



HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2019

Cann Global Limited
ABN 18 124 873 507
and Controlled Entities



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CORPORATE DIRECTORY

DIRECTORS

PNINA FELDMAN
Chairperson

SHOLOM FELDMAN
Managing Director

DAVID AUSTIN
Non Executive Director

JONATHAN COHEN
Non Executive Director

JOHN EASTERLING
Non Executive Director

COMPANY SECRETARY

ALEXANDER NEULING

REGISTERED OFFICE

Level 21, 133 Castlereagh Street
SYDNEY NSW 2000

Telephone: (02) 8379 1832

Email: sfeldman@canngloballimited.com

WEBSITE

www.canngloballimited.com

AUDITOR

Nexia Sydney Partnership
Level 16
1 Market Street
Sydney NSW 2000
Telephone: (02) 9251 4600

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000

BANKERS

Bank of Western Australia
Sydney NSW 2000
National Australia Bank
Sydney NSW 2000

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd (ASX).

AUSTRALIAN SECURITY EXCHANGE CODE

CGB

DIRECTORS' REPORT

The Directors present their report together with the financial statements, on the consolidated entity (referred to hereafter as 'the Group'), consisting of Cann Global Limited ('the Company') and the entities it controlled at the end of or during the half-year ended 31 December 2019.

"Dear Shareholders,

On behalf of the Board of Cann Global Limited ("ASX: CGB" "the Company"), I would like to take this opportunity, to first, thank our shareholders for their continuing support in what has been another year of exciting growth and development at CGB, with the relisting of the new company in August, securing large distribution partners such as Costco and Epco, our expansion into Asia and South Africa, and expanding and solidifying our global deals, partners and network further.

We have been particularly pleased with the ongoing milestones achieved by our medical cannabis research team working out of the Technion Institute in Haifa, Israel, which is widely considered to be the leading cannabis research lab in the world. Professor Dedi Meiri and his team continue to advance their research and human trials in cooperation with some of Israel's leading hospitals in finding a cure and treatment of Multiple Sclerosis.

We are also very excited about the development of our new hemp skincare range. Our team continues to work closely with Pharmocann's formulators in Israel and in consultation with select Australian cosmetic manufacturing companies. We are confident our products will exceed our customers' expectations. CBI, the World Centre for the Promotion of Imports, and industry body Austrade, have reported that demand for natural ingredients in cosmetics is on the rise, particularly in Europe. Austrade has identified and recognises that consumer confidence is high as companies position to gain access to Australia's dynamic and exciting range of cosmeceutical products, due to the purity and quality found in Australian natural ingredients.

The Company is presently in discussions with potential distribution and production partnerships and are also exploring acquisition opportunities in North America and Europe, which would further cement Cann Global as a truly global company.

New Opportunities

In September, we were pleased to announce a distribution agreement with Costco Australia for our premium quality certified organic hemp seed oil capsules. Discussions have continued, and in January we received two new SKU orders for our Certified Organic Hemp protein flavoured blends and a further purchase order for our Hemp Seed oil capsules.

We continue to remain focused on increasing company revenues and are pleased with the results from our Food Division. We are looking forward to a rewarding year ahead as the business continues to build from its solid infrastructure and sales platform and continues to perform as planned and expected.

Challenging conditions

The Board has been monitoring and was aware that Australia has been experiencing its worst drought and unprecedented bushfire season in recorded history, breaking many records and creating unique challenges for the agricultural industry, and, in particular, the Cannabis & Hemp Seed Foods industry. Globally, Cannabis has also faced challenges and pressures with the overproduction of Cannabis and Hemp in those countries that have national approvals as well as regulatory delays for exporting in many countries.

Globally, the stock market faces significant ongoing challenges as both international and Australian markets react to the impact on business confidence with the spread of the Coronavirus. The vast majority of Cann Global's supply chain is here in Australia and export inquiry for CGB's products remains high. We are aware that the government's present travel-ban to China may cause some delays in shipment and order processing, however, this has had no impact on our contracts negotiations with our overseas partners and distributor network.

The Company's business plan remains flexible to take advantage of and to adjust and keep pace with the constant changes occurring with the global legislative environment in the Cannabis industry. CGB will continue to focus on building strong foundations to ensure there is a consistent path leading to increased revenues.

Cann Global is committed to expanding our international footprint by entering into partnerships with industry leaders in medicinal Cannabis research. We are working cooperatively towards developing partnership IP's which we believe will eventually create revenue streams from the sale of medicinal Cannabis pharmaceuticals and nutraceuticals, such as 'Olivia's Choice'.

