

# FGEN Investor Day

Introduction to Glass Pharms



# Company Objectives

Vision: UK's Medical Cannabis Leader

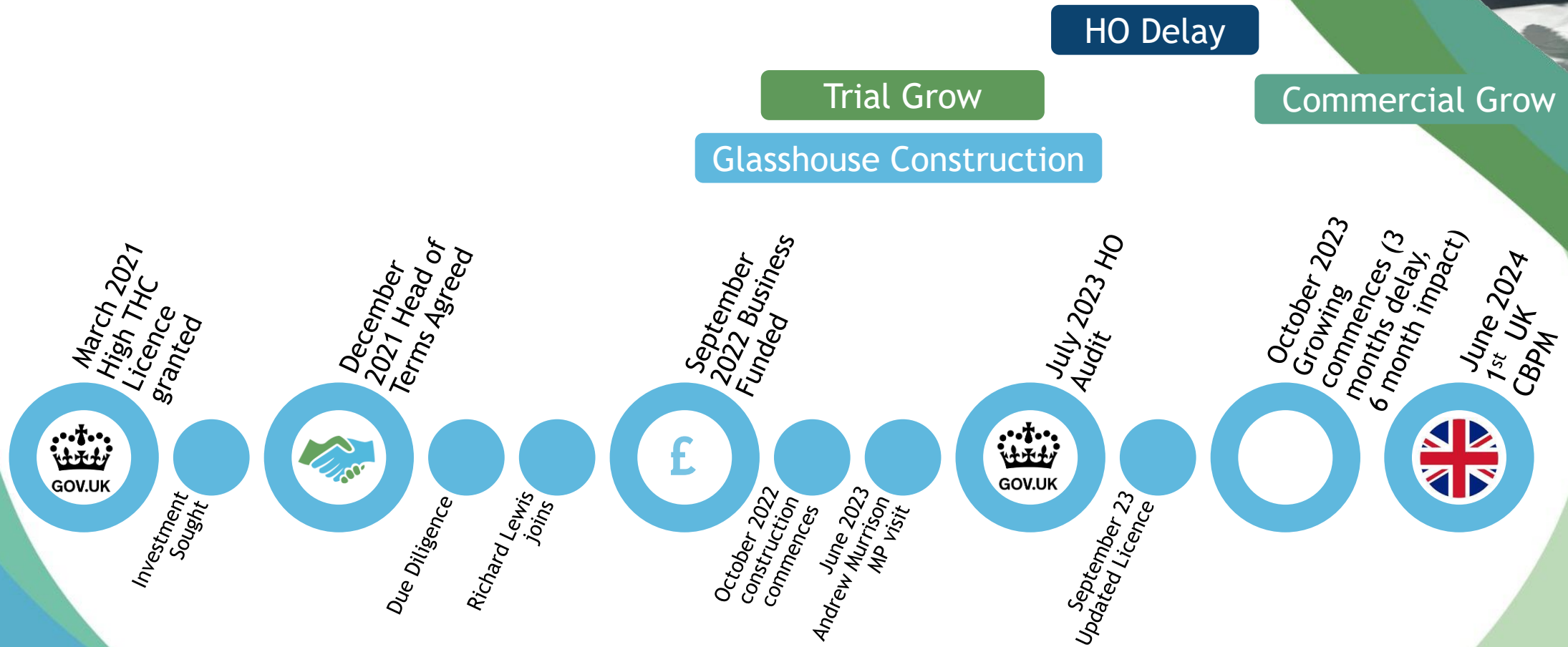
Mission: Provide a dependable domestic supply chain for CBPMs in the UK at high quality and a fair price

- ◆ Stage 1: Develop a robust continuous manufacturing facility for GACP flower
- ◆ Stage 2: Acquire API registration & GMP Certificate to enable supply of API
- ◆ Stage 3: Develop metered dose CBPMs and conduct clinical trials with a view to developing a licensed medicine.

