

11 May 2017

## **AUSCANN PRESENTS AT CANACCORD CANNABIS CONFERENCE IN NEW YORK**

**AusCann Group Holdings Ltd** (ASX:AC8 or 'the Company') presented at the Canaccord Genuity Cannabis Conference in New York, United States on May 10 2017.

The event is an opportunity for AusCann to meet and present to institutional investors, funds and hedge funds. The event, organised by Canaccord Genuity, a international full service independent brokerage firm, is further evidence of the global support for medical cannabis and is focused on the further on providing further education on the merits and benefits of medical cannabis.

AusCann presented alongside Canopy Growth Corporation, its strategic partner and one of the largest producers of medicinal cannabis globally, as well as a number of other leading Canadian and international medicinal cannabis companies. AusCann is the only Australian company invited to present at the event.

The presentation is attached to this release and focuses on AusCann's strategy and operational progress to date, that includes the granting of Australian medicinal cannabis licence.

### **For more information please contact**

**AusCann**

Elaine Darby  
Managing Director  
elaine.darby@auscann.com.au  
+61 8 9561 8834

**For Investment Enquires**

Stewart Washer  
Stewart.washer@auscann.com.au  
+61 8 9561 8834

**For Media Enquiries**

Caroline Zielinski  
Media & Capital Partners  
Caroline.zielinski@mcpartners.com.au  
+61 400 172 145

### **ABOUT AUSCANN GROUP**

AusCann is an Australian based company that was incorporated in September 2014 with the aim of producing and providing high quality, economical and clinically validated cannabis medicines to patients. It is bringing together leading expertise and operations across all aspects of the medical cannabis value chain, beginning with cultivation and production, through to manufacture and distribution of products and has built a strong team of experts and partners with international connections. Partners includes TSX listed Canopy Growth Corporations the largest producer of medicinal cannabis in North America and DayaCann, the only licensed medicinal cannabis grower in Chile. AusCann was granted an Australian medicinal cannabis licence in May 2017.

**AusCann Group Holdings Ltd ACN: 008 095 207**

[www.auscann.com.au](http://www.auscann.com.au)

Email: [info@auscann.com.au](mailto:info@auscann.com.au)

Phone: +61 (8) 9561 8834

Registered Office: 85 Carabooda Road, Carabooda, Western Australia, 6033



Delivering high quality, cost effective  
medicinal cannabis treatments to  
Australian patients

Canaccord Genuity Cannabis Conference  
May 2017



## Disclaimer

This presentation has been prepared by AusCann Group Holdings Ltd ACN 008 095 207 ("Company"). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor their respective related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory legislation (or the law of any similar legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

## Future matters

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of their respective directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company warrants or represents that the actual results, performance or achievements will be as expected, planned or intended.

- On 3 February 2017, AusCann completed a reverse take over of ASX listed TW Holdings Limited (TWH) and successfully listed on the ASX
- AusCann raised \$5 million at A\$0.20 to progress its medical cannabis operations in Australia and Chile.

Capital Structure	
<b>Total Shares</b>	<b>247,372,772</b>
Escrowed between 12 – 24 months	57.3%
Share price	0.65
Market cap	AUD\$160m USD\$118m
Top 10 shareholders	49.8%
Largest shareholder - Canopy	11.2%



### Bringing together expertise and operations across all aspects of the medical cannabis value chain

AusCann, is an Australian based company that was incorporated in September 2014 with the aim of producing and providing high quality, economical and clinically validated cannabis medicines.

- AusCann has built a strong team of experts and partners with international connections and the right expertise across all aspects of the medicinal cannabis value chain.
- Partners include:
  - TSX listed Canopy Growth Corporations the largest producer of medicinal cannabis globally (largest shareholder of AusCann)
  - JV DayaCann, only licensed medicinal cannabis grower in Chile
- The Company completed its first harvest in Chile in April 2017 and in May 2017 secured a licence to cultivate medicinal cannabis in Australia.
- The Company is also advancing the supply of existing proven Canopy medicinal cannabis products into Australia to generate revenue in the near term.





