

ASX ANNOUNCEMENT

25 October 2022

Chairman's and CEO's addresses to AGM

25 October 2022 – In advance of this morning's Annual General Meeting of shareholders to be held at 10:00am, and in accordance with ASX Listing Rule 3.13.3, Cann Group Limited (CAN:ASX) is pleased to provide copies of the addresses that will be given by our Chairman, Mr Allan McCallum AO, and our Chief Executive Officer, Mr Peter Crock.

Authorised for release by the Board of Directors of Cann Group Limited.

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has built world-class research, cultivation and GMP manufacturing facilities in Melbourne, and a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.canngrouponlimited.com | www.satipharm.com

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Chairman's and CEO's addresses to AGM

25 October 2022 – Cann Group Limited (ASX: CAN) presents the Chairman's Address and CEO's Address to shareholders at the Annual General Meeting to be held at 10.00am today, Tuesday October 25.

Chairman's address

Last AGM I spoke about the anticipated opening of our flagship Mildura facility, and the opportunities it would bring both the Company and the local community. I am happy to say that Mildura is now operational and already beginning to deliver on its promise. We have spent much of the last few years focused on facility construction, and I commend the whole Cann Group team and our contractors for their efforts.

Now, our attention is on integrating the Mildura facility with the rest of the business so that we can secure the full extent of efficiencies as quickly as possible. This includes centralising key activities at the Mildura site, where we now have the capability and approvals to perform cultivation, testing, and manufacturing at more attractive margins.

To help achieve this, Mildura is scaling up. The site now employs over 40 people. We have positioned ourselves as an employer of choice in the region and our ability to attract skilled workers has been supported through our collaborations with La Trobe University and SuniTAFE.

The Company is entering a new stage in its development as we leverage the technology, capacity and capability that Mildura provides, and accelerate our commercial activities to drive profitable revenue growth. We have constructed one of the largest and most sophisticated medicinal cannabis cultivation and manufacturing facilities in the Southern hemisphere. With this new facility, we are well-positioned to become a global leader in the production of high-quality medicinal cannabis products that meet the highest international standards.

In the current global climate, with so many emerging risks and pressures on international supply chains, it's never been more important to have resilient, reliable partners. Cann aims to provide our business-to-business clients with the consistency they need to execute on their commercial strategies with confidence.

Shortly, our CEO Peter Crock will go into more detail on these topics, as well as the other operational and financial highlights for the year. Peter and his team have achieved some significant goals in the last year and are progressing our commercial strategy on multiple fronts.

The growth in the Australian market demonstrates that increasing numbers of healthcare professionals and patients are seeing the benefits of medicinal cannabis. In September 2021, there were 430 doctors with Authorised Prescriber status for medicinal cannabis products in Australia. By September 2022, that number had grown to over 1,400. Meanwhile, the number of doctors using the Special Access Scheme Category-B pathway has exceeded 4,500 and we expect this growth will continue, supported by the emerging scientific evidence and the ongoing improvements that are being made to the regulatory frameworks governing commercial production and patient access. Industry forecasts predict revenue for the sector

will grow from \$230m in 2021 to over \$400m in 2022. There has been strong growth in overall demand, with dried flower products, in particular, gaining market share and strong interest in Schedule 3 over-the-counter CBD products. We are capitalising on both of these trends, with Mildura well placed to produce high-volume, high-quality, low-cost products such as dried flower and more sophisticated pharmaceutical formulations such as our proprietary Satipharm capsules.

We acquired the Satipharm business last year, intending to leverage its novel formulation technology to support an over-the-counter CBD product registration in Australia. We subsequently launched our Phase III clinical trial of Satipharm capsules to support those registration efforts and have recently met our recruitment target for trial participants.

In a significant validation of our Satipharm strategy, we have signed an exclusive evaluation and option agreement with Haleon, the world's largest over-the-counter pharmaceutical company, for the commercial distribution of a TGA approved Satipharm CBD product. The results of the trial are expected in the coming months, and a favourable outcome will be pivotal to completing a definitive commercial agreement with Haleon, securing a TGA approval and realising the full benefits of this opportunity.