Acronym	Means
CBPM	Cannabis Based Product for Medicinal use in humans; legalised 2018
GACP	Good Agricultural & Collection Practices
GMP	Good Manufacturing Practice
API	Active Pharmaceutical Ingredient

# History to Date

## ◆ Timeline from Licence to First Product





# Management Team



**Adam George**  
**Chairman**  
Ex-CFO and MD of GW Pharmaceuticals. Adam brings 15 years experience from the largest cannabis pharmaceuticals company



**James Duckenfield**  
**CEO**  
Broad experience of running companies including establishing start-ups and large corporates



**Steven Hill**  
**CFO**  
Experienced CFO with a background in FTSE100 companies and a number of Private Equity backed businesses



**Richard Lewis**  
**MD**  
Commercial cultivator with 35 years' experience delivering high volumes of product in advanced glasshouses



**Guy Grimshaw**  
**GM**  
Ex-GW Pharmaceuticals R&D glasshouse manager. Guy has had invaluable experience from both producer & buyer-side operations



# Cannabis Types

We grow medical cannabis, not CBD. Pure CBD is considered a novel food

Type	Characteristics
Type I	High THC Cannabis <1% CBD, typically >16% THC
Type II	Balanced Cannabis, typically 8% THC and 8% CBD
Type III	High CBD Cannabis <1% THC, typically >12% CBD

