



# CANN

## GROUP LIMITED

**INVESTOR PRESENTATION  
JUNE 2017**

**Allan McCallum, Chairman  
Peter Crock, Chief Executive Officer**

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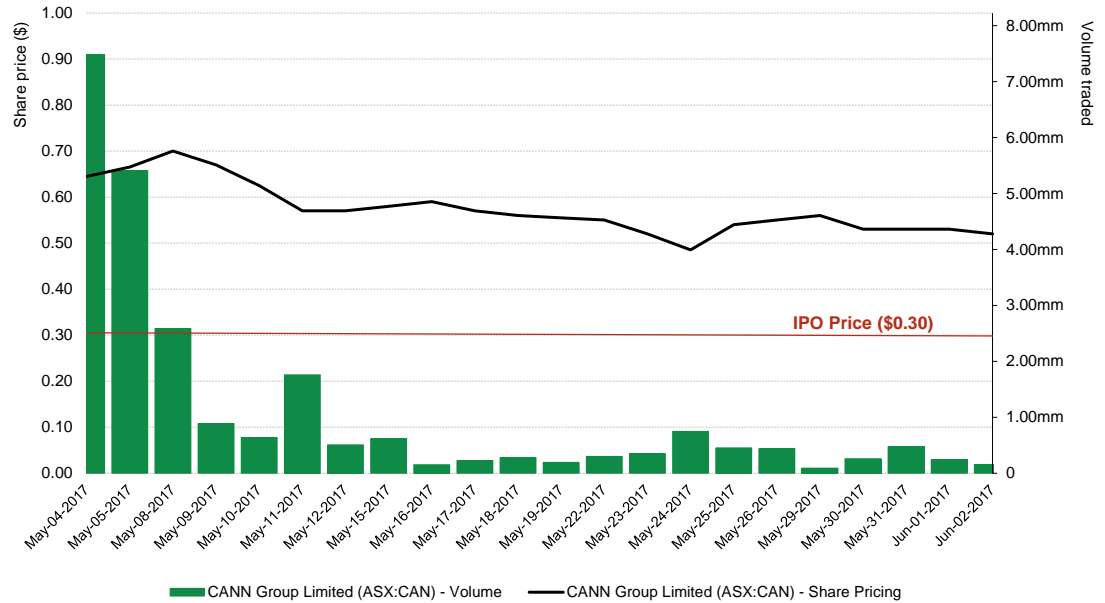
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# COMPANY SNAPSHOT

METRIC	VALUE
Share price	\$0.51
Shares on issue (fully diluted)	110.4
Market capitalisation	\$56.3m
Cash	\$15.5m
Enterprise value	\$40.8m



- \$13.5m raised in heavily supported IPO; listed on ASX 4 May
- Southern facility expansion underway
- Northern facility lease executed; commissioning due by end 2017
- Cann team growing to meet increase in operational activities
- First permits (R&D & cultivation) secured on 30 May
- First plants delivered – harvest expected August 2017

# COMPANY OVERVIEW

## **FOCUSED ON BREEDING & CULTIVATING MEDICINAL CANNABIS**

Cann is a vertically-integrated Australian agribusiness company focused on breeding, cultivating & manufacturing medicinal cannabis for sale in Australia



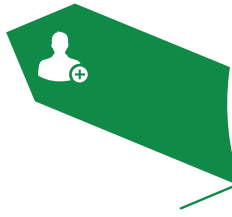
## **EXPERIENCED AGRIBUSINESS BOARD**

High profile & experienced agribusiness board & management team



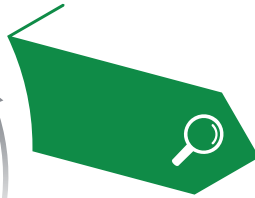
## **COMMERCIAL EXPANSION PROGRAM UNDERWAY**

Southern facility being expanded; new northern facility to be commissioned by end of 2017



## **LEADING RESEARCH & TECHNOLOGY**

Agreements with leading research & technology organisations across the medicinal cannabis value chain – including CSIRO & AgVic



**CANN**

## **AURORA CANNABIS INC TAKES CORNERSTONE INVESTMENT**

Leading Canadian player Aurora Cannabis Inc's 19.9% shareholding to facilitate valuable technical & industry support



## **CLEAR REGULATORY PATHWAY**

Australia now has a clear regulatory pathway which facilitates a legal medicinal cannabis industry



## **FIRST AUSTRALIAN COMPANY TO BE LICENCED**

Australian Government Office of Drug Control (ODC) issues first two licences to Cann for research & cultivation



# BOARD & MANAGEMENT TEAM



**ALLAN MCCALLUM,  
CHAIRMAN**

- Allan has extensive experience in the agribusiness sector as well as significant tenures with biotechnology companies
- Chairman of Tassal Group (ASX:TGR), Non Executive Director of Medical Developments International (ASX:MVP), Former Chairman of Vicgrain, Former Director of Grain Growers Association
- Former President of Australian Oilseeds Federation, Chairman of Nugrain, Access Genetics & Farm Horizons
- Formerly Deputy Chairman at GrainCorp (ASX:GNC) & Director of IncitecPivot (ASX:IPL)



**DOUG RATHBONE,  
NON-EXECUTIVE  
DIRECTOR**

- Doug is an Industrialist with vast experience in chemicals & agrochemicals industry / international business. He has expertise in specific functional areas & has chemical engineering & commerce background
- Formerly CEO & Managing Director at Nufarm (ASX:NUF), & earlier, Managing Director of Nufarm Australia, with over 35 years in total with the company
- Former Director of Commonwealth Scientific & Industrial Research Organisation (CSIRO)
- Formerly a Non-independent Non-Executive Director at Excel Crop Care
- Non-Executive Director of Leaf Resources (ASX:LER)

**The team has deep experience in the Australian agribusiness, biotech & pharma sectors, along with proven entrepreneurial & business development expertise**



**PHILIP JACOBSEN,  
NON-EXECUTIVE  
DIRECTOR / DEPUTY  
CHAIRMAN**

- Experienced public company director
- Co-founded Premier Artists & Frontier Touring Company
- Very strong financial management background & success in building businesses in evolving & competitive markets
- Director of Liberation Music, Premier Artists, The Harbour Agency, former Chairman of MCM Entertainment