**Dr Mal Washer**  
**Founding Chairman**

- Medical doctor
- Member of the Australian House of Representatives from 1998 to 2013.
- Previous chair of the Alcohol and Other Drugs Council of Australia
- extensive experience in agricultural and horticultural activities, currently operating commercial avocado plantations



**Elaine Darby**  
**Founder & Managing Director**

- Bachelor of Science in Biochemistry and Microbiology, Honours in Molecular Biology and a Bachelor of Laws.
- Clinical trials director with Biologica Ventures
- Lawyer for top tier firm Clayton Utz
- Media and Communications Officer for Australian Federal Member of Parliament.



**Harry Karelis**  
**Founder & Executive Director**

- >24 years experience in the financial services sector including specialist med-tech private equity investing.
- Fellow of the Financial Services Institute of Australia, Fellow of the Australian Institute of Company Directors and a Chartered Financial Analyst.



**Hon Cheryl Edwardes**  
**Non-executive Director**

- Former Attorney-General for Western Australia and Minister for the Environment.
- Prior Executive General Manager for External Affairs, Government Relations and Approvals at Hancock Prospecting



**Bruce Linton**  
**Non- executive Director**

- Founder, Chairman and CEO of Canopy Growth Corporation
- Over a decade of senior experience in the tech-sector
- Previous work with the World Bank and the Asia Development Bank.



**Bruce McHarrie**  
**Non-executive Director**

- Experienced senior executive with a background in the life science industry.
- Currently a Non Executive Director of Adherium Limited, an ASX listed digital health company.
- Previously served as the Chief Financial Officer, Director of Operations and Director of Strategic Projects at WA Telethon Kids Institute.

- The cannabis plant contains over 500 natural compounds, 104 of which are identified as cannabinoids.
- Cannabinoids affect the patient by interacting with specific receptors, located predominantly within different parts of the central nervous system and the immune system, among others.
- Main two cannabinoid receptors have identified to date: CB1 and CB2.
- The cannabinoids are an effective treatment for the following conditions and symptoms, amongst others:
  - ▶ Chronic pain – treatment resistant neuropathic pain in particular
  - ▶ Treatment resistant epilepsy
  - ▶ Chemotherapy induced nausea, vomiting and appetite stimulation
  - ▶ Spasticity and spasms in multiple sclerosis patients

500  
Natural  
Compounds

104  
Cannabinoids

CB1  
CB2

## Not a novel medicine -

**2800 BCE** – present in pharmacopoeia of Chinese Emperor Shen Nung

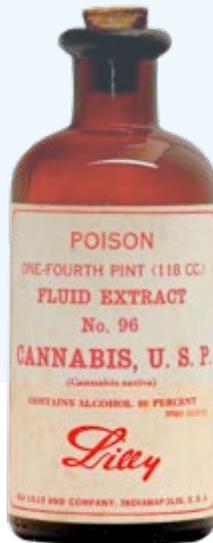
**70 CE** – Roman physician Dioscorides records medical properties

**1788** – plants sent to Australia by Sir Joseph Banks on the First Fleet

**1870** – listed in US Pharmacopoeia

**1890** – prescribed by Queen Victoria's personal physician  
Eli Lilly, Parke-Davis (now owned by Pfizer) and Squibb of Bristol-Myers Squibb all sold medical marijuana at the turn of the century  
Almost 6% of all manufactured drugs at the turn of the century contained cannabis in one form or another

**1930s** – prohibition



**1996** – compassionate medical use in California  
**2001** – medical use federally approved in Canada

**2016** – medical use federally approved in Australia

AusCann is initially targeting Pain (chronic and neuropathic).  
A combined market opportunity of >A\$5b in Australia alone  
(US\$3.7b).

Clinically validated use	Incidence in Australia	Approx. (000) \$M
Neuropathic pain	7-8% of adults 1.8m	3,285
Chronic pain overall	3.2m	5,840