Satipharm's drug delivery technology allows us to leverage a differentiated platform across the breadth of the market, from Schedule 3, low-dose over-the-counter CBD medicines; to Schedule 4, high-dose CBD products; and into Schedule 8 THC-containing prescription medicines.

To achieve this goal – and to support our continued activities as we build revenues towards a cash flow positive outcome – we have also announced today that we will be launching a Share Purchase Plan aimed at raising \$8-10m. These funds will be critical in allowing us to progress our commercial objectives. Your Board is very mindful of the significant funding support provided by shareholders over recent years. Let me reiterate that, with our Mildura facility now up and running, our firm focus is on building our revenue base as quickly as possible.

As the industry matures, there will be changes both internally at Cann and externally, within the broader industry, where I expect to see further consolidation. To meet the challenges and opportunities presented by these changes, we are bringing different skills and experiences into the business.

It was announced yesterday that Peter Crock has given notice to the Board of his resignation. Peter, who is now planning a transition to retirement, has been CEO since before the Company listed on the ASX in May of 2017 and has overseen the development of the business in an environment in which the industry itself was being established. It is a great credit to Peter's leadership that Cann has overcome the inevitable challenges of building a viable business in an emerging new industry and is now positioned to claim a leadership position not only in Australia, but globally.

Peter will remain in his position while the Board undertakes a search for a new CEO, with that process now underway. Peter will have a little more to say about his decision shortly.

We recently appointed two new non-executive directors – Robert Barnes and Dr Julian Chick – who I believe will be of great assistance to the Company, especially given our focus on developing and registering novel medicines and progressing our commercial goals. I look forward to working closely with them, as I'm sure does the rest of the Board and our Management team.

I want to thank Geoff Pearce and John Sharman for their contributions to the Company. Geoff and John retired from the Board in February and September respectively and we appreciate their input and support during their time on the Board.

I would also like to acknowledge Peter Crock, his management team, and all of our staff for the progress and milestones we have achieved this last year. It has truly been a group effort.

And, of course, to our shareholders, on behalf of myself and the Board, thank you for your ongoing support. We are working at the frontier of an exciting field of medicine that is re-emerging after decades of neglect. It is encouraging to see the speed at which the medicinal cannabis industry is maturing, and the potential it holds to transform people's lives. Cann Group is proud to be a pioneer in this dynamic sector.

I will now hand over to our CEO, Peter Crock.

CEO's address

Thank you, Allan, and I would like to add my welcome to our shareholders who have joined us here today in Melbourne. I would also like to acknowledge the traditional custodians of the land on which we have gathered – the Wurundjeri people of the Kulin nation, and also the people of the Latji Latji Nation, whose lands include the site of our facility in Mildura, and pay respects to their elders, past and present.

It has certainly been an important year both for Cann Group and the medicinal cannabis sector, which remains a dynamic and evolving industry. As the Chairman noted, we have reached some significant milestones in the last year. Most notably, the practical completion of our flagship Mildura facility, which produced its first commercial crop in June. Despite not having Mildura at our disposal during the 2022 Financial Year, we managed to grow our revenues, and are now well positioned entering the next phase of the Company's development and growth.

Having successfully commissioned Mildura, received our TGA GMP licence and our ODC licences and permits, we are now focusing on ways to fine-tune our operational processes and to build revenues as quickly as possible.

Our cultivation capacity at Mildura is over 10 times that of our Southern facility in Melbourne. We now have the capabilities, facilities, and approvals to cultivate, extract, manufacture, test, and pack medicinal cannabis products under the same roof at Mildura.

Consolidating our cultivation and manufacturing operations at Mildura provides us with a number of advantages. It allows us to become much more cost-competitive on the global stage; it gives us a higher degree of control over our commercial operations, as we are less reliant on external service providers and suppliers; and it provides us with a greater level of security, as we are better prepared to handle potential disruptions to global markets and supply chains.

As identified in our most recent Annual Report, to maximise these benefits, we have commenced a streamlining of our commercial operations which involves centralising key activities at Mildura. Consistent with our aim to consolidate our activities and achieve cost efficiencies, a process is well underway to identify options for a divestment of the Southern facility. We are now reviewing expressions of interest from a number of parties, and I expect the Company to be in a position to update shareholders on the outcome of that process before the end of this calendar year.