**GEOFF PEARCE,  
NON-EXECUTIVE  
DIRECTOR**

- More than 40 years' experience, including owning & growing Scental Pacific Pty Ltd which was sold to the Smorgon family Geoff created & built a contract manufacturing business Beautiworx Australia Pty Ltd, (sold to BWX Limited in January 2014). CEO of Beautiworx & director of BWX in the lead-up to ASX listing in 2015
- Chairman of Probiotec (ASX:PBP)
- Geoff owns The Continental Group, which provides raw materials, cosmetic & pharmaceutical packaging, roto-molded cooler boxes & other leisure goods to businesses around the globe
- Proven experience in business development & an in-depth knowledge of manufacturing, packaging & distribution



**PETER CROCK,  
CHIEF EXECUTIVE  
OFFICER**

- Peter is an experienced senior manager with strong skills in marketing & technology development
- Twenty-eight years with Nufarm Group, most recently working in the rapidly evolving "Ag Tech" space. Other senior management roles covering R&D, IT, marketing & business development
- Project manager on several newly acquired businesses, extensive experience working with regulators locally & overseas

# CAPITAL STRUCTURE & USE OF FUNDS

DESCRIPTION	NO. OF SHARES	TOTAL UNDILUTED	TOTAL DILUTED
Founding Shares	20,000,000	18.5%	18.1%
Pre-IPO Issued Shares	19,986,668	18.4%	18.1%
Options	13,486,668	12.4%	12.4%
Performance Rights	7,180,000	6.6%	6.5%
New IPO Shares	45,000,000	41.5%	40.8%
Underwriter Fees Paid in Shares	2,700,000	2.6%	2.5%
<b>Total Issued Capital <sup>1</sup></b>	<b>108,353,336</b>	<b>100.0%</b>	
Total Options on issue at completion of the IPO: • Underwriter Options	2,000,000		1.8%
<b>Total issued capital on a diluted basis</b>	<b>110,353,336</b>		<b>100.0%</b>

<sup>1</sup>Based on \$13.5m IPO raising, assumes all options are exercised

DESCRIPTION	ESTIMATED SPEND (\$M)
Construction of purpose-built facility	1.8
Feasibility / scoping study for purpose-built facility	0.5
Construction of grow infrastructure	1.0
Cultivation, manufacturing & other plant & equipment	0.4
Research & Development	2.2
Cultivation	4.2
Participation in clinical studies	0.5
Commercial costs of medical liaison & TGA consultants	0.3
Facilities lease costs	1.1
Administration & working capital	<b>3.0</b>
Balance of expenses of the Offer	<b>0.4</b>
<b>TOTAL</b>	<b>15.5<sup>2</sup></b>

<sup>2</sup>Includes \$2m existing cash

~31m Shares, representing 51% of the fully-diluted pre-IPO register, will be subject to escrow of up to 24 months from Official Quotation on the ASX

# R&D & CULTIVATION PROGRAM PROGRESSING AHEAD OF SCHEDULE

Cann is progressing a three phase growth strategy to build its cultivation capability, with adequate funding to complete Phases 1 & 2

Southern facility  
three additional indoor  
grow rooms increases  
capacity to ~180m<sup>2</sup>

Northern facility secured  
& commissioned  
600-700m<sup>2</sup> flowering  
room capacity

Phase 3  
green-field facility including  
GMP manufacturing  
~4,500m<sup>2</sup> \$15-25M capex

PHASE 1

PHASE 2

PHASE 3



*The Victorian Minister for Agriculture, the Hon Jaala Pulford, with Cann Group CEO, Peter Crock*