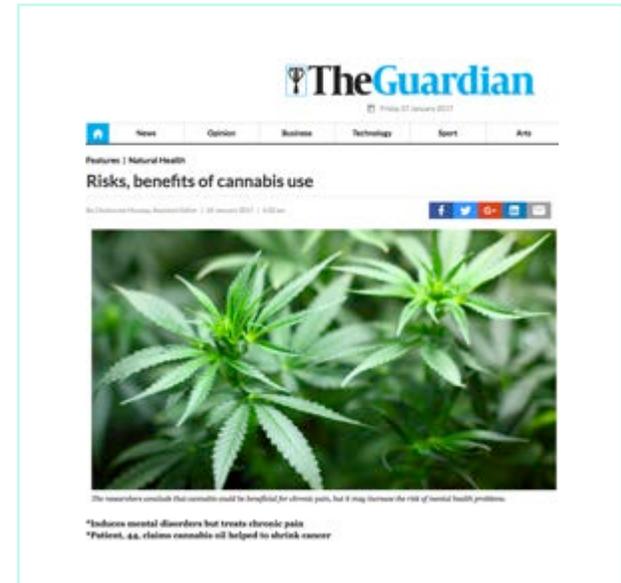
Source: Company calculations based upon A\$5 per day – approx. A\$1825/yr

- Clinical data provides conclusive evidence for the treatment of chronic pain and neuropathic pain
- Neuropathic is not well controlled with current treatments
- Adverse effect of opiates include respiratory depression
- Opioid overdose mortality rates reported to be 24.8% lower in US states with medical cannabis laws
- Canadian study showed chronic pain patients had no greater risk than non-users to experience serious adverse events
- Significant reduction in opioid use – 44% to 65% reduction cited
- Cannabinoids and opioids share several pharmacologic properties and may act synergistically



## *The National Academies of SCIENCES • ENGINEERING • MEDICINE*

- 2017 report by the *American National Academies of Sciences, Engineering and Medicine* found there is **strong and conclusive evidence** for medical cannabis as an effective medication:
  - ▶ chronic pain in adults,
  - ▶ chemotherapy-induced nausea and vomiting and
  - ▶ multiple sclerosis spasticity symptoms
- Brings strong validation to medical cannabis as a credible and viable medication for patients



- Federally approved in 2016.
- AusCann has an Australian medical cannabis licence (granted in May 2017).
- Specialist doctors can prescribe medicinal cannabis for their patients under Authorised Prescriber Schemes.
- Australian Government fast-tracked importation of medicinal cannabis in early 2017.
- AusCann is to import medicinal cannabis from Canopy to treat Australian patients until AusCann's Australian product becomes available.





# BUSINESS MODEL AND STRATEGY



- >11% shareholding in AusCann
- Market cap CAD\$1.41 billion
- >5 hectares of production area
- >29,000 Canadian patients



- Joint Venture partner
- Only grower in Chile for past 3 years
- First crop harvested in April 2017
- Excellent base to service South American market
- Chilean market demographics similar to Australia
- Argentina recently legislated for medical cannabis