We are grateful to have the support of key partners who have made it possible to not only get Mildura up and running, but to do so in a way that has enhanced the longevity and strategic value of the facility. This includes our R&D partners, La Trobe University and Agriculture Victoria, whose contributions to our plant breeding program in particular have been of considerable commercial benefit.

Long-term investments in Mildura's capacity and capability have also been supported by our key financial partner, the National Australia Bank. This year we secured a new \$15m working capital facility from the NAB and were able to renegotiate favourable terms for our existing \$50m construction debt facility. Thanks to this financial support from both the bank and our investors, we have constructed a truly world-leading cannabis cultivation and manufacturing facility that will stand the test of time, capable of producing high-quality medicinal cannabis products at a globally competitive cost-base.

Our \$6.4m in revenues for the 2022 Financial Year is an increase of 49% over the previous year. And I am happy to announce that we have secured our first clients for our new contract services including product packaging and analytical testing. Offering these services on a contract basis improves the efficiency of our operations and is an important additional source of revenue.

The Australian medicinal cannabis market has evolved considerably in the last year. The growth in prescribers and patients has been strong and, particularly for high quality dried flower products, demand has often outpaced supply. Many companies have found it difficult to maintain supply continuity, especially with much of the industry still relying on overseas imports. Delays and the rising cost of international shipping means that more companies than ever are looking for local cultivators and manufacturers.

Not long after I delivered last year's AGM address, the Therapeutic Goods Administration announced that, from July 2023, products imported to Australia from overseas will be required to comply to equivalently rigorous quality standards as those products manufactured domestically.

This is a vote of confidence in the capacity and maturity of Australian cultivators and manufacturers like Cann Group; recognition that local suppliers can meet this growing demand, and Australian patients can rely on affordable, locally made medicines, without needing to resort to imports.

Cann Group is well positioned to respond to this opportunity. We have been investing in our plant breeding program, using the latest in agricultural science to develop new, high-yielding and resilient genetic lines; investing in the construction of a world-leading facility capable of delivering high-quality, high-volume, and low-cost products to satisfy market demands; and investing in the kinds of technology and infrastructure that will enable us to operate faster, more efficiently, and more securely than ever before by bringing GMP manufacturing, analytical chemistry, and microbiology activities in-house.

At last years' AGM address, I discussed these commercial advantages as strategic objectives we were working towards. Today, they are a reality. As we now look to capitalise on those achievements, the business needs to pivot to a far more commercial focus. I therefore think the timing is right for me to step aside from the CEO role and for the Company to seek a chief executive with strong commercial experience and the appropriate skills to take Cann forward into its next phase of growth. As the Chairman has noted, I've advised the Board of that decision and of my intention to support a smooth transition of leadership. I have no doubt that the opportunity presented by Cann will be highly attractive to experienced, capable executives

who can bring a skills-set to the company that complements this exciting new phase of our development. In the meantime, I will remain wholly focused on continuing to execute on our growth plans.

In the coming months, I expect the Company to be reporting on how we are using the capabilities and assets in which we have invested to grow our revenue streams, provide affordable medicines to patients in need, and deliver value for our shareholders.

I expect to report on how we are using them to grow our revenue streams, provide affordable medicines to patients in need, and deliver value for our shareholders.

We are now well underway with the next stage in of Mildura's operations: the installation and commissioning of robotic automation systems for seedling propagation and conveyor transporting of cultivation tables throughout the facility. This will be yet another advantage we can leverage to accelerate and standardise our cultivation processes, delivering cost savings for the Company and improved outputs for our customers.

One of our key priorities for the coming year will be to continue building on the success of the Satipharm product range, which presents us with three interrelated opportunities: growing revenues and market share in the prescription and retail CBD markets in Australia and overseas; expanding the Satipharm range into THC-containing products; and registering Satipharm CBD capsules as over-the-counter medicines in Australia.

Revenue growth for Satipharm has been relatively stronger in some overseas markets, where CBD products are regulated as nutraceutical foods rather than prescription medicines, than in Australia. Net revenue for Satipharm products in the 2022 Financial Year grew 54% over 2021, with just over 60% of revenue coming from overseas markets, in particular the UK. As of June 2022, Satipharm is now the second-largest retail CBD brand in the UK by value within pharmacies, hospitals and GP surgeries, according to wholesale data from the global pharmaceutical data company IQVIA.