# OUR FOCUS

Rapidly developing market with substantial growth potential



Regulatory pathway now defined



A clear Australian focus



**CANN IS UNIQUELY FOCUSED ON BUILDING A WORLD-CLASS AUSTRALIAN-BASED MEDICINAL CANNABIS COMPANY**



Accelerating cultivation expansion program



Key industry partnerships in place



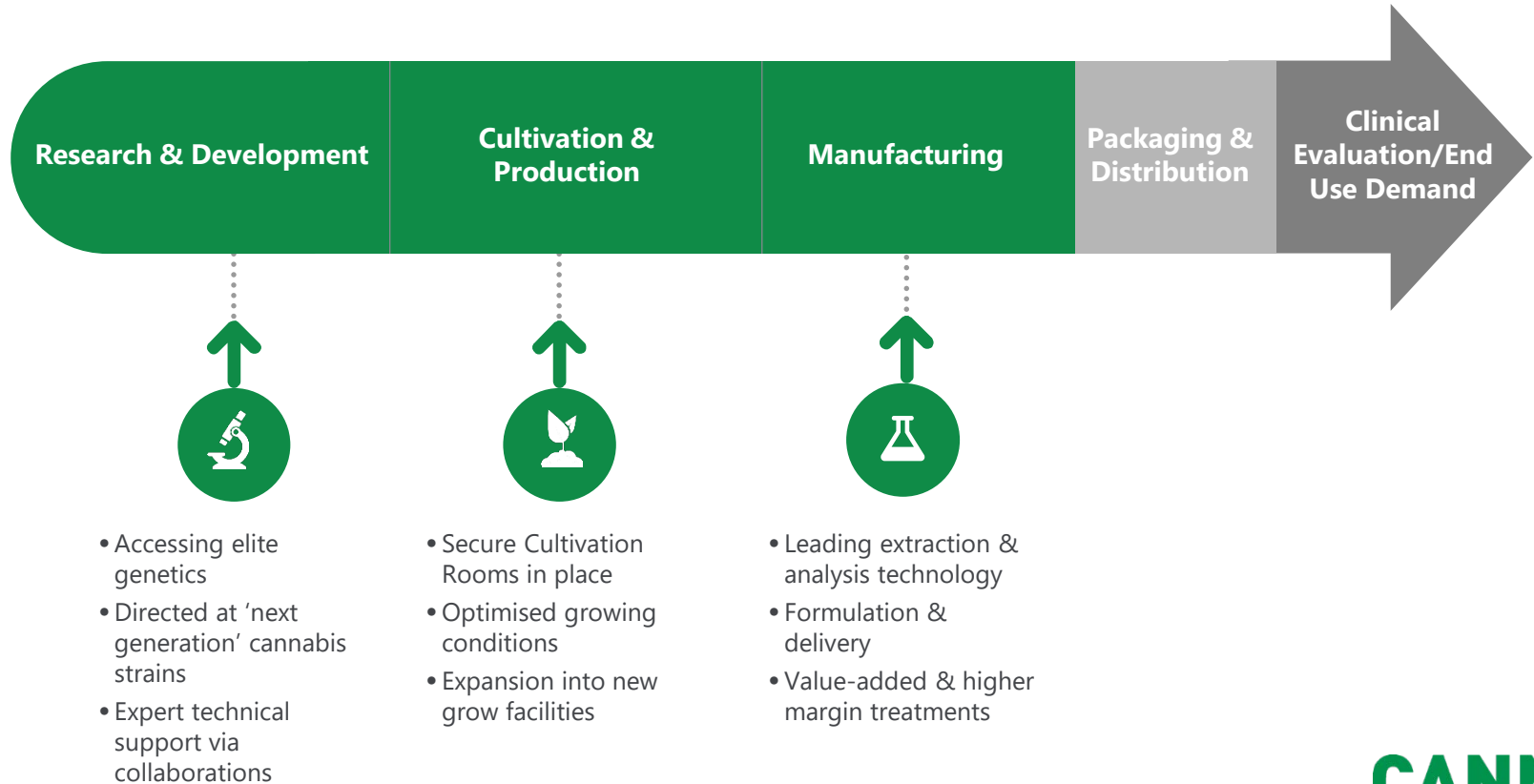
Licences & permits now secured

# BUSINESS MODEL & THE INDUSTRY VALUE CHAIN

FEDERAL & STATE GOVERNMENT REGULATED

Cann's competitive strengths lie in these segments of the value chain...

...with a clear pathway to secure involvement in these segments



# THE OPPORTUNITY: AUSTRALIAN MARKET SIZE

Forecasting the potential size of the Australian medicinal cannabis market can be roughly determined using two methodologies

## Methodology 1: Demand-driven by condition

- Australia only – allows for a relatively small number of patients to access highly-refined, pharmaceutical cannabis products
- Such a patient pool would include those suffering from muscle spasms, seizures, severe vomiting/nausea, wasting &/or severe pain relating to various illnesses
- Based on the recommended CBD/THC dosage for each condition (using currently-available data), an estimate is made for these for the total national demand for these pharmaceuticals based on CBD & THC content

Condition	Patients	Dosage/day/patient	Demand/annum
Epilepsy	3,957	300mg CBD	288.8kg CBD
HIV/AIDS	10,588	10mg THC	38.6kg THC
MS	15,875	20mg CBD, 21.6mg THC	115.9kg CBD, 125.1kg THC

Condition	Dosage/treatment	Treatments/annum	Demand/annum
Cancer	3mg THC	995,827	2.9kg THC

## Methodology 2: Peer country comparable usage

- If Australia were to emulate the medicinal cannabis regulations of the Netherlands or Canada, the industry would need to supply at least 8,000kg of cannabis to patients per annum
- This forecast is based to current patient numbers, which are likely to grow significantly over time – hence, 8,000kg should be assumed to be today's demand & this would be expected to increase

	Israel	Netherlands	Canada
No. Patients	22,000	25,000	30,537
Average daily consumption per patient	1.4g	0.68g	1.1g
National daily consumption	31kg	17kg	33.5kg
National annual consumption	11,242kg	6,205kg	12,260kg
Population of country	8,400,000	16,800,000	35,100,000
Per capita, annual consumption	1.33g	0.369g	0.349g
Projected Australian demand	31,450kg	8,679kg	8,208kg

- Initial demand of up to 8,000kg – more than A\$100m potential revenue in year one – growing to A\$380m by 2018 & A\$1.3bn in 2026
- Office of Drug Control (ODC) estimates 20,000m<sup>2</sup> required for first two years production
- Cann's assessment of patient pools, based on industry body (by condition) data
- Using current average Canadian pricing & dosage as a guide, with 20% penetration & 30 treatment days per year – total future market value ~A\$1.3bn

CONDITION	PATIENT NUMBERS (TOTAL POOL)
Arthritis	3,850,000
Cancer	130,000
Chronic pain	4,855,000
Epilepsy	146,000
Multiple Sclerosis	24,300
Osteoporosis	652,500
Parkinson's	69,400



# AUSTRALIAN INDUSTRY LEADER



Cultivating low THC cannabis at Cann's Southern facility, under relevant three-year licence from the Victorian Government



## Established operations

- Secure Cultivation Rooms fitted with requisite lighting, irrigation, climate control & other equipment to grow cannabis for medicinal & research related purposes

## Expansion underway

- Licence variation to bring the "Northern Facility" on line – Security upgrade underway

## Building an IP portfolio

- R&D program focused on variety & cannabinoid profile development

## Cooperation with experts

- Canadian genetics, analytical expertise and operational scale, with IP development through Australian agricultural and industrial scientific collaboration



# CORNERSTONE INVESTOR: AURORA CANNABIS INC.

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Aurora Cannabis Inc. (TSXV:ACB), one of Canada's largest publicly-listed cannabis companies, holds a 19.9% shareholding in Cann after investing A\$6.5m in the IPO



