

**ASX ANNOUNCEMENT**

17 February 2022

**Cann Group half year results, investor webinar and resignation of non-executive director**

- Revenue from sales of \$3.2 million, representing a 193% increase to the first half of FY2021
- Southern facility GMP upgrade completed, manufacture of GMP products now underway
- Mildura construction project nearly complete, awaiting permits for plants to be moved onsite
- S3 registration program continues, clinical trial recruitment commencing March 2022
- Successful capital raise of \$18.9 million completed during the reporting period

**17 February 2022** – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) today released its financial results for the period ended 31 December 2021.

The Company reported revenue from sales of \$3.2 million (1H FY21: \$1.1 million), representing a 193% increase to the prior corresponding period. The Company reported an operating loss after tax of \$8.3m (1H FY21: \$9.4m), an improvement of 11.9% from the previous corresponding period. As previously announced, Cann received an R&D tax rebate of \$2.2 million during the period.

Cann achieved increases in sales and production during the half year, compared to the prior corresponding period, with the Company's B2B model gaining momentum and a number of new customers entering into supply agreements. The upgrade to Cann's Southern facility was completed during the half with the TGA granting Cann a cGMP licence for this facility in January 2022. Cann is now able to manufacture its own Active Pharmaceutical Ingredient (**API**) and medicinal cannabis products under cGMP conditions, with substantial cost savings compared to third party supply. In particular, Cann had seen a significant demand for GMP dried flower, with several customers lodging pre-orders in recent months. Manufacture and delivery of these products to customers is now underway.

Positive progress was made on Cann's major project at Mildura during the period. Construction is nearly complete and commissioning of various components is either finalised or underway. The laboratory, manufacturing and extraction suites in the facility have all been commissioned and are either already in use (laboratory and manufacturing) or ready for use (extraction). Regulatory inspections have been undertaken by both the Office of Drug Control (**ODC**) and the Therapeutic Goods Administration (**TGA**). Cann will begin moving mother plants onsite and commencing commercial cultivation upon receipt of the ODC permits.

Cann progressed its Schedule 3 (S3) registration program during the reporting period. This program will seek registration for pharmacy only, over-the-counter sales of Satipharm CBD products. During the reporting period, Cann appointed a Clinical Research Organisation and sought ethics committee approval for its clinical trial. Cann announced earlier this week that it will begin recruitment in March for its phase 3 clinical trial on the efficacy of Satipharm CBD capsules for the short-term treatment of sleep disturbances and quality of life outcomes. The results of the trial are anticipated to be released publicly later in 2022, in line with Cann's S3 registration timetable.

During the reporting period, Cann's Satipharm capsule manufacturing line was delivered and installed at the Mildura facility and the manufacture of initial batches has commenced. Cann has also expanded the Satipharm product range that is available to Australian patients by adding additional dosage forms.

The Company completed a capital raising of \$18.69 million during the reporting period, by way of a \$10 million placement (in July 2021), followed by a Share Purchase Plan (SPP) which raised \$8.69 million in October 2021. The proceeds from the capital raising are being used to expedite and strengthen Cann's in-house extraction, laboratory and manufacturing capabilities.

#### **Resignation of Geoffrey Pearce as non-executive director**

Mr Geoffrey Pearce has resigned as a non-executive director of the Company, effective today, 17 February 2022, due to his other board and executive commitments. Mr Pearce was appointed to the Board of the Company on 11 April 2016 and was subsequently re-elected at the 2017 Annual General Meeting, and then again at the 2020 Annual General Meeting.

Cann's chairman, Mr Allan McCallum, AO said "Geoff has been a great support to the team since he joined in 2016 and we sincerely thank him for that."

The Board is currently reviewing its skill base needs to determine whether to appoint a new non-executive director and, if so, will undertake a recruitment process at the appropriate time.

#### **Investor webinar**

As advised to the market on 16 February 2022, Cann will hold a half year results investor webinar and Q&A session tomorrow, Friday 18 February 2022 at 9.30am (Melbourne time).

Investors are invited to send questions prior to the webinar to

[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)

Register for the webinar at the link below:

[https://us02web.zoom.us/webinar/register/WN\\_gdICP\\_95RnGuNffegE0rYg](https://us02web.zoom.us/webinar/register/WN_gdICP_95RnGuNffegE0rYg)

**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](http://www.canngrouponlimited.com) | [www.satipharm.com](http://www.satipharm.com)