This year, as part of our integration of the Satipharm business, we expanded the Satipharm micro-encapsulation and manufacturing technology from Switzerland to Mildura. Not only is this allowing us to produce Satipharm capsules within our own facility and at a lower cost base, but it also means we can expand the Satipharm formulation into Schedule 8 THC-containing products, something not possible within Switzerland's regulatory framework for medicinal cannabis. Engineering runs of new THC-containing Satipharm formulations are now scheduled. With most Australian patients getting approved for Schedule 8 medicinal cannabis products, we expect this will attract more prescribers and patients to the Satipharm product range.

And of course – as the Chairman has noted - we are making progress with our strategy to register Satipharm CBD capsules as an over-the-counter medicine in Australia. Earlier this month we announced that we had successfully recruited over 212 participants into our pivotal registration clinical study. While some participants are still making their way through the treatment protocol, an interim statistical analysis of a sample of blinded data has confirmed that the study is sufficiently powered, and no new participants will need to be enrolled.

In parallel, we have been advancing negotiations with Haleon on the terms of a definitive commercial distribution agreement for Satipharm CBD capsules as an over-the-counter medicine in Australia.

As the world's largest consumer healthcare company, we believe that Haleon has the expertise, resources, and networks required to take CBD medicines from the fringe into the

mainstream. Having a clinically proven, low-dose CBD medicine available to consumers at pharmacies without needing a prescription would be a major achievement, not just for Cann Group and Haleon, but for the field of cannabis medicines and the industry at large.

In order to capitalise on the opportunity with Haleon – and the potential of our Satipharm product range more broadly – the capsule manufacturing line at Mildura will need to be scaled up before we are capable of supplying at the volumes and price-points required of an over-the-counter pharmaceutical medicine. The Share Purchase Plan announced today will help provide much needed capital to proceed with this work.

Funds from the SPP will contribute to the Company's strategic investment in expanding GMP manufacturing capabilities at Mildura, and assist with working capital over the medium term, while we pursue both the scale-up of manufacturing capability and the preparation and submission of a registration dossier for our S3 over-the-counter product.

To reenforce the comments made by the Chairman – we are firmly focused on expanding our revenue base as soon as possible, now that Mildura is operational. We greatly appreciate the support that our shareholders have given us, and we hope that support will continue as we navigate the next phase of the company's development.

We have an exciting year ahead. With Mildura commissioned, licensed, and operational, we can dedicate more of our energy and attention towards delivering commercial results for our investors. The opportunity of a registered over-the-counter CBD medicine is tangible, and we have the right technology, the right infrastructure, and importantly the right partnerships and relationships to succeed.

At the same time, the market for medicinal cannabis ingredients and unregistered medicines in Australia is continuing to grow rapidly. In just the last few years, medicinal cannabis has become much more accessible, affordable, and accepted in the Australian community. Demand from overseas markets is also growing, and new markets are opening up all over the world. The capacity and cost advantages we can now deploy through our Mildura facility, and the reputation that Australia enjoys for high quality pharmaceutical medicines, means we are in prime position to be a leader in this sector – not just in Australia, but globally.

We are completely focused on delivering on these two strategic short-term goals: leveraging our competitive advantages to grow our revenue streams right now, and making our CBD capsules available at pharmacies so patients can purchase a proven, registered medicine without needing a prescription.

We believe that medicinal cannabis should be affordable and accessible and our investment in the infrastructure and scale necessary to produce affordably priced medicines, and the clinical research required to assess their efficacy, reflects that belief and the company's values more broadly.

We believe that this is the best way to support patients and healthcare professionals, and to build value for our shareholders. And I would like to thank all of our shareholders who have supported Cann Group on our journey so far.

Thanks as well to our Chairman, Allan McCallum, our former and current Board members and executive team, and the staff at Cann Group for their hard work and dedication and their support to me in my role as CEO. After I step away from my executive role, I will continue to follow the progress of the Company very closely and I have every confidence that Cann Group will realise its vision of being a leading global player in the medicinal cannabis industry.

I'd like to play a short video showcasing some of the infrastructure and activity currently happening at Mildura.

I will now hand back to the Chairman – thanks Allan.