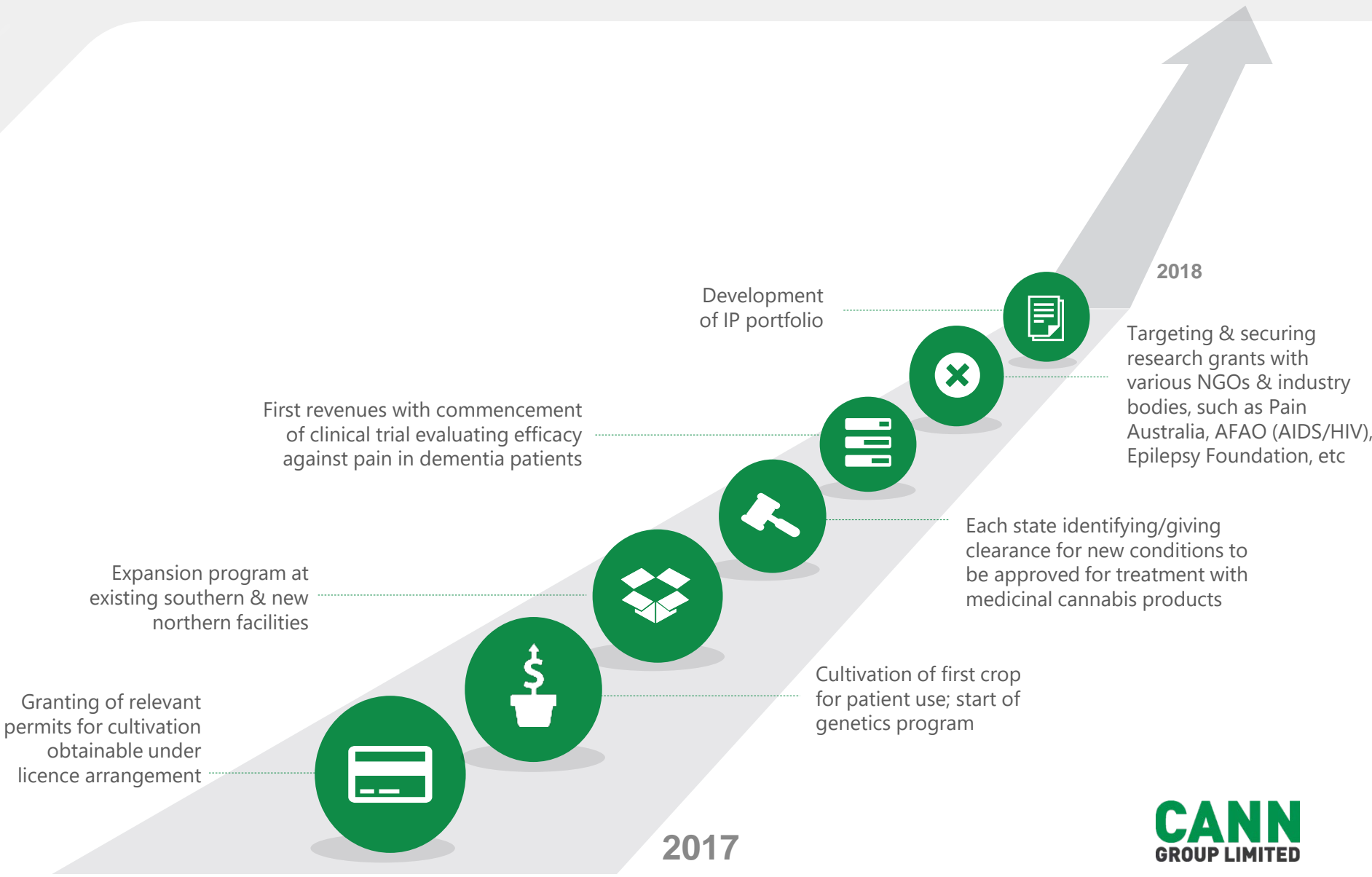
- Canada's 2<sup>nd</sup> largest (by market capitalisation) publicly-listed licenced medicinal cannabis grower / manufacturer
- Targeting one of the largest production footprints with a purpose-built, state-of-the-art production facility specifically designed for growing & cultivating cannabis
  - Existing 55,200 sq foot facility
  - Current expansion of additional 650,000 sq foot facility underway
  - On completion, capacity of approx 30,000 kg / year
- Acquired CanvasRx in August 2016, a company that provides counselling services to patients who have received a prescription for cannabis from a physician, providing strong end-user / patient access

METRIC	VALUE
Share price	C\$2.21
Shares on issue	364m
Market capitalisation	C\$803m
<b>Strong balance sheet – Cash &amp; ST Invest.</b>	C\$112m

**Aurora brings a wealth of experience, networks & knowledge to Cann that will fast-track and maximise Cann's growth strategy in Australia**

**CANN**  
GROUP LIMITED

# MILESTONES & NEWSFLOW



# CONTACTS



## **CANN** GROUP LIMITED

**Peter Crock**  
Cann Group Limited  
Ph: +61 (0)3 9095 7088  
E: [contact@canngrouplimited.com](mailto:contact@canngrouplimited.com)

## **NWR** COMMUNICATIONS

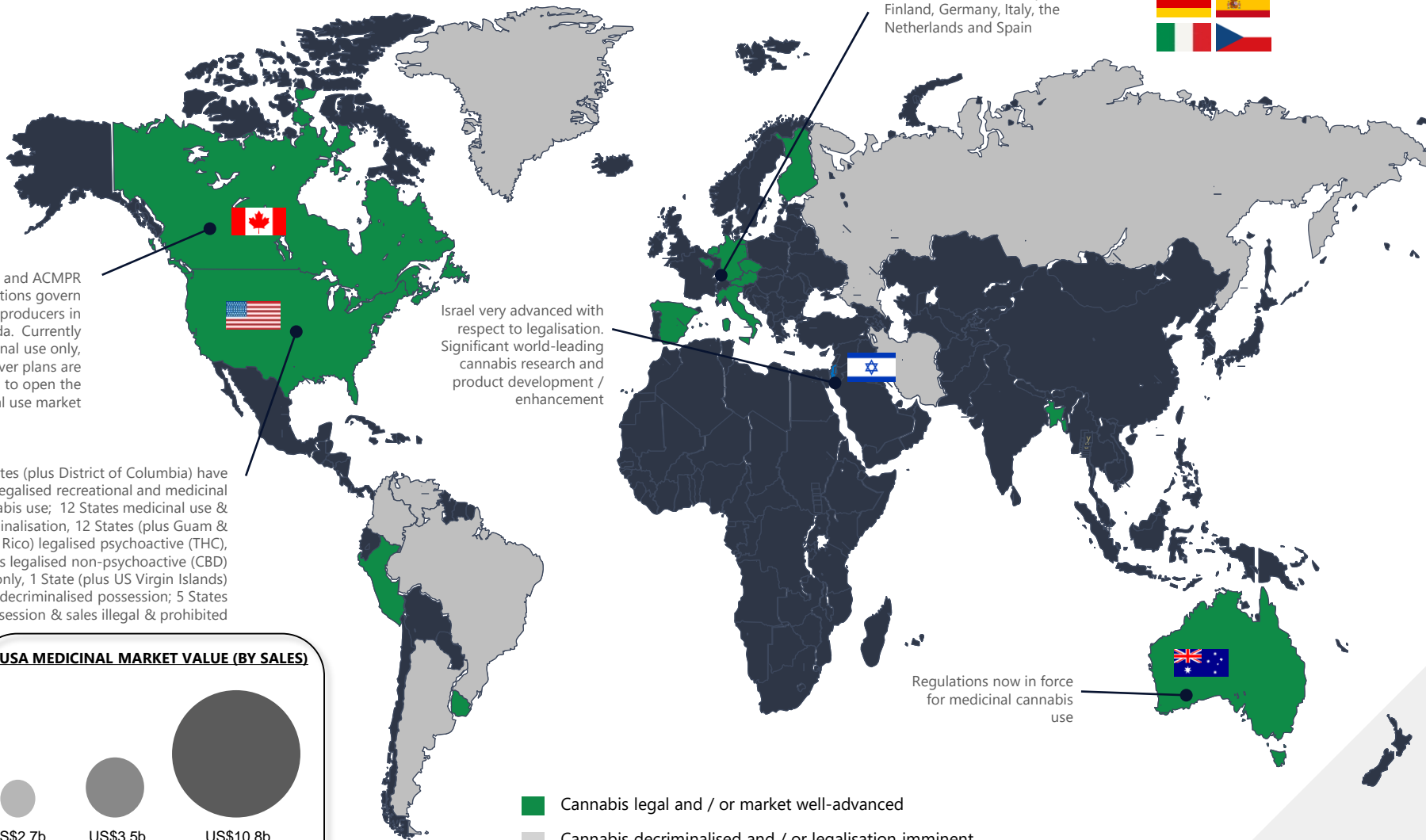
**INVESTOR / MEDIA RELATIONS**  
**Matthew Wright**  
NWR Communications Pty Ltd  
Ph: +61 (0)451 896 420  
E: [matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)



