



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

ASX CEO Spotlight Presentation  
Hong Kong and Singapore – May 2017

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## Future matters

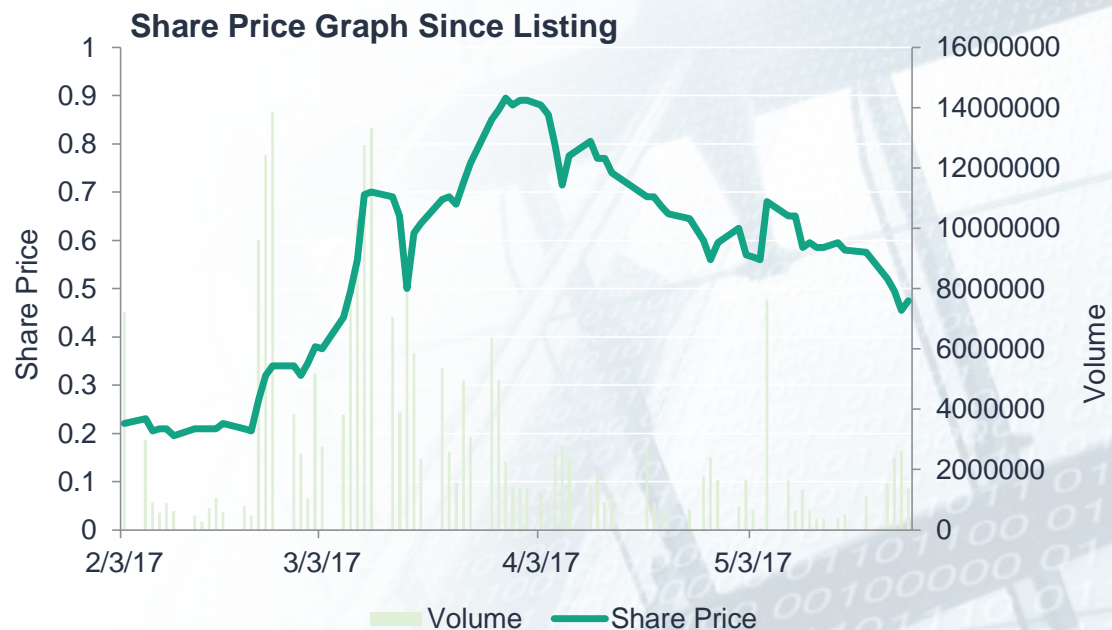
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- On 3 February 2017 AusCann successfully listed on the ASX, raising \$5 million at 20 cents a share
- Recently raised \$12 million at 50 cents a share

Capital Structure	
<b>Total Shares</b>	<b>271,372,772</b>
Escrowed between 12 – 24 months	52.4%
Share price (as at 29 May)	0.44
Market cap	AUD\$118m USD\$88m
Top 10 shareholders	47.7%
Largest shareholder - Canopy	11%



## Bringing together expertise and operations across all aspects of the 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 Corp** the largest producer of medicinal cannabis in North America (largest shareholder of AusCann)
  - **Foundation Daya** JV DayaCann, only licensed medicinal cannabis grower in Chile
  - **Tasmanian Alkaloids** producer of 40% of world's opiate crop and largest producer and exporter of thebaine globally
- The Company completed its first harvest in Chile in April 2017 and in May 2017 secured a licence to cultivate medicinal cannabis in Australia.
- AusCann is importing proven Canopy cannabinoid medicines into Australia for immediate supply to Australian patients and has established a Doctor training program.





**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

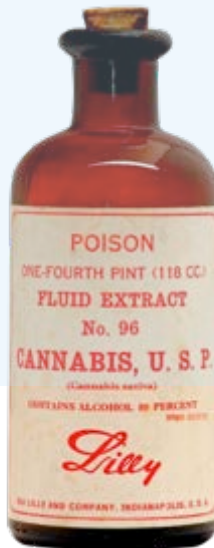
**70 CE** – Roman physician Dioscorides records medical properties