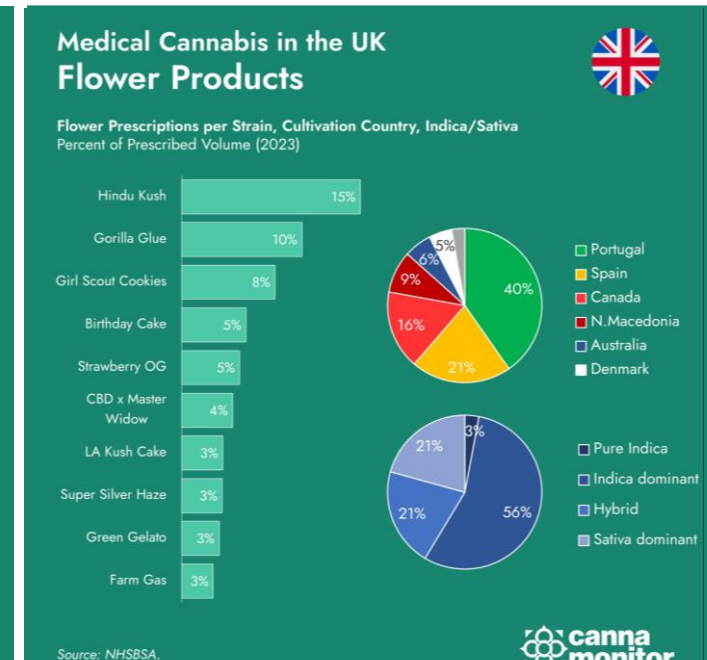
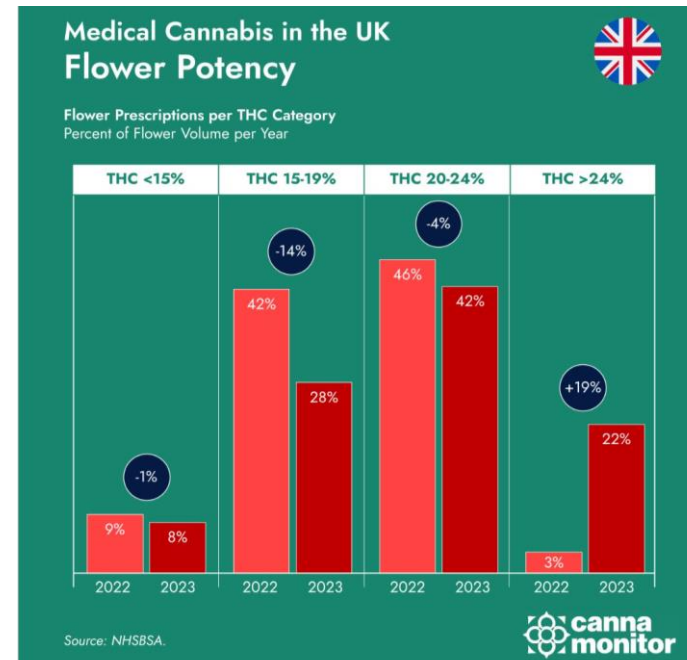
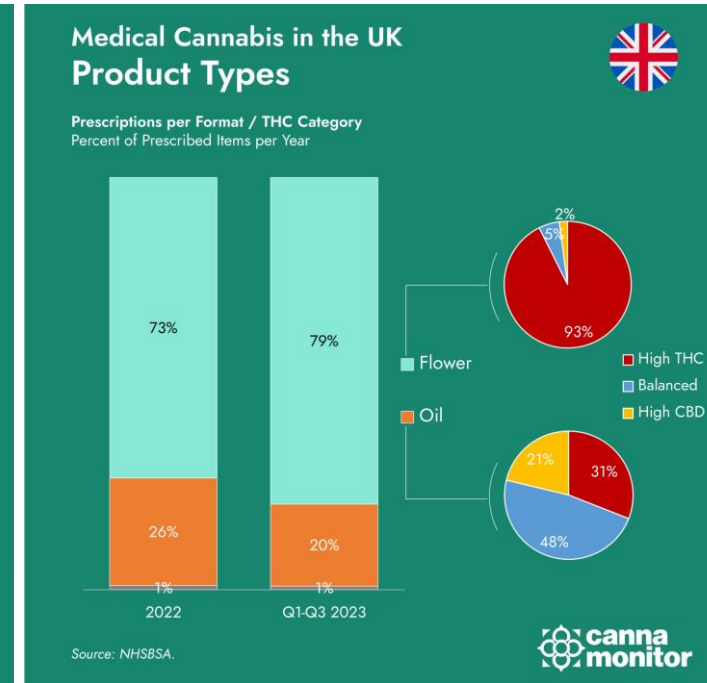
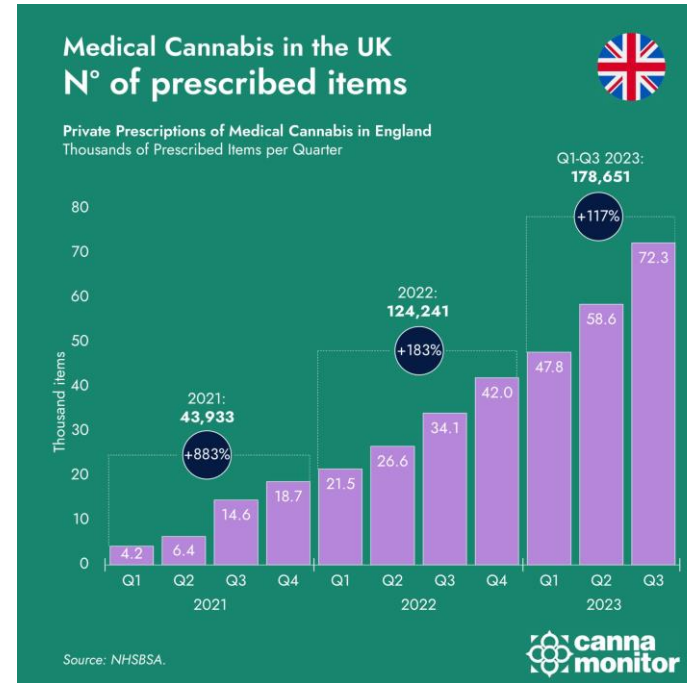
Each Type has multiple cultivars, each with their own flavour and colour profile



- ◆ Legal status of CBPMs
  - ◆ CBPMs were legalised in November 2018 by an amendment to the Misuse of Drugs Regulations 2001 (MDR)
  - ◆ MDR 2001 reschedules cannabis medicines as Schedule 2 and allows doctors on the Specialist Register to prescribe
  - ◆ Such medicines are unlicensed medicines
- ◆ What does our HO licence allow
  - ◆ We have a Schedule 1 licence to cultivate cannabis for the medical supply chain
- ◆ How difficult is it to get a licence?
  - ◆ Very
  - ◆ We were the first to secure a commercial cultivation licence since 1998
  - ◆ Many have secured R&D licences but have not converted to commercial
    - ◆ E.g. Bridge Farms

