

ASX ANNOUNCEMENT

15 March 2022

Cann's Mildura facility achieves practical completion – ODC permit granted for commercial cultivation

15 March 2022 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announced today that the Company's new state-of-the-art production facility near Mildura has reached the practical completion stage and that the Office of Drug Control (**ODC**) has granted the necessary permit to allow commercial cultivation activities to commence.

While final fit-out and commissioning activity will continue in some areas of the facility, the site has been handed over by the principal builder - Qanstruct (Aust) Pty Ltd - and an occupancy certificate has been issued.

The ODC permit has been issued under the ODC's recently revised "single licence" regulatory framework, under which Cann has now been transitioned to a perpetual licence at all three of its production and research facilities.

The newly issued permit allows for cultivation and production of medicinal cannabis and research activities in relation to medicinal cannabis. A separate permit covering the manufacture of medicinal cannabis products at the Mildura facility is expected to be issued in the near future.

With the issuing of the ODC permit, Cann is now preparing to transfer medicinal cannabis plants from Cann's Southern facility to Mildura to establish starting genetics. The first commercial crop is expected to be harvested by June 2022 and, importantly, will feed into Cann's cannabis extraction activities at the Mildura site utilising its GMP designed manufacture suite and equipment.

The Mildura facility is the most technologically advanced, large-scale medicinal cannabis cultivation and production facility in Australia. The cultivation area incorporates a closed system micro climate-controlled glasshouse to optimise plant growth cycles and multiple integrated automation systems including:

- automated climate control providing heating and cooling systems to balance temperature, airflow and humidity;
- a mobile table system ensuring plants are in the best position for climate, irrigation, light and growth at all stages in the growth cycle;
- state-of-the-art lighting technology;
- automated screening system with up to 99.9% effective blackout to maximise crop cycles, energy savings and provide plant protection;
- multiple-stage water filtration, irrigation and nutrient delivery system featuring full recirculation and cultivar-specific feeding.

Cann's CEO, Mr Peter Crock said "The completion of works in the cultivation areas and our transition into commercial production activity is a major milestone for Cann. Along with the granting of the ODC permits, it represents a tremendous achievement on the part of our project

development and regulatory teams. Our investment in new technology and scale will generate important benefits, including cost efficiencies that will help make Cann globally competitive. As we ramp up commercial production, we will expand our market development activities with the aim of quickly growing our customer and revenue base, capitalising on the scale, cost and quality benefits that Mildura provides.”

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 building a world-class business focused on breeding, cultivating, manufacturing and supplying medicinal cannabis for sale and use within Australia and for approved overseas export markets. Cann also owns Satipharm, a Europe-based business exclusively licensed to manufacture, develop and market a proprietary delivery system for cannabinoids. Cann has established research, cultivation and GMP manufacturing facilities in Melbourne and is developing a state-of-the-art cultivation and manufacturing facility near Mildura, Victoria. Cann Group has established a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. The Company is commercialising a range of imported and locally sourced and manufactured medicinal cannabis products.

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