## APPENDICES

# THE OPPORTUNITY: AN EMERGING NEW GLOBAL INDUSTRY

European jurisdictions that permit medicinal use (in some form) include Czech Republic, Finland, Germany, Italy, the Netherlands and Spain



MPR and ACMPR regulations govern commercial producers in Canada. Currently medicinal use only, however plans are evolving to open the recreational use market



8 US states (plus District of Columbia) have legalised recreational and medicinal cannabis use; 12 States medicinal use & decriminalisation, 12 States (plus Guam & Puerto Rico) legalised psychoactive (THC), 12 States legalised non-psychoactive (CBD) only, 1 State (plus US Virgin Islands) decriminalised possession; 5 States possession & sales illegal & prohibited

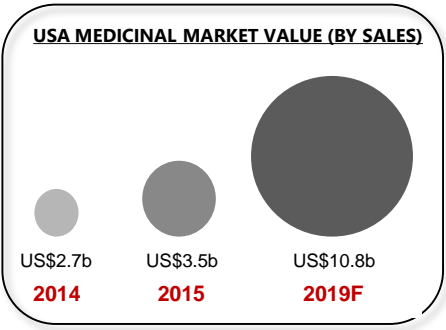
Israel very advanced with respect to legalisation. Significant world-leading cannabis research and product development / enhancement



Regulations now in force for medicinal cannabis use



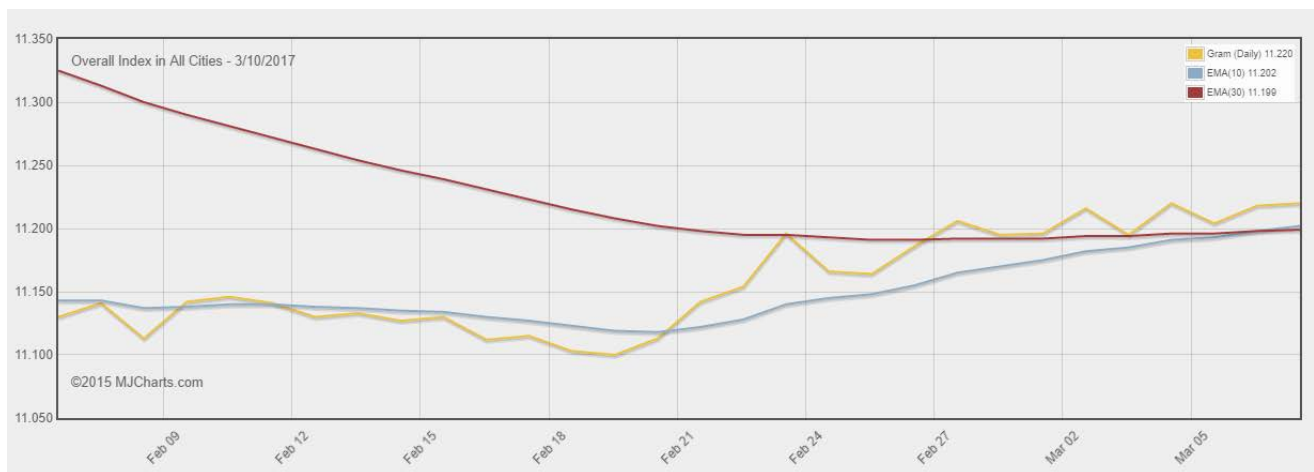
- Cannabis legal and / or market well-advanced
- Cannabis decriminalised and / or legalisation imminent
- Cannabis illegal or limited information



Source: The State of Marijuana Markets – 4th Edition, Arcview Market Research & New Frontier

# CANNABIS SPOT PRICE: USA

In the US, the average price of cannabis, as illustrated in the Overall Index (which includes pricing data for 7,346 different products), is US\$11.22/gram (A\$14.96/gram)\*



The Overall Index displays the mean average price across all currently tracked cannabis Flower products (variously known as Flowers, Indica, Sativa, or Hybrid) which were advertised for retail sale in the specified quantity, location and period, along with historical statistics. For those retailers which offer a multi-tiered pricing structure, all prices used for calculations are Member prices.