# Latest Market Data (2023)

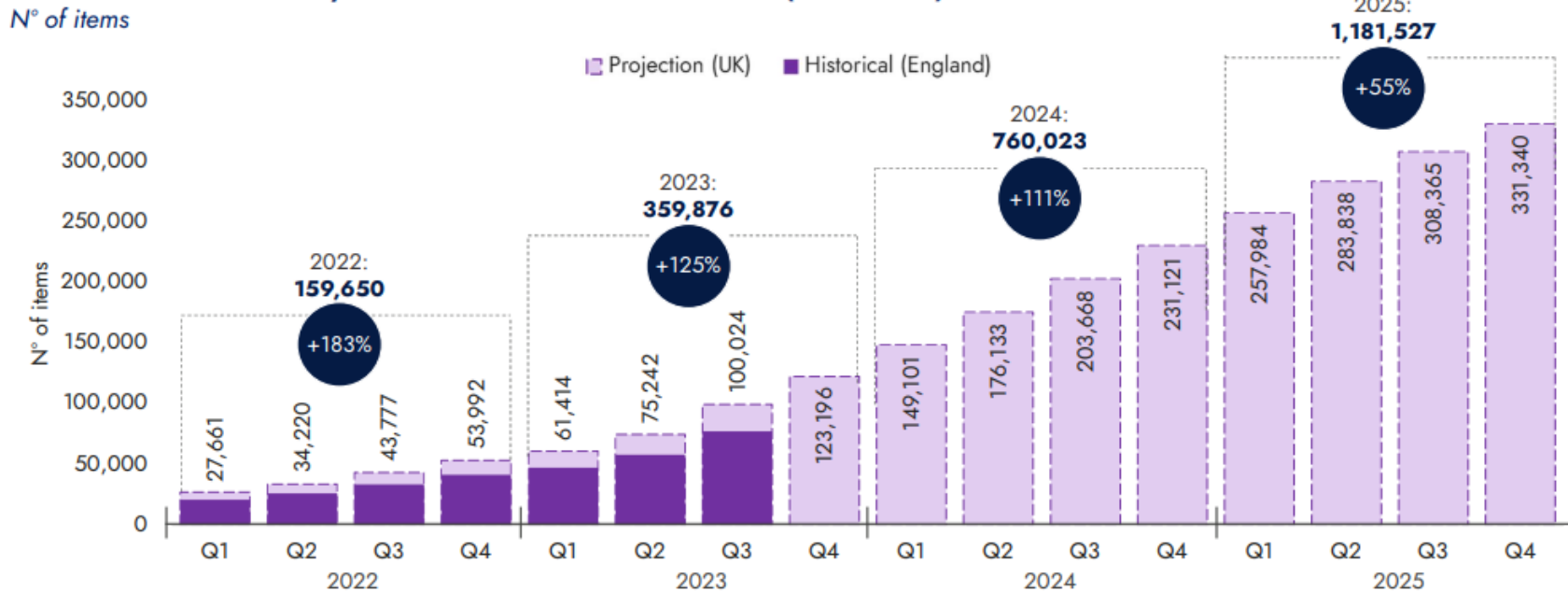
- ◆ Market growing at over 100% per annum
- ◆ Participants are highly fluid
- ◆ Percentage of flower increased from 73% to 79% contrary to our expectations
- ◆ High THC varieties dominate flower, whereas balanced oil is most popular supporting our view that there is an undersupply of balanced flower
- ◆ Shift to higher strength THC flower reflects US trend. 42% is 20-24% where most of our product sits
- ◆ Data suggests Portugal is the leading importer, but we believe this does not reflect two step imports and underlying key country is Canada



# Market Projection

- ◆ Strong UK Market growth projected
- ◆ MHRA are making imports more difficult
- ◆ German and Australian markets approaching 1m patients each representing a significant export opportunity