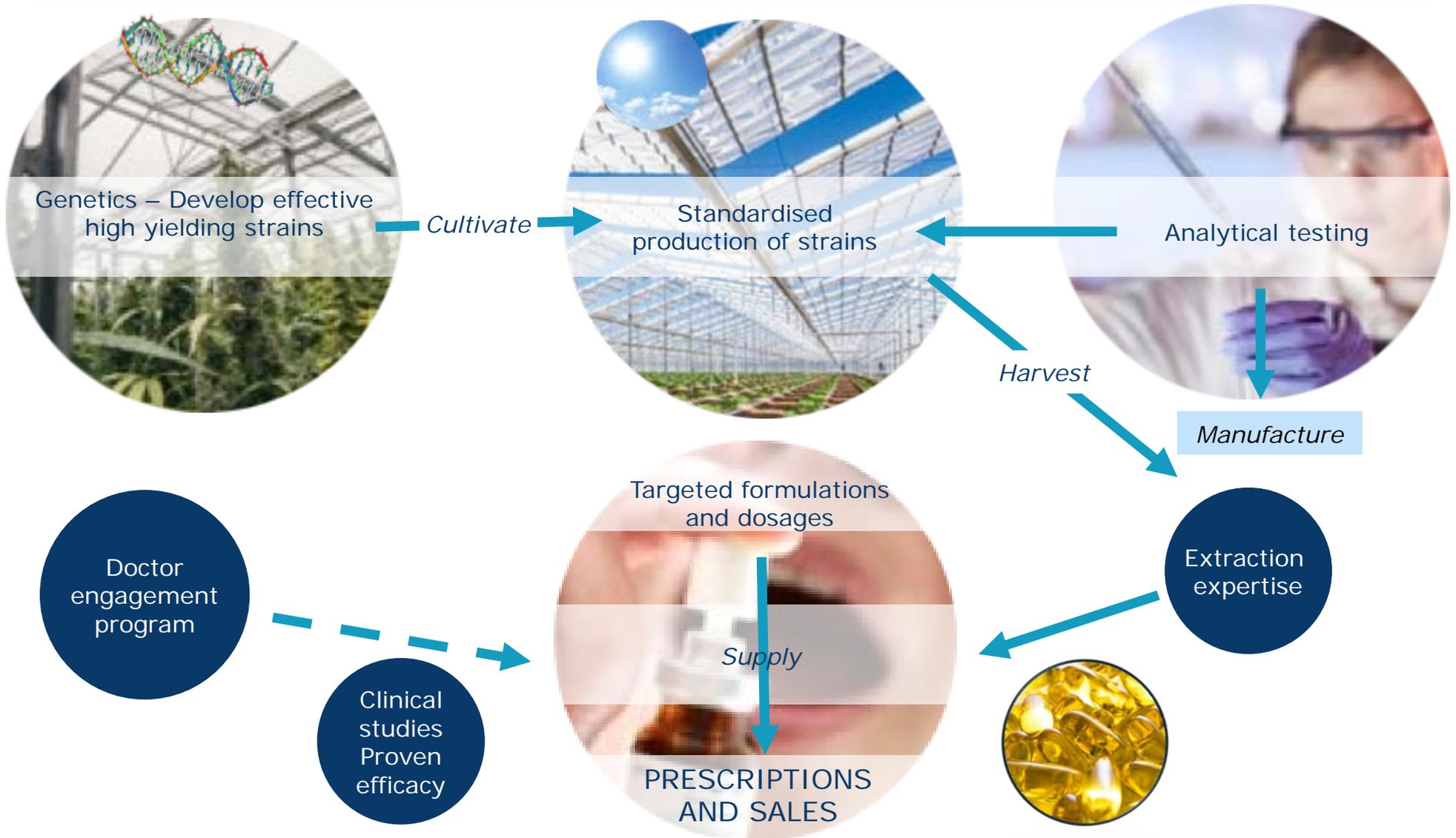
- PhytoPlant Research S.L – phytotherapy research leader
- Genetics, breeding and cultivation
- Extraction expertise and IP



- Supply agreement for global clinical trials



- R&D collaboration for development of additional cannabis strains
- PhytoPlant will also contribute and further develop their strains



- Canopy Growth is a world-leading diversified cannabis company operating a collection of brands and strain varieties.
- It boasts over half a million square feet of indoor and outdoor growing facilities and has treated over 29,000 patients with its cannabis medicines as at end of 2016.
- 2016 year end report, the patient base increased by 260 per cent and revenue increased by about 180 percent vs. 2015



On 1 Dec 2016 Canopy announced it would acquire *Mettrum Health Corp* in a **CAD\$430M deal**

