

ASX ANNOUNCEMENT

18 January 2022



CANN GLOBAL LIMITED – 2021 ANNUAL GENERAL MEETING

Dear shareholder,

Welcome to the New Year. We hope you and your family are safe and well and have not been impacted by pandemic disruptions over the holiday period.

You will have received the Notice of Meeting for Cann Global's 2021 Annual General Meeting (AGM) which will be held as a virtual meeting on Monday 31 January 2022 at 10:00am (AEST). On behalf of your Board of Directors I encourage you to participate.

Although we would prefer to be able to meet with shareholders in person, having regard to the health and safety of our members and staff and the uncertainty regarding public health restrictions that may apply at the time of the meeting, we have determined that the AGM will this year be held virtually. Shareholders will be able to participate in the meeting online, including asking questions or making comments and voting on resolutions using the online platform. Shareholders who prefer to do so will also be able to join the meeting by telephone.

Cann Global's Notice of Meeting and instructions on how to participate can be viewed or downloaded at <https://canngloballimited.com/investor-centre> under ASX announcements and include further details on how to participate in the meeting online or by telephone.

Strong foundations for Cann Global's growth

As your Independent Chairman I am writing to outline the Board's rationale behind some of the resolutions proposed for shareholders' consideration at the upcoming 2021 AGM, and with a view to assisting you in making an informed decision when casting your vote.

Firstly however, I wanted to give you assurance of the strong position of the company at the start of 2022. This is an exciting time for Cann Global as across the globe regulations are changing to support the medicinal cannabis industry and the Company is well positioned to take advantage of these changes. More information on the Company's business operations will be provided at the AGM and the Annual Report is available for viewing and downloading at:

<https://www.canngloballimited.com/investor-centre/annual-quarterly-reports/>

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Our strategy to continue to innovate and diversify by offering a number of product lines, positions the Group to leverage opportunities in a changing industry landscape and drive revenue with a path to profitability. In the past year the Group has made Canntab's unique cannabinoid product Instacann available in Australia through prescription, commenced a plant-funding operation in Thailand which has already received investment and launched the Fusspot cosmeceutical range. The Company is also in the process of launching a direct to customer health food product range Grassroots. In the first few months of this year the team at Cann Global are focused on ensuring these products are marketed well to drive strong growth in revenue.

While it is disappointing that Cann Global's share price does not reflect the achievements within the business and the growth opportunities within the business I am pleased with the Company's progress towards the launch of these new products this financial year and the creation of three new revenue streams.

As your new Chairman, I am pleased to be leading the Company at this pivotal time and will be working hard to drive the Company's vision and enhance value for our shareholders.

Now turning to the proposed resolutions.

Resolution 3 – Issue of Related Party Shares – Ms Pnina Feldman

Firstly, I'd like to thank Ms Pnina Feldman for her stewardship of the company over the last 13 years and in particular over the period of transitioning from a mining exploration entity to a company focused on leveraging the opportunities within the medical cannabis industry.

Australian Gemstone Mining P/L, controlled by Ms Feldman, had until 30 August 2021, provided management services to Cann Global, including office administration, accounting, secretarial and geological staff and also included the executive services of Ms Pnina Feldman and Mr Sholom Feldman to Cann Global, via a management services agreement. Salaries were not paid directly by Cann Global to Ms Feldman or Mr Feldman or to any of the AGM staff other than the payments made to AGM P/L for their services.

With Ms Feldman's resignation on 30 August 2021, the agreement with AGM P/L was terminated and a settlement fee of \$312,000 to AGM P/L was agreed between the parties. Mr Feldman's executive fee and any other ongoing services previously provided by AGM P/L are now paid directly by Cann Global to the service provider thereby improving transparency and governance.

The agreed settlement fee is equivalent to one year's salary to Ms Feldman for her services or 6 months' payment for both Ms Feldman and Mr Feldman and is within the Corporations Act Listing Rules 5% limit. With the Board's approval Ms Feldman has opted to receive payment by way of shares instead of cash, leaving the Company with more working capital.

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If Resolution 3 does not pass then the Company and Ms Feldman will renegotiate a settlement. The outcome cannot be predicted with certainty.

Resolution 4 – Ratification of Medcan Shares, Resolution 6 – Approval of 7.1A Mandate and Resolution 7 – Ratification of Placement Shares.

The prior issue of shares to Medcan was made under the Medcan Facilitation Agreement. If this resolution does not pass then the issue of shares to Medcan will be calculated as being part of the company's 15% limit of securities the Company can issue without approval.

The same applies to the ratification of the placement shares to 180 Markets referred to in Resolution 8.

It is common practice for listed companies of this size to take advantage of the 7.1A mandate referred to in Resolution 6 and increase the limit of the placement capacity in a 12-month period from 15% to 25%. This provides companies, often in a growth stage, with additional scope to quickly raise working capital.

The company currently has a significant fund of working capital to support operations, and the Board do not foresee the need to raise further capital in the coming year. However, the extra placement capacity would provide flexibility to fund new initiatives and major projects should they arise.

Resolution 5 – Consolidation of Capital

The Board has proposed a consolidation of share capital with a view to increasing the share price, with the intention of having a more solid base with which to attract new investors leading to enhanced liquidity. Together with initiatives to attract more interest from the investment community it is hoped that new demand will more fully reflect business progress and reward our faithful shareholders.

I look forward to welcoming you to the Cann Global 2021 AGM on 31 January 2022 and together with CEO Sholom Feldman providing more of an update on business progress and opportunities for the coming year.

David Austin
Chair

ABOUT CANNGLOBAL

Cann Global Limited (ASX:CGB) is a driving force in the hemp and medical Cannabis industries. Our strength comes from our team's core competencies and expertise, and our solid and strategic partnerships with experts in Australia, Europe, Israel, Asia, and Canada. We are working under the relevant legislation to ensure that the future in Medical Cannabis and Natural Foods will allow medical practitioners, patients, and consumers to gain access to the right information, as well as the safest, most effective and sustainable products.

AUTHORITY AND CONTACT DETAILS

This announcement has been authorised for release by David Austin, Non-Executive Chairman. For further information please contact Investor Relations on +61 (0)2 8379 1832, or via email at investorrelations@cannglobal.com.au.

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