**UK Item Forecast - Privately Prescribed Medical Cannabis Items (2023-2025)**

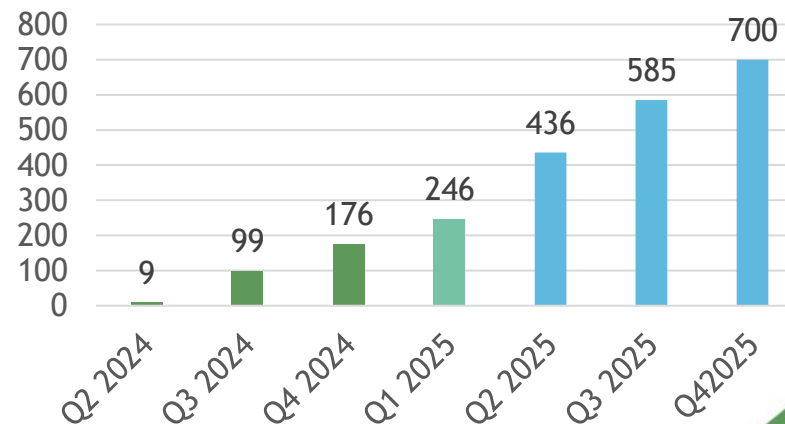




# Company Projection

- ◆ We started supply in June 2024
- ◆ Prices and margins have been better than expected but expect more pressure in future years
- ◆ Onboarding customers had been slower than expected due to lack of track record and QA compliance
- ◆ Key variable overheads are electricity & labour
  - These do not increase in a linear fashion with growth and we expect margins to improve as the business scales
- ◆ This quarter will be approaching 300kg which is our EBITDA positive threshold
  - ◆ Key fixed overhead is servicing of 15 year infrastructure loan
- ◆ Next quarter will be approaching 450kg which is the level required to service our debt and make a profit