## 5 Highest Prices (of 2,971 products) in the USA (US\$/gram)

Price	Product	Vendor	Location
21.00	7 Points Moon Puppies	Eugene OG	Eugene, OR
21.00	So Fresh Betty Hayes	Eugene OG	Eugene, OR
21.00	So Fresh Black Betty	Eugene OG	Eugene, OR
20.00	Banana OG	Herbal Solutions	Ann Arbor, MI
20.00	Betty Hayes   sofresh farms	Oregon's Finest	Portland, OR



















## 5 Lowest Prices (of 2,971 products) in the USA (US\$/gram)

Price	Product	Vendor	Location
4.00	Sherbet Cookies B-Buds	Bridge City Collective – North	Portland, OR
4.00	Huckleberry Kush [B Nugs]	New Vanserdam Medical – Beaverton	Portland, OR
4.00	GSC B-Buds	Bridge City Collective – North	Portland, OR
4.00	Blue Dream B-Buds	Bridge City Collective – North	Portland, OR
5.00	TRAINWRECK by LIFTED	Emerald City Medicinal	Eugene, OR

\* As at 10 March 2017  
Source: MJCharts Cannabis Price Index



# BUSINESS MODEL & VALUATION COMPARISON











BRAND	COMPANY (TICKER)	MARKET CAPITALISATION (A\$M EQV.)*	DOMICILE	BUSINESS MODEL
	<b>Medlab Clinical</b> (ASX:MDC)	131.3		<ul style="list-style-type: none"> <li>Nutraceutical products businesses that also engages in pharmaceutical research</li> <li>Develops biotherapeutics for chronic kidney diseases, pre-diabetes/obesity, depression, musculoskeletal muscle loss associated with ageing and non-opioid pain management</li> </ul>
	<b>MGC Pharmaceuticals</b> (ASX:MXC)	46.9		<ul style="list-style-type: none"> <li>RTO of MGC into Erin Resources in December 2015</li> <li>Medicinal and cosmetics cannabis company with licenses to grow, extract and sell Cannabis Sativa in Slovenia</li> </ul>
	<b>AusCann Group</b> (ASX:AC8)	120.8		<ul style="list-style-type: none"> <li>RTO of AusCann into TW Holdings in December 2016</li> <li>Focus on the cultivation, manufacture and sale of cannabis medicines for a range of conditions and symptoms</li> </ul>
	<b>MMJ Phytotech</b> (ASX:MMJ)	92.1		<ul style="list-style-type: none"> <li>Cultivations limited to Canada and clinical development limited to Israel. Attempting to develop and control all processes from farming through to pharmacy sales, however focus is entirely on the Canadian market (incl. recreational)</li> </ul>
	<b>Creso Pharma</b> (ASX:CPH)	43.3		<ul style="list-style-type: none"> <li>Swiss-domiciled company seeking to sell products into Slovakia and The Czech Republic with a focus on the food supplements market for humans and animals</li> </ul>
	<b>Zelda Therapeutics</b> (ASX:ZLD)	62.7		<ul style="list-style-type: none"> <li>RTO of Zelda into Gleneagle Gold in November 2016</li> <li>Research-focused company in partnership with AusCann</li> </ul>
	<b>Tilray</b> (Lafitte Ventures)	Private		<ul style="list-style-type: none"> <li>Backed by VC, Privateer Holdings (Seattle), focused on building a portfolio of global brands that will lead, legitimise and define the future of cannabis</li> <li>Partnering with the University of Sydney, NSW Government and Chris O'Brien Lifehouse to conduct a clinical trial studying how cannabinoids can benefit patients with chemotherapy-induced nausea and vomiting (CINV)</li> </ul>
	<b>GW Pharmaceuticals</b> (NasdaqGM:GWPH)	3,463		<ul style="list-style-type: none"> <li>GW Pharmaceuticals engages in discovering, developing, and commercialising cannabinoid prescription medicines</li> <li>Global benchmark for medicinal cannabis R&amp;D</li> </ul>
	<b>Cann Group</b> (ASX:CAN)	56.3		<ul style="list-style-type: none"> <li>Cultivator, processor and manufacturer of medicinal cannabis products in Australia</li> <li>Experienced Board and team who partnered with experts across the value chain (AgVic, etc) to create true Australian "blue chip" offering</li> </ul>

\* Fully diluted (incl. restricted and escrowed securities, options and performance rights)

Source: CapitalIQ, Company reports

# COMPETITIVE ENVIRONMENT: CANADIAN COMPS

As the nearest comparable market to Australia with respect to regulation and demographics, Canada's publicly-listed peers provide data points regarding how the Australian market, and its participants, may evolve and perform over time

BRAND	COMPANY (TICKER)	MARKET CAPITALISATION (A\$M EQV.)	DOMICILE	KGS PRODUCED (CUMULATIVE)	PRODUCTION COSTS (C\$) (CUMULATIVE)	ALL-IN COSTS PER GRAM (C\$) (CUMULATIVE)	CASH COSTS PER GRAM (C\$) (MOST RECENT QUARTERLY)	FY18F REVENUE (CONSENSUS ESTIMATES)	FY18F EBITDA (CONSENSUS ESTIMATES)
	<b>Canopy Growth Corp.</b> (TSX:WEED)	1,233		8,067,045	29,012,000	3.60	2.66	125.1	19.4
	<b>Aurora Cannabis Inc.</b> (TSXV:ACB)	803		441,000	725,852	1.77	1.67	128.2	45.9
	<b>Aphria Inc.</b> (TSX:APH)	730		2,338,798	4,402,376	1.88	1.23	38.8	12.2
	<b>OrganiGram Holdings Inc.</b> (TSXV:OGI)	245		1,018,303	2,210,220	2.17	1.29	37.9	11.2
	<b>Mettrum Health Corp.</b> (TSXV:MT)	334*		3,102,718	8,040,221	2.59	2.00	23.0*	(2.2)*

Average sale price in Canada is C\$16.12/gram (with a price range of C\$4.62–\$35.89/gram)

\* As of 31 Jan 2017, Mettrum operates as a subsidiary of Canopy Health Corp. Forecast data for FY16  
Source: CapitalIQ, Company reports

# SUPPORTIVE REGULATORY ENVIRONMENT IN AUSTRALIA

Legal for doctors to prescribe, under strict conditions. Awaiting NSW testing results before conducting trials



Access to patients incorporates a TGA component & state regulations

Legal for medical specialists to prescribe for certain patients (incl. those with MS, HIV/AIDS, epilepsy & cancer) from March 2017. Other doctors will be able to apply for permission to prescribe the drug for certain conditions.



