



## LESANZ Annual Conference

Creating opportunities and differentiated products in the global medicinal cannabis sector

7 May 2021

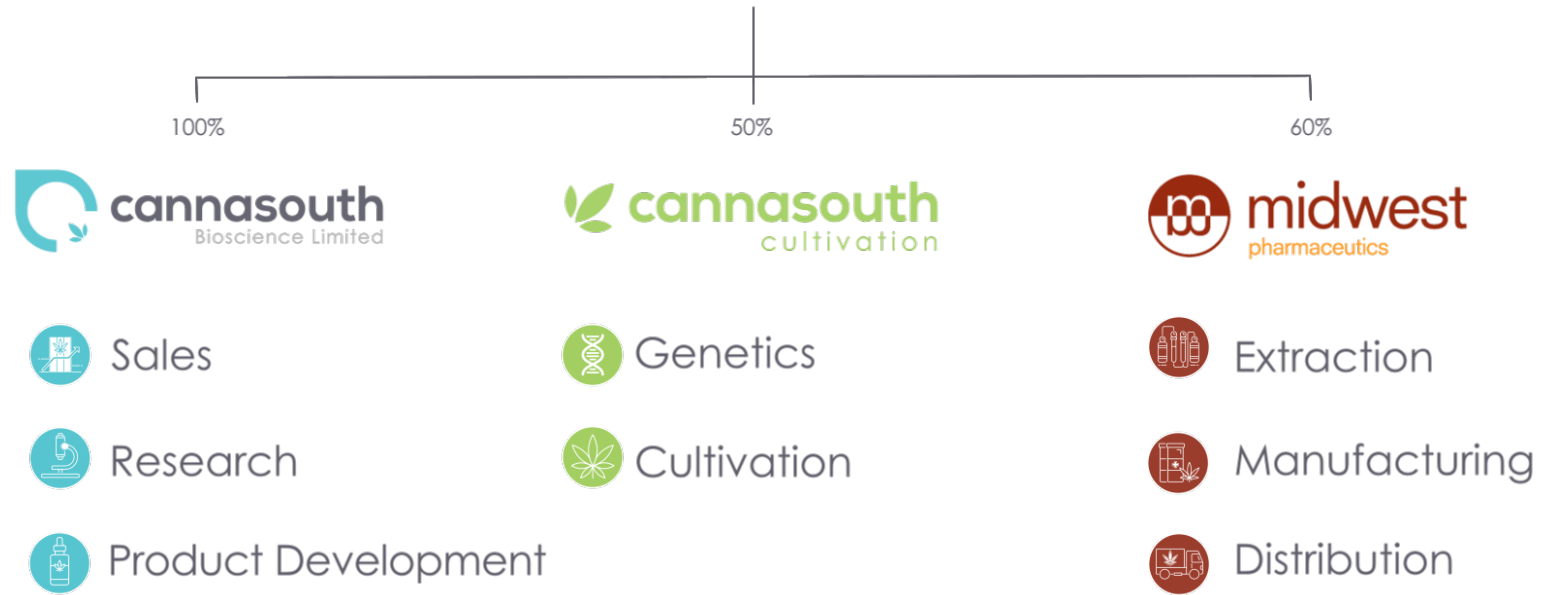
# Who is Cannasouth?

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- Founders had one of the first licenses to cultivate industrial hemp in New Zealand in 2002
- First approval to extract cannabinoids via super critical CO<sub>2</sub> extraction March 2017
- First medicinal cannabis company to list on the NZX in June 2019
- Total capital raised to date +20 million
- Combined over 190 years of pharmaceutical experience
- Science led – Vertical operation



# Group Structure



# Fad or Future?



CBD infused  
Pizza



CBD infused  
Shampoo



Food-grade  
supplements



GMP manufactured  
pharmaceuticals  
(Unapproved)



GMP manufactured  
pharmaceuticals  
(Approved)

# Growth Industry

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- Food, supplements, cosmetics and pharma
- Global CBD market estimated to reach USD 13.4 Billion 2028<sup>1</sup>
- German medicinal market estimated to reach USD 2.1 billion by 2025 from USD 267 million in 2020<sup>2</sup>
- Australian medicinal market estimated to reach AUD 150 million in 2021 from AUD 95 million in 2020<sup>3</sup>  
– Low dose CBD to go OTC
- New Zealand market will show strong growth after slow start once more products are available, easier prescribing pathway than Australia, telehealth trend increases access