Deliveries/kg

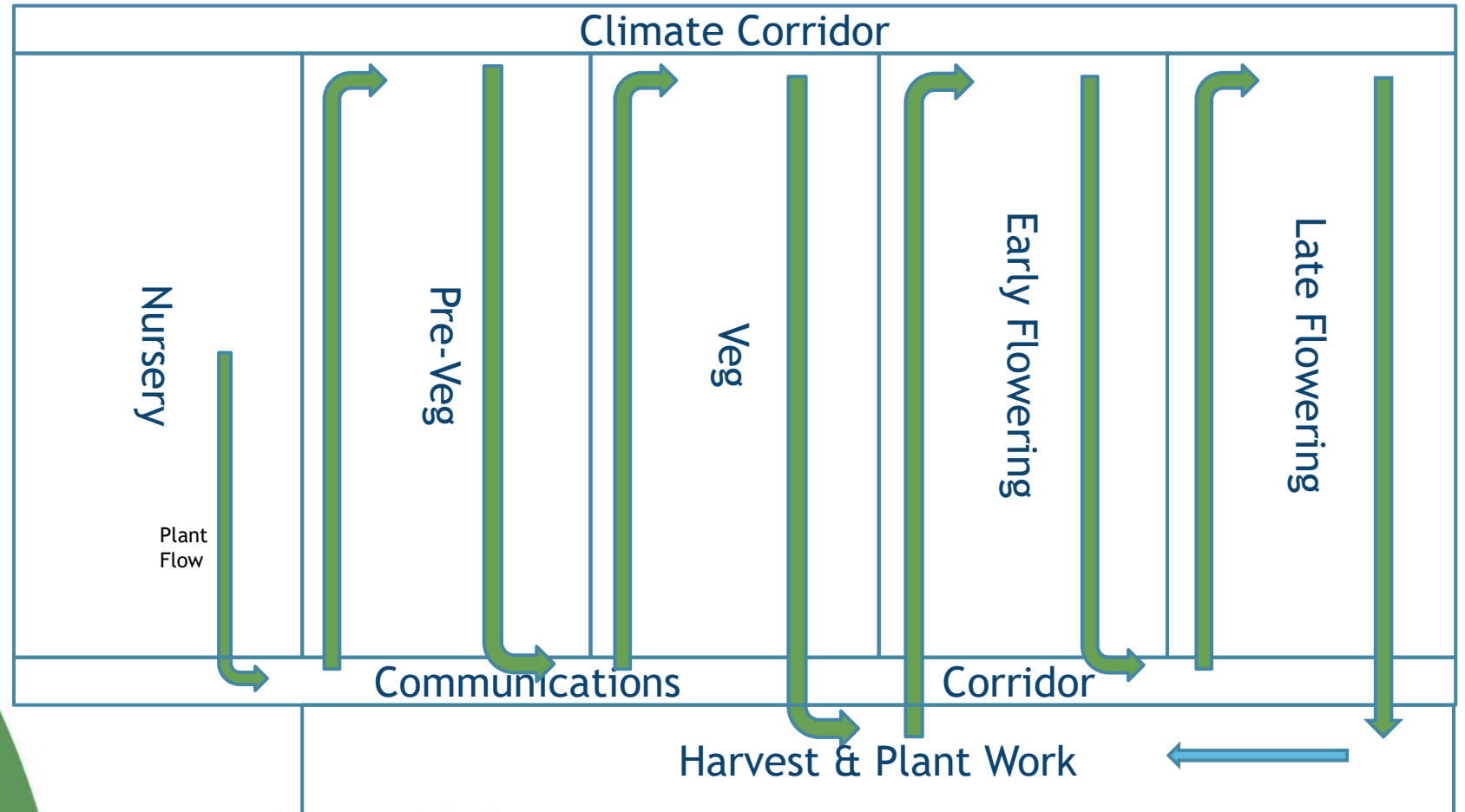


# Facility Overview

- ◆ Built in under 1 year due to advanced planning and parallel activities
- ◆ Semi-Closed Advanced design, one of the most advanced worldwide
- ◆ Sustainability at its heart:
  - ◆ Sustainable power & heat; symbiotic relationship with Anaerobic Digester
  - ◆ Designed to operate using rainwater, runoff from plants is recycled
  - ◆ Dimmable LEDs
  - ◆ Absorption chiller-driven cooling and dehumidification
- ◆ Unique Features
  - ◆ Continuous cultivation using robotic automation
  - ◆ Separation of workforce from growing area
  - ◆ Proprietary drying and curing process
  - ◆ Vertical airflow and no HVAC
- ◆ Built for Scalability
  - ◆ Our current facility has the ability to grow to 1000kg+ per month
  - ◆ We can expand that facility which could increase capacity to up to 2500kg per month (6-9 month build)
  - ◆ We only bought the lights required allowing us to take advantage of the latest generation of lights when volumes support the investment