**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

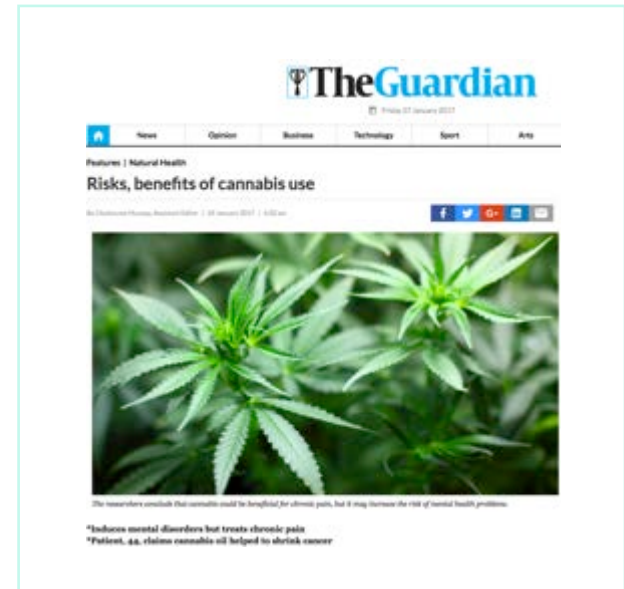
- Clinical data provides conclusive evidence for the treatment of chronic pain and neuropathic pain
- Neuropathic is not well controlled with current treatments
- Adverse effect of opiates include respiratory depression
- Opioid overdose mortality rates reported to be 24.8% lower in US states with medical 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 Federal and State 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