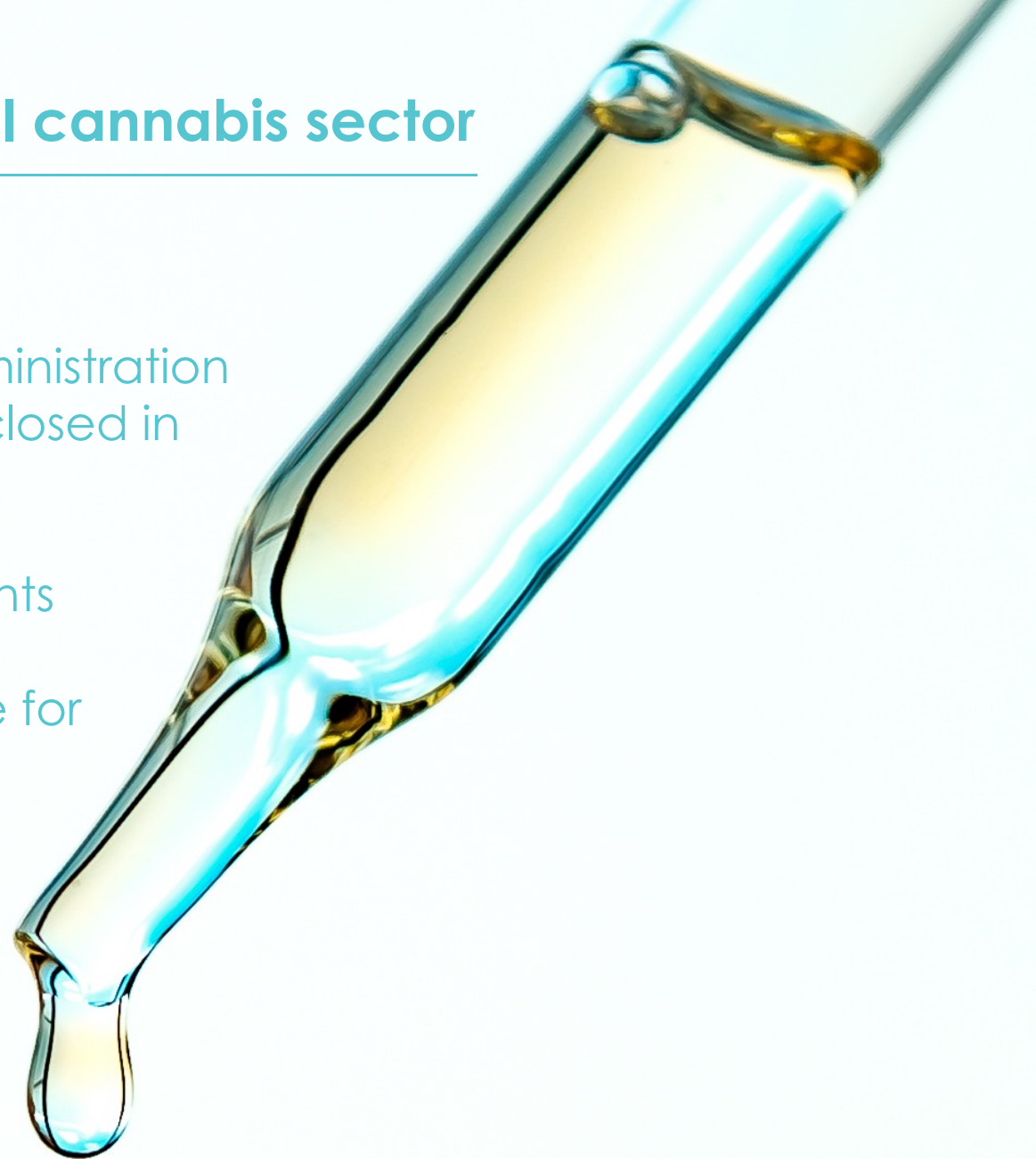
1. <https://www.grandviewresearch.com/press-release/global-cannabidiol-cbd-market>
2. The Brightfield Group – Succeeding in European Cannabis Fall 2020 Report
3. Freshleaf Analytics – Australian Medicinal Cannabis Market Q3 2020 Report