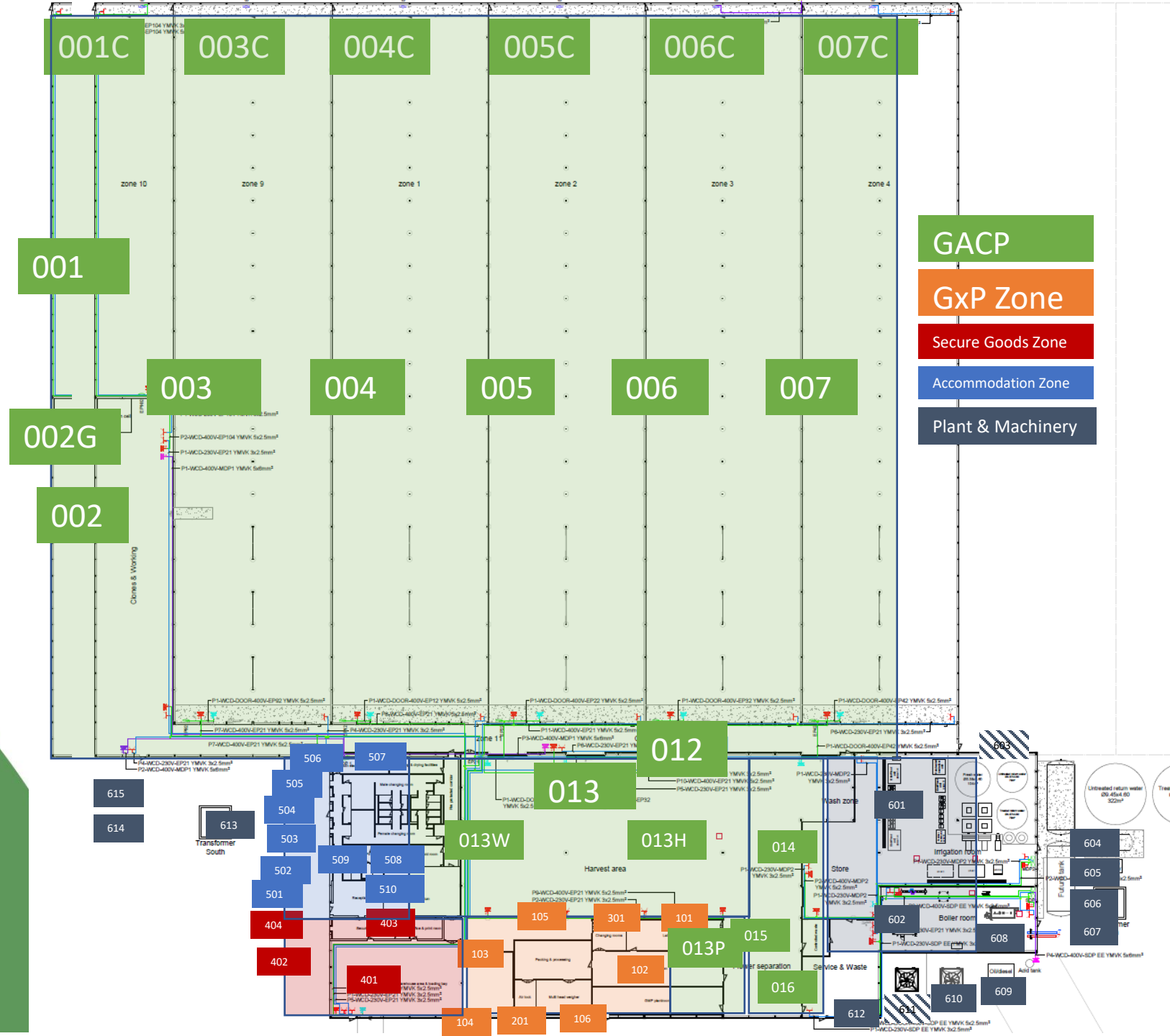
# Continuous Growing Schematic Plan

- ◆ Humans don't work in the greenhouse apart from maintenance work
- ◆ Plants travel to the humans avoiding damage and infection
- ◆ Biocidal UVC treatment when returning to glasshouse



Company Confidential

# Site Orientation



# Phased Construction

- ◆ Built in two phases
  - ◆ Phase 1: ~12 tonnes per annum capacity
  - ◆ Phase 2: ~25 tonnes per annum capacity
    - ◆ Phase 2 will be funded out of cashflow
  - ◆ It is likely that we will incorporate a vertical farming section in Phase 2 in order to use all the horizontal growing space for flower stages
    - We will look to expand our cleanroom activities to incorporate new activities such as extraction and or metered does medicine creation