Available to children with very severe epilepsy cases. Trial underway for patients suffering nausea from chemotherapy



Legalised – available for children with severe epilepsy from early 2017



Specialists will be allowed to prescribe the drug to those suffering serious & chronic illness from 2017



- Advanced / imminent regulation
- Supportive legislative environment
- To fall under the Federal government regulatory overlay

## Cultivation of medicinal cannabis falls under federal legislation:

- Narcotic Drugs Amendment Act 2016 into effect as of 30 October 2016
- Allows for the licensing of cannabis cultivation & production of cannabis & cannabis resins for medicinal & scientific purposes
- Cannabis material cultivated in Australia may be used to conduct clinical trials & develop therapeutic products, in accordance with the Therapeutic Goods Act 1989 – creating an immediate revenue opportunity

# CANN GROUP: THE FIRST CANNABIS LICENCEE IN AUSTRALIA



The  
Office of  
Drug Control

Manufacturers ▾ Importers, Exporters & Travellers ▾ Medicinal Cannabis ▾ Patient Access ▾ About ▾ News ▾

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## The Office of Drug Control grants first commercial medicinal cannabis licence

8 March 2017

Today the Office of Drug control issued the second licence under the medicinal cannabis provisions of the *Narcotic Drugs Act 1967*. This is the first **commercial** medicinal cannabis licence and authorises the cultivation and production of Australian grown cannabis into the manufacture chain and for subsequent therapeutic supply to Australian patients.

The licence has been issued to Cannoperations Pty Ltd, a wholly owned subsidiary of the Australian company Cann Group Limited.

For any questions relating to Australia's medicinal cannabis regulatory framework, please contact the Medicinal Cannabis Section on 02 6232 8433 or [mcs@health.gov.au](mailto:mcs@health.gov.au).

# LEGALISED CANNABIS: A NEW INDUSTRY TOO BIG TO IGNORE!

## VARIOUS COMMENTS FROM THE LAW REFORM COMMISSION REPORT AUGUST 2015

"Patients' access to cannabis under any regulated scheme is vital to its success. If patients are unable to practically access cannabis, they will not embrace the system and return to buying their medicine from the illicit market. This has been the experience overseas. This has been an important issue in the various iterations of the Canadian medicinal cannabis scheme. In Italy, eligible patients were permitted in 2013 to access imported medicinal cannabis from the Netherlands. However, the imported cannabis was priced at ten times the cost of products purchased on the illicit market, at €38 per gram, or €1,000 per month for a typical patient. As a result, only a 'few dozen' Italian patients signed up for the program. Italy now produces its own medicinal cannabis."

"On 2 December 2015, Victorian Health Minister Jill Hennessy said the state would continue to push ahead with planned state laws to establish a cannabis "cultivation trial" next week, ahead of any national regulatory scheme: *"Given the Commonwealth's timelines on this continue to change, we are not prepared to delay the introduction of our legislation at the expense of the Victorian families and children that are desperately awaiting this much need reform."*

A copy of the report can be found here:  
<http://lawreform.vic.gov.au/projects/medicinal-cannabis/medicinal-cannabis-report-pdf>

### Forbes: Marijuana Sales Totaled \$6.7 Billion In 2016

North American marijuana sales grew by an unprecedented 30% in 2016 to \$6.7 billion as the legal market expands in the U.S. and Canada, according to a new report by Arcview Market Research.

North American sales are projected to top \$20.2 billion by 2021 assuming a compound annual growth rate of 25%....

To put this in perspective, this industry growth is larger and faster than even the dot-com era. During that time, GDP grew at a blistering pace of 22%. Thirty percent is an astounding number especially when you consider that the industry is in early stages.

Arcview's new editor-in-chief Tom Adams said, "The only consumer industry categories I've seen reach \$5 billion in annual spending and then post anything like 25% compound annual growth in the next five years are cable television (19%) in the 1990's and the broadband internet (29%) in the 2000's."

Source: <http://www.forbes.com/sites/debraborchardt/2017/01/03/marijuana-sales-totaled-6-7-billion-in-2016/#187a9f3d1871>



### Medicinal cannabis crops now legal in Australia

AAP 30 October 2016 - Budding cannabis producers can now apply for a licence to grow the crop legally in Australia, for medicinal use only. The Narcotic Drugs Amendment Act 2016, which came into effect on Sunday, allows businesses to apply for a licence to cultivate cannabis or manufacture cannabis products for medicinal purposes, or to conduct related research. Minister Minister Sussan Ley said the changes would give patients and doctors access to a safe, reliable and legal source of cannabis for medicinal use.

"Until now, it has been difficult for patients to access medicinal cannabis products from overseas sources," Ms Ley said in a statement on Sunday. "These new laws change that situation by providing for a domestic supply of medicinal cannabis products that are not readily available for import." She stressed the changes do not decriminalise recreational cannabis use. Licence applicants must pass a security test and meet strict requirements, and individual states and territories will still decide who can use medicinal cannabis.

Source: <http://www.smh.com.au/national/health/medicinal-cannabis-crops-now-legal-in-australia-20161030-gse52t.html>



People in the marijuana industry have lately taken to saying that legal marijuana is the next Internet, an untrammled new market opportunity that is just waiting for its own big brands, the Google and Facebook of pot.

Source: [http://www.nytimes.com/2015/11/12/technology/marijuana-start-ups-see-an-industry-on-the-cusp-of-a-breakthrough.html?\\_r=1](http://www.nytimes.com/2015/11/12/technology/marijuana-start-ups-see-an-industry-on-the-cusp-of-a-breakthrough.html?_r=1)



"I have no problem with the medical use of cannabis, just as I have no problem with the medical use of opiates," Mr Abbott wrote in a letter dated August 23 2014.

"If a drug is needed for a valid medicinal purpose though and is being administered safely there should be no question of its legality. And if a drug that is proven to be safe abroad is needed here it should be available."

"My basic contention is that something that has been found to be safe in a reliable jurisdiction shouldn't need to be tested again here."