Conclusion

The Board is of the belief that the ecological and political challenges that have been facing the Cannabis industry over the past years will continue to pose new challenges and opportunities moving forward into this new decade. This only serves to highlight the important work done and deals/partnerships secured over the last 2 years to establish our relationships that will ensure that we are able to meet these future challenges and opportunities with confidence and with a sustainable and ethical infrastructure plan in place.

As opportunities for expansion, strategic partnerships and alliances present, we will continue to move forward as a significant global medicinal cannabis, hemp seed and wellness corporation effecting positive outcomes for the future of hemp seed products with our global view focused on revolutionising medical cannabis research. We will continue to work to achieve our goal in making CGB a strong performer in the market of unique and high quality Cannabis research, production, manufacturing and distribution, thereby improving the lives of millions around the world, and ultimately in significantly increasing shareholder wealth."

DIRECTORS

The following persons were Directors of Cann Global Limited during the whole of the financial half-year and up to the date of this report, unless stated otherwise:

PNINA FELDMAN

Chairman

SHOLOM FELDMAN

Managing Director

DAVID AUSTIN

Non-Executive Director

JONATHAN COHEN

Non-Executive Director

JOHN EASTERLING

Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year ended 2019 were legally developing, growing, cultivating and producing hemp and medicinal cannabis products; and mining exploration and evaluation in Australia.

REVIEW OF OPERATIONS

The consolidated loss for the half-year ended 31 December 2019 was \$5,436,807 (2018 loss \$3,561,520).

The net consolidated assets of the Group have increased to \$11,011,018 as at 31 December 2019 from \$2,886,997 as at 30 June 2019.

DEVELOPMENT OF OUR OPERATIONS IN LAOS

As announced in October 2019, Cann Global Limited (CGB or the Company) signed a Deed of Agreement with Sun Agriculture Promotion Industry and Commercial Co., Ltd ("SUN") in Laos PDR (Laos). The agreement provides the Company with access to SUN's hemp licenses to cultivate and process CBD hemp in Laos. The operations in South-East Asia will be managed by CGB's management partners, David Evans B.Sc., and Christopher Waldron B.Sc., under the Company's controlled subsidiary, Cann Global Asia Pty Ltd (CGA).

CGA has access to three recognised cultivation practices in Laos for seed plant cultivation and harvesting. The Company, in partnership with SUN, is currently focusing on cultivating hemp crops through broad-acre management and green-house vertical farming practices.

SUCCESSFUL HARVEST OF FIRST PILOT BROAD-ACRE CROP OF CBD HEMP

SUN has successfully harvested its pilot broad-acre crop of CBD hemp. The pilot crop plant material is being sent to the new extraction facilities to be used in the manufacturing and production of wholesale products and Cann Global's new high-end retail product range, La Vie in Hemp. The first batch run of La Vie in Hemp product is planned for exporting in March 2020.

DISTRIBUTION TO CHINA

The management team at CGA has been primarily focusing on establishing sales channels into China. China has been identified as potentially becoming the largest single market for hemp and cannabinoid products in the world. CGA is currently negotiating distribution agreements with local distributors to gain access to pharmacy chains, supermarket chains and China's large online retail sales market.

The company has begun negotiating and entering into distribution agreements with leading North American and French brands to resell their products in China. CGA will also export Cann Global's new Pharmocann and La Vie in Hemp premium hemp products to its network in China. Ten pilot retail sites have been identified to receive the Company's selection of hemp seed and cosmeceutical products for product testing and consumer acceptance. Cann Global is currently providing product support information to satisfy the strict import protocol requirements to import hemp products into the Chinese market.



FOOD DIVISION

The food division has taken a conservative growth and development approach over the preceding 24-months period, rather than an aggressive marketing and price-out approach.

During the half-year, in discussions with hemp industry fellows, including farmers and other distributors, it became apparent that whilst the hemp market is becoming operationally lucrative in Australia, in the medium to long term, significant effort to improve product awareness and improve growing and manufacturing processes needed to be undertaken in the short term. This has been an important part of the Group's business plan.

The acquisition of T12 opened up access to the entirety of the health & wholefoods sector outside of hemp, which has also significantly assisted in driving increased revenue.