# Built to prevent contamination

## ▶ Gold Standard for pharmaceutical cannabis cultivation

### ▶ AI powered managed growing conditions

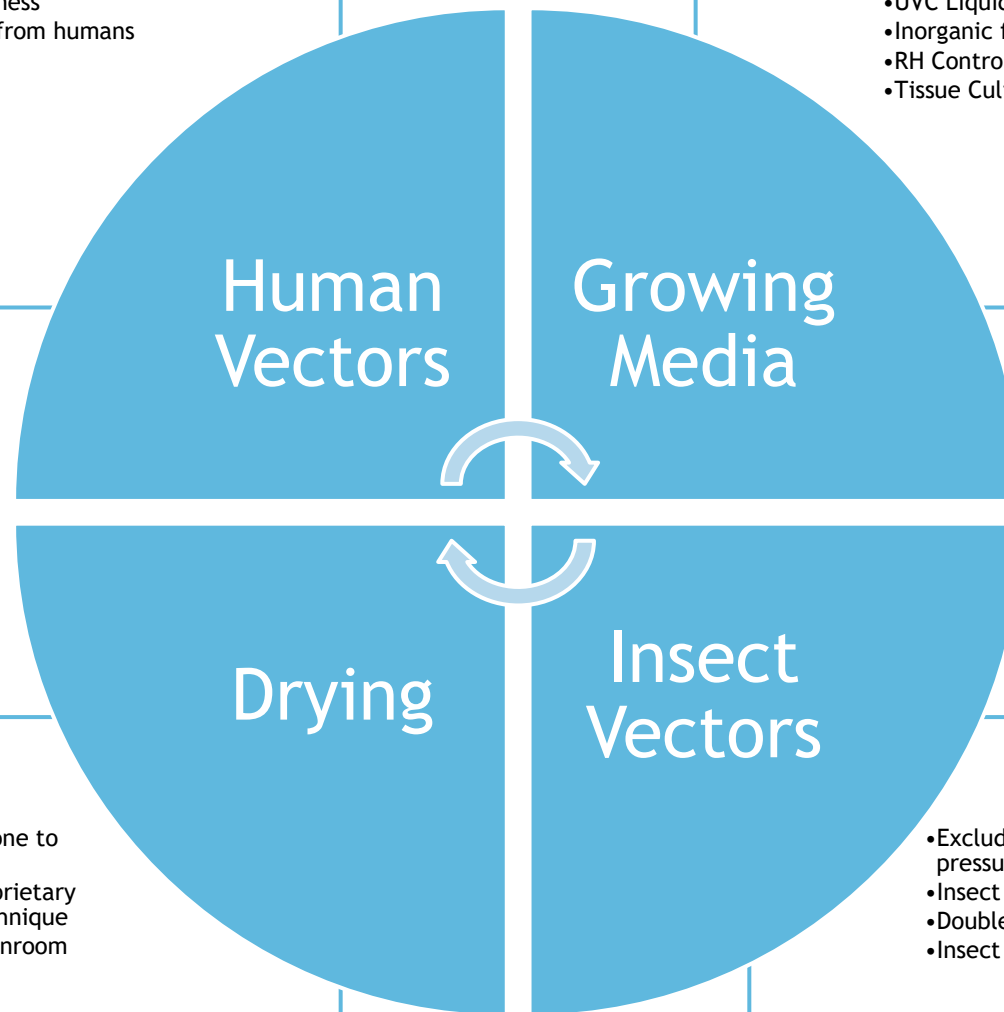
- ▶ 10 factors monitored

### ▶ Plant and human pathogens managed by design

- ▶ Disease tested starting material
- ▶ No soil & advanced design
- ▶ Particular focus on aspergilli & E. coli.

- No External Clothes
- Fastidious cleanliness
- Plants separated from humans
- Hygiene station
- PPE
- Biocidal UVC
- No Tobacco

- Inert Rockwool growing media
- UVC Liquids
- Inorganic feed
- RH Control
- Tissue Culture starting material



Human  
Vectors

Growing  
Media

Drying

Insect  
Vectors

- Hang drying is prone to infection
- We employ a proprietary lyophilization technique
- 24h drying in cleanroom

- Excluded through positive pressure
- Insect nets
- Double doors
- Insect Traps

Company Confidential

Company Confidential

# Glossary

Term	Definition
CBPM	Cannabis Based Product for Medicinal use in humans; legalised 2018
GACP	Good Agricultural & Collection Practices
GMP	Good Manufacturing Practice
API	Active Pharmaceutical Ingredient
MHRA	Medicines and Healthcare Regulatory Authority
HO	Home Office
Cultivar	Variety of cannabis with a distinctive set of characteristics
THC	Tetrahydrocannabinol
CBD	Cannabidiol
Phenotype	Morphological categorisation of a plant type
Indica	High THC phenotype (Typically short with broad leaves, bred for medicine)
Sativa	Low THC phenotype (Typically very tall with narrow leaves, bred for fibre)