

ASX RELEASE (2 SEPTEMBER 2020)

Senior Executive Leadership Changes and Strategic Review

Key Points:

- **Restructure of management and executive team to target global partnerships and corporate growth initiatives**
- **Pre-emptive review of operating structures across the Group focused on capital preservation, cost rationalisation, and advancement of revenue generating activities**
- **Jarrold White appointed Interim Group Chief Executive Officer**
- **Sonny Didugu appointed Group Chief Operating Officer**
- **Lou Cattelan to join the Company's Management Committee with Steven Xu and Alan Beasley**
- **Core current initiatives to continue during review aimed to deliver stronger global business**

THC Global Group Limited (**THC Global** or the **Company**) (ASX:THC) advises that the Board has completed a restructure of the senior executive management team in parallel with a broader global strategic and operational review commencing immediately. The focus of the review will be on corporate growth initiatives and taking advantage of the Company's existing significant investment in pharmaceutical medicinal cannabis manufacturing assets.

Senior Executive Leadership

The restructure involves the standing down of Ken Charteris as the Group Chief Executive Officer effective immediately, and being replaced by Jarrod White as the Interim Group Chief Executive Officer.

Mr White has been with the company since 2017 in a number of senior executive management roles including being the Chief Financial Officer since 2019. He will assist the Board in undertaking a full strategic and financial review of the Company's global operations, focussing on capital preservation, cost rationalisation and advancement of revenue generating business activities, particularly with respect to the Company's global cannabis production activities and capabilities.

The Company has additionally appointed Sonny Didugu to the new role of Group Chief Operating Officer and ending his previous role of Head of Corporate Strategy. Mr Didugu has held senior executive management roles with the Company since 2018. He will support the Interim CEO and Business Unit Heads in rationalising the current reporting structures and effecting new management initiatives across the group including facilitating better cooperation and integration across the Company's diverse global business operations.

The Company will not remunerate Mr White nor Mr Didugu further for their new responsibilities at this time, noting they are currently engaged in senior roles.

In parallel, the Board will undertake a global executive search for a new full time CEO with appropriate experience and expertise in medicinal cannabis and pharmaceutical manufacturing.

Executive Management and Governance

To facilitate this review the Board has made a number of other structural changes, including:

- Enabling the Interim CEO and Group COO to make financial and operational recommendations for approval by the Board and lead growth initiatives across the group, driving revenue and preserving capital;
- Expanding the board management committee, to include Lou Cattelan, a highly experienced pharmaceutical industry executive, who has significant experience in operating and managing TGA licenced pharmaceutical manufacturing facilities;
- Appointing Philip Leighfield as a new Joint Company Secretary (with Mr White stepping down from this role during his appointment as Interim CEO) in order to assist both the Interim CEO and the Group COO given the expanded nature of their duties during this review period.

Business as Usual During Strategic Review

Whilst the Company achieved a year on year increase in revenue of 63% in 1H 2020 revenue to \$3.5 million and the comparative loss reducing by 3.2%, representing robust performance during a 6 month period of unprecedented economic circumstances, the Company is conscious of the need to tighten its capital allocation strategy.

The timing of this strategic review will ensure that going to the end of calendar 2020 and into 2021, the Company's focus is on new development initiatives that will drive sustainable revenue growth. This focus will include an evaluation of its pathway to market and global partnerships as the Company establishes itself as a leader in the global cannabis industry.

The Board and new Senior Executive Leadership will ensure that during the course of this review, there will be no disruption to core current initiatives, and that the review of activities will result in a leaner, stronger global business going forward.

The Company will continue to update the market on the progress of this review as well as on the continued progress of its current initiatives across its global operations.

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ASX release authorised by THC Global's Management Committee.

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THC Global is a diversified global cannabis company with primary operations in Australia and Canada. THC Global is the first ASX listed entity to fully own and operate end to end commercial medicinal cannabis production facilities under Australia's cannabis regulations. THC Global's Southport Facility in Southport, Australia is one of the largest pharmaceutical GMP cannabis manufacturing facilities in the world. THC Global also owns and operates a fast growing turnkey cultivation solutions provider, including a hydroponics equipment and supplies wholesaler and retailer servicing the rapidly expanding cannabis sectors in North America and Europe. For prospective patients or healthcare professionals seeking more information on medicinal cannabis, please visit: canndeocare.com and tetrahealth.com.au