style="list-style-type: none"> New candidates are continually being advanced at Cann's Northern facility, with certain cultivars expected to be commercially available late 2024 The range is regularly refreshed via our portfolio 	<ul style="list-style-type: none"> Importing highest quality product to meet craft segment (curated range) Intermediate discount range (INC and Value) launched to capture growing market segment Grow channels/prescriber base via expanded commercial team 	<ul style="list-style-type: none"> Launch of high quality imported vapes July 2024, gaining traction Cheaper sourced isolate makes oil range more affordable 2 x newly developed THC containing Satipharm presentations (release December 2024) 	<ul style="list-style-type: none"> Focus on cost-control following restructure (March 24) which has generated \$3m+ (pa) in savings Hang drying implementation means less casual labour and a higher quality product Multi-head filler automation will reduce the need for manual filling

NON-RENOUNCEABLE RIGHTS ISSUE

CLOSING DATE: 25 NOVEMBER 2024 (5:00 PM)

Use of funds	AUD millions
Cultivation costs for dried flower	1.56
Importation program for Botanitech curated range	1.00
Manufacturing costs for Botanitech oil range	0.75
Working capital	0.78
Repayment of partial principal & interest on loans	1.97
Costs (approximate) of the offer	0.19
Total use of funds (if offer is fully subscribed)	6.25

Offer Price	4 cents per share
Entitlement	1 share for every 3 shares held
Options	1 option for every 3 shares subscribed for, exercise price 8c
Raise (max)	\$6.25 million (before costs)