Source: <http://www.smh.com.au/federal-politics/political-news/tony-abbott-backs-legalisation-of-medical-cannabis-20140917-10i6eb.html#ixzz3tUz9EXio>



AFR MAGAZINE Apr 29 2016 at 12:15 AM

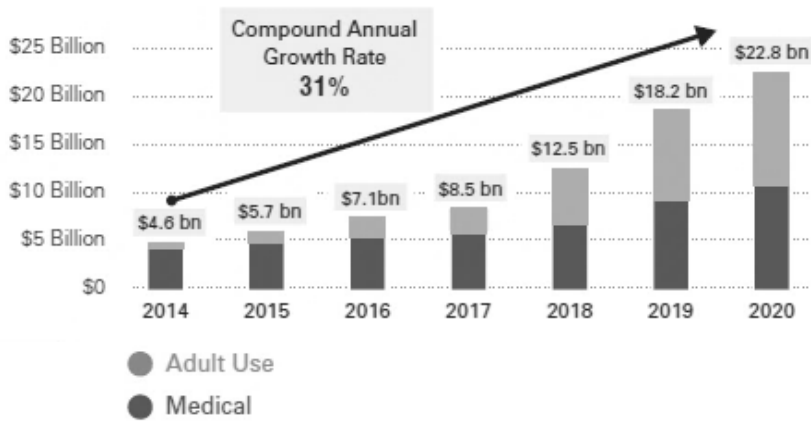
Why millionaire Barry Lambert invested \$34 million in medicinal cannabis

Source: <http://www.afr.com/brand/afr-magazine/why-millionaire-barry-lambert-invested-34-million-in-medicinal-cannabis-20160313-gni315#ixzz4RGshSR84>

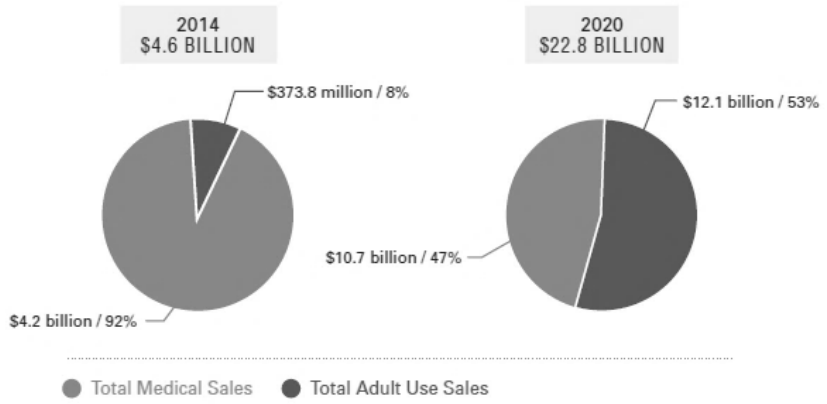
# US MARKET TRENDS

While the US market operates under a different regulatory regime than Australia, growth trends illustrate a rapidly growing domestic market that will likely present opportunities to Australian medicinal cannabis producers in time

### GROWTH OF LEGAL MEDICAL & ADULT USE MARIJUANA SALES 2014-2020



### GROWTH IN US LEGAL MARIJUANA SALES



Source: The State of Legal Marijuana Markets – 4<sup>th</sup> Edition, Arcview Market Research & New Frontier

# UNDERSTANDING THE COMPOUNDS: CBD VS THC

## THE TWO MAIN INGREDIENTS OF CANNABIS ARE CANNABINOL (CBD) AND TETRAHYDROCANNABINOL (THC); EACH WITH DIFFERING ACTIONS

Cannabinol (CBD) and tetrahydrocannabinol (THC) are the two main ingredients in the cannabis plant; a unique class of compounds known as cannabinoids. High-CBD strains are less common

**CBD = "DAY-TIME" USE; NON-PSYCHOACTIVE**

**THC = "NIGHT-TIME" USE; PSYCHOACTIVE**

### The differences:



#### 1. The High

- THC is probably best known for being the psychoactive ingredient in cannabis. CBD, however, is non-psychoactive. In other words, CBD can't get you high. While disappointing to recreational users, this unique feature of CBD is what makes it so appealing as a medicine.
- Doctors usually prefer treatments with minimal side effects, which has been a major barrier to the acceptance of THC. Likewise, CBD has been used to treat younger children with various ailments

#### 2. Anxiety

- THC is known to cause some people to feel anxious or paranoid. But CBD is believed to have the opposite effect. In fact, studies show that CBD works to counteract the anxiety caused by ingesting THC. A number of studies also suggest that CBD can reduce anxiety when administered on its own

#### 3. Antipsychotic

- In addition to being non-psychoactive, CBD seems to have antipsychotic properties
- Researchers believe that CBD may protect cannabis users from getting too high by reducing the psychosis-like effects of THC. However, regulating the mind-altering activity of THC isn't all that CBD is good for
- On its own, CBD is being tested as an antipsychotic medicine for people with schizophrenia

#### 4. Sleep

- One of the most common uses of cannabis is as a sleep aid. THC is believed to be responsible for most of cannabis' sleep-inducing effects. On the other hand, studies suggest CBD acts to promote wakefulness, making CBD a poor choice as a sleep medicine
- The opposite effects of CBD and THC on sleep may explain why some strains of cannabis cause users to feel drowsy while others are known to have the opposite effect

# BENEFITS OF MEDICINAL CANNABIS

**MULTIPLE SCLEROSIS** – treatment of pain & muscle spasms using cannabis oil

**EPILEPSY** – dramatic reduction in symptoms for children suffering rare & sever forms of epilepsy following treatment with cannabis oil

**CANCER** – pain relief & comfort for patients with terminal cancer upon use of various forms of medicinal cannabis

**CHRONIC PAIN** – respite from chronic pain upon use of medicinal cannabis

**ALTERNATIVE TREATMENT** – relief after other prescribed treatments have failed, while also avoiding potential side-effects & addiction

**POST-TRAUMATIC STRESS DISORDER (PTSD)** – in addition to the relief provided, the high from THC is also associated with temporary memory impairments, a positive for those with PTSD

**NAUSEA, VOMITING & LACK OF APPETITE** – THC has an ability to reduce nausea & also works as a powerful appetite stimulant in both healthy & unwell individuals

**GLAUCOMA** – THC also has the ability to relieve eye pressure in patients with glaucoma