Making it the largest medical cannabis company in North America

Listed on the TSX with a current market cap of CAD 1.4 billion





## NEXT STEPS & INVESTMENT HIGHLIGHTS

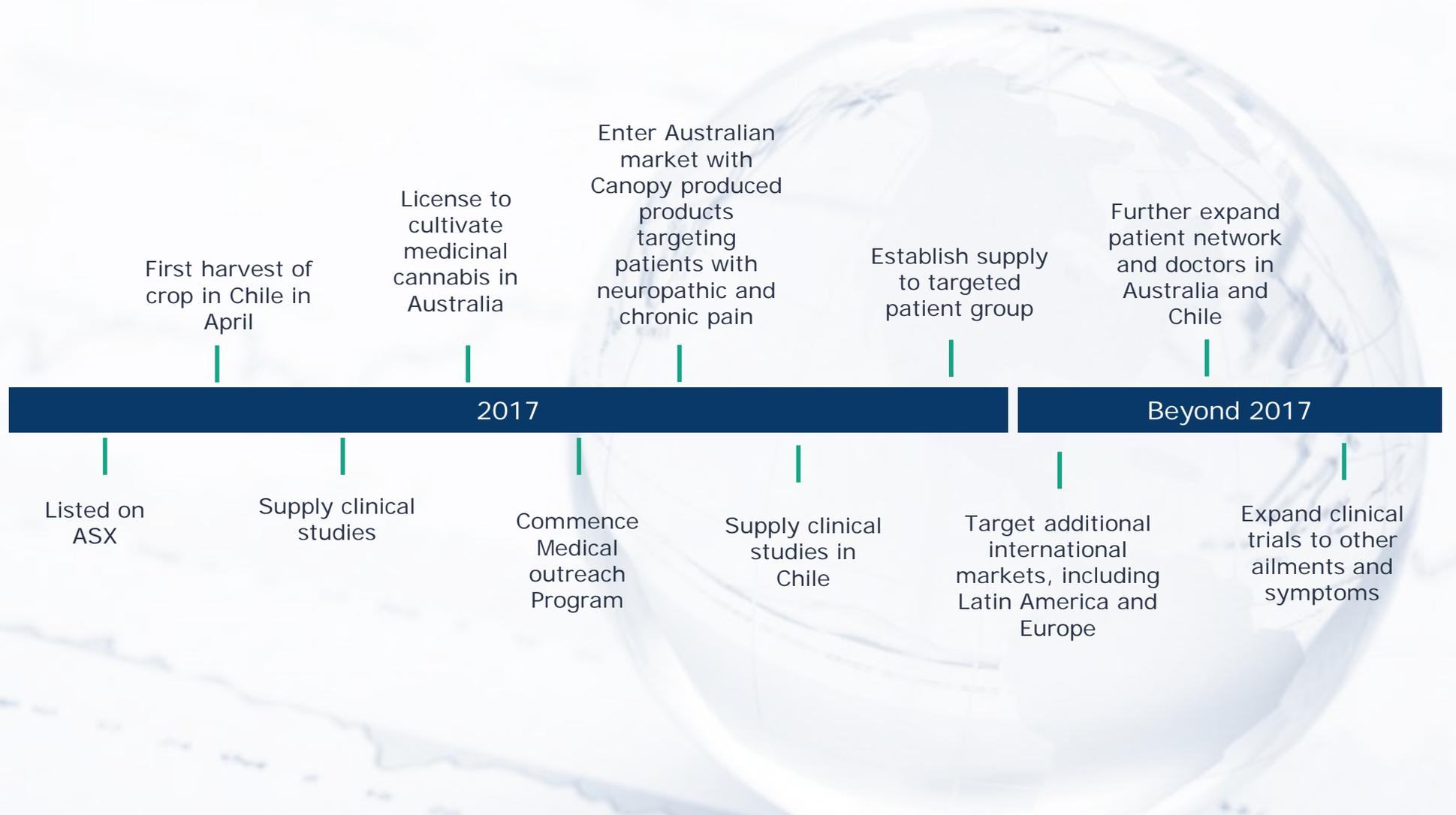
- Crop harvested with 50:50 joint venture partner *Fundacion Daya* in April 2017
- 400 plants across eight strains at a 30-hectare facility south of Santiago, yielded around 400kgs of dried cannabis buds
- Crop will be processed into medical cannabis formulations selected for clinical trials for registration in Chile and sale to third parties



*Images: From the grow facility 2 hours from Santiago, Chile*

## **Favourable Regulatory Framework in Chile**

- Chile provides an internationally well regarded framework supporting the entire production chain from cultivation, processing, formulation, trials, research and registration.
- Supply to Chilean patients and export of products allowed once registered





### **Strong competitive advantage:**

Partnership with Canopy, one of the largest medical cannabis companies in North America, licenced growing operations in Chile and cultivation licence secured for Australia



**Strategic partnerships** with leading medical cannabis experts, Canopy and Phytoplant providing unrivalled access to skills and intellectual property



**Positioned in market on the brink of a rapid growth** trajectory as governments and scientists in Australia, Chile and US are increasingly recognising the medicinal value and potential of medical cannabis



**Significant markets** in Australia and Chile plus international opportunities and targeting initially neuropathic and chronic pain, a multibillion dollar market need



**Expert management team** with doctors, scientists, lawyers and cannabis business expertise



**Near term catalysts** with first crop now harvested in Chile and importation of Canopy products into Australia to treat Australian patients



Delivering high quality, cost effective medicinal cannabis treatments to Australian patients