# KEY EXCLUSIVE PARTNERSHIPS

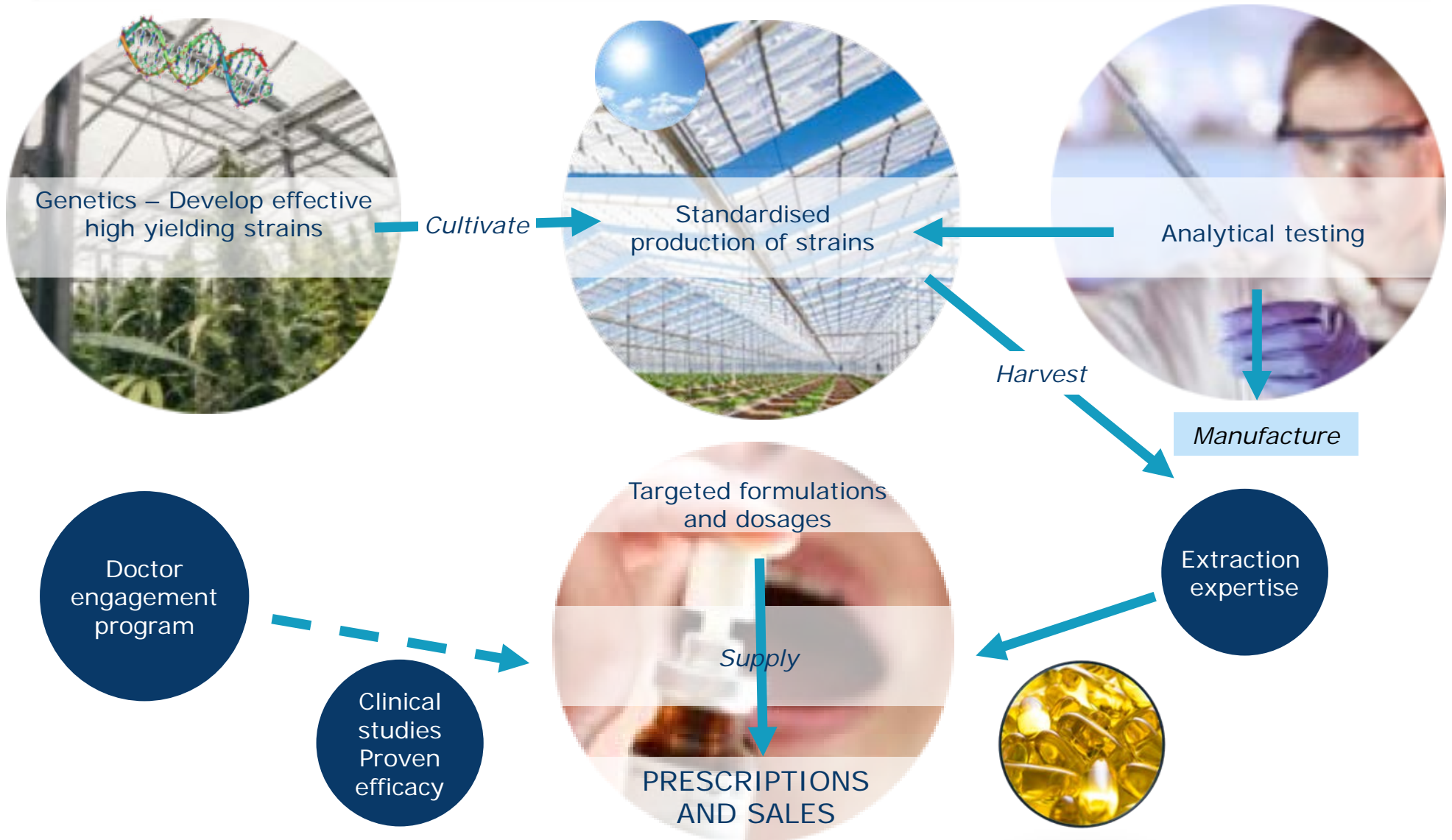


- >11% shareholding in AusCann
- Market cap CAD\$1.3 billion
- >5 hectares of production area
- >29,000 Canadian patients
- Joint Venture partner
- Only grower in Chile for past 3 years
- First crop harvested in April 2017
- Excellent base to service South American market and Chilean market demographics similar to Australia
- Argentina recently legislated for medical cannabis
- Exclusive strategic partnership with the world's largest producer of codeine precursors for cultivation, manufacture and distribution of medicinal cannabis
- Parties to also develop novel therapeutic products for the relief of chronic pain



- Phytoplant Research S.L – phytotherapy research leader
- Genetics, breeding and cultivation
- Extraction expertise and IP
- Supply agreement for clinical trials, including Insomnia, Eczema and Autism
- R&D collaboration for development of cannabis strains for Australian operations





- 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 ~180 percent vs. 2015



**On 1 Dec 2016 Canopy moved to acquire Mettrum Health Corp for CAD\$430M**

**Making it the largest medical cannabis company in North America**

**Listed on the TSX with a current market cap of CAD\$1.3billion**



**Exclusive strategic partnership for cultivation, manufacture and distribution in Australia, and overseas once permitted.**

- Tasmanian Alkaloids is an established manufacturer of alkaloid raw materials. Operating since 1976, TasAlk produces approximately 40% of the world's opiate crop.
- Substantial manufacturing facility is fully compliant with Good Manufacturing Practice (GMP) standards.
- Established supply relationships with many of the world's leading pharmaceutical companies.
- Largest producer and exporter of thebaine and also produces oripavine and codeine, leading pain control opiate pharmaceuticals.
- Parties also intend to jointly develop novel therapeutic medicines for chronic pain treatment in the global market.



**TASMANIAN ALKALOIDS**  
*Adding Value in Tasmania*

***Acquired by the global private investment firm SK Capital Partners, from Johnson and Johnson in 2016 making SK the largest producer of Controlled Substances globally***



- 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



We believe that Australian healthcare practitioners should have the opportunity to learn about cannabinoid medicines from a medical and patient perspective, to assist both informed decision making, and to respond to queries raised by patients who are becoming increasingly aware of cannabis-based treatments.

- Face to face and online educational seminars underway
- Accredited online courses to be launched soon
- Ongoing mentoring program for prescribing AusCann medicines
- Educational material to be available through the AusCann online portal

## AUSCANN MEDICAL ADVISOR - DR. DANIAL SCHECTER



- Co-founder and medical director of the Canadian Cannabinoid Medical Clinic (CMClinic)
- Recognized medical expert in the field of prescription cannabinoids and medical cannabis, Dr. Schechter has given numerous presentations to fellow physicians and developed educational programs on this subject.
- Spearheaded the creation of the Patient Handbook on Medical Cannabis used by many Canadian physicians as a patient education tool and has evaluated thousands of patients to decide if cannabinoid medicines are appropriate for them.

Canada has allowed the use of cannabinoid medicines since 2001. A clear access system for the prescription of cannabinoid medicines by Canadian physicians was established in March 2014.



## Strong competitive advantage:

- Partnership with Canopy
- Licenced growing operations in Chile
- Medical cannabis licence for Australia
- Strategic Partnership with Tasmanian Alkaloids
- Medical Outreach Program



**Strategic partnerships** with leading medical cannabis experts, 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, multibillion dollar markets.



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



**Well funded to drive growth and accelerate near term-catalysts**

- Raised \$12 million in May 2017
- Harvested first crop in Chile
- Secured Australian medical cannabis licence



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