# Challenges of creating IP in the medicinal cannabis sector

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- Cannabis is still illegal in many countries
- Many therapeutic effects and methods of administration of cannabis have been widely reported or disclosed in the past, creating significant prior art and IP
- High cost of progressing and maintaining patents
- Need to continuously monitor the IP landscape for potential infringement
- High cost should there be legal challenges
- To be granted a patent must be both novel and inventive



## Areas for IP Development

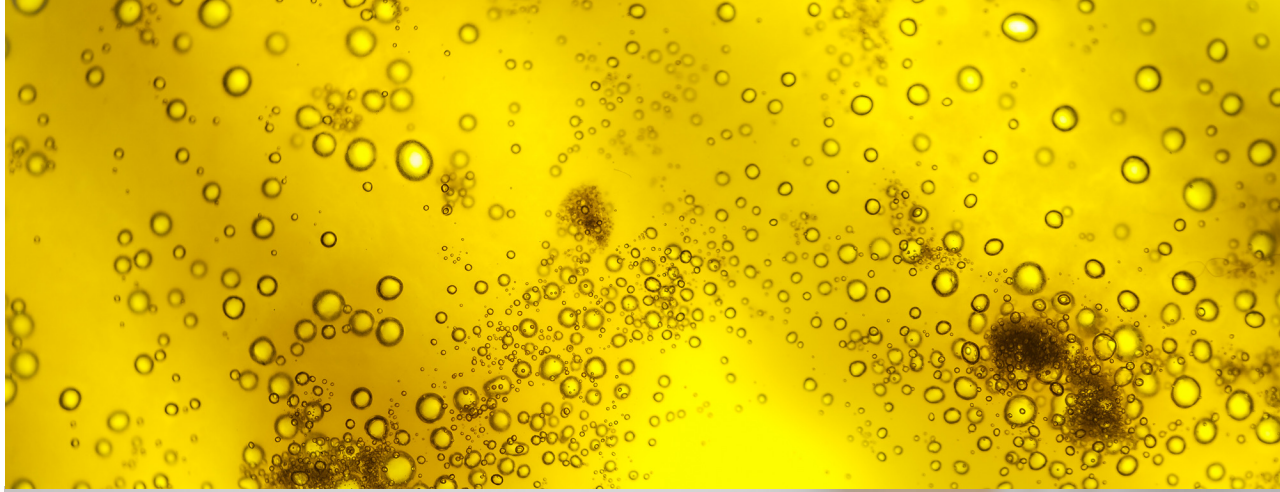
- Genetics
- Cultivation and harvesting
- Software
- Automation
- Extraction and refinement processes
- Product development  
(formulation, bioavailability, etc.)
- Other



# What is Cannasouth's approach?

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- Established advanced R&D facilities - industry leading cannabinoid isolation capability
- Built an experienced team in pharmaceutical development
- Patent landscape awareness, prior art, freedom to operate, identified gaps
- Callaghan funding for research incl. neuropathic pain and drug delivery
- Building in-house chemical library of cannabinoid compounds and computational bioactivity
- Other preclinical proof of concept studies





## Next steps

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- Preclinical and clinical trials leading to approved products
- OTC sales - funded products
- Create IP portfolio
  - Drug delivery (cannabis or non-cannabis)
  - New molecules (bio actives)
  - New therapeutic use
- Grow technologies
- Genetics



# Cannasouth Cultivation

- Constructed facility capable of producing pharmaceutical **premium +** quality flower
- Utilised industry leading (CEA) greenhouse design - most advanced in New Zealand
- Partnered with industry leader Vera Cultivation with exclusive access to IP in New Zealand
- Scope to further develop design approach



# Conclusion

- Creation of a valuable IP portfolio using a defined company strategy
- Current products are very basic with poor bioavailability
- GW Pharmaceuticals sells to Jazz Pharmaceuticals for USD 7.2 Billion, 2 products with product pipeline established
- Genuine IP creation and product differentiation is key to avoid a race to the bottom with generic products