Throughout the half-year, T12's management team focused on drought proofing its business model with the aim to increase divisional gross profits. Even though gross profits for 2019 were overall negative, T12's products' sector sales increased, with a reported revenue of \$673,365. Gross margins had increased considerably due to improved processing output and the incorporation of non-hemp products.

Whilst initially positive, the gross margins for Vitahemp moved into negative in 2019 due to higher raw hemp seed costs, driven by tough grower conditions. The group was still able to partially offset the loss by the manufacturing processes of Hemp Hulling Co & partners Waltanna Farms who, during the period, refined their procedures to provide a more favourable output yield upon processing raw hemp seed.

The Group also had to revise its business plan with Vitaseeds. Vitaseed's initial operation plan was to be a "buy-back" model under which structure the company would cover the sowing fees provided to growers. Growers would in-turn pay for that seed via a discount to buy-back price of each harvest. As a result of unfavourable conditions, a number of growers were unable to recoup a harvest that covered the value of the seed provided and as a consequence Vitaseeds maintained a gross margin loss in each year.

In light of this, the company has put on hold the previous model, and has now passed the responsibility to purchase sowing seed directly to each grower. A priority purchase agreement is maintained with each grower to allow the company first right of purchase of any future harvests. CGB is working diligently with growers to assist in breeding seed genetics that provide greater yield in the Australian climate.

T12 reported a net loss during the half-year of \$102,000, which included expenditures taken over for the operations of Vitahemp Pty Ltd. The food division returned an operating profit for the months of October through December primarily as a result of the EPCO & CostCo distribution agreements.

Should current levels of distribution continue to EPCO and Costco, T12 anticipates that the annual turnover from its sales contracts should begin to deliver positive net profit to the food sector this year.

The company notes that whilst demand may be immediate for substantial bulk order increase, growers require offtake agreements to be signed before sowing seed which means it does take time to fulfil greater orders. As mentioned in previous announcements, T12 has secured 200MT of hemp seed on this basis to satisfy this year's hemp requirements.



RESEARCH AND INNOVATION CANNABIS EXTRACT AS A POTENTIAL THERAPY FOR MULTIPLE SCLEROSIS

Millions of people worldwide are afflicted with multiple sclerosis (MS) (Compston & Coles, 2008). MS is a chronic disease of the brain and spinal cord and is a common cause of serious physical disability in young adults, especially women (Compston & Coles, 2008). MS has a heterogeneous presentation that can include sensory and visual disturbances, motor impairments, fatigue, pain and cognitive deficits.

Five new skilled researchers have joined the team at the cannabis research laboratory at the Technion in Haifa, Israel, led by Professor David Meiri who is the principal investigator of this work, and the head of immunology group Dr Hila Novak Kotzer, and the head of the neurology group Dr Gil Lewitus.

The overall objective of the study is to match effective Cannabis extracts that regulate/modulate immune function, specifically, autoimmunity in MS in order to optimise treatment for MS patients.

In the last year, the scientific team at Technion has established the novel ability to analyse the specific chemical composition of Cannabis plants. The purpose was to identify the effects of different cannabinoids and terpenes both individually and in combination on the function of immune cells, specifically on MS-derived autoimmune and regulatory cells in vitro. The evaluation of the immunomodulatory properties of specific cannabinoid extracts, in vivo rodent models of MS, allows them to detect the most effective Cannabis extract and cannabinoid profiles for regulating immunopathology in MS.

The 1st step was to characterise clinically-used Cannabis chemovars. They started by analysing different cannabis chemovars that are anticipated to have an effect on the immune system.

The 2nd step was to screen for the immunoregulatory properties of different Cannabis chemovars on different immune cell function and MS immunopathology.

For this purpose, the Technion team established an in-vitro screening system for various immune cells that play a central role in both mediating and regulating MS pathophysiology. This means that cannabinoids that can regulate these cells functions have a high therapeutic potential. It was noted that not all chemovars have the same killing properties.

The 3rd step, following the findings that different Cannabis chemovars had different killing abilities, was to test the effect of different Cannabis chemovars on specific proliferating human cells. It is anticipated that harvesting the potential of cannabinoids as part of the arsenal for MS therapy may open new treatment possibilities for the immunopathology in MS.

From the screening of different Cannabis extracts on specific human cells, the 4th step was to test the killing properties of Cannabis extracts.

The next stage in Technion's research was to demonstrate the neuroprotective properties of specific Cannabis extracts on MS rodent models. In the last year the team finished establishing an acute rodent model for MS in lab. These exciting and promising results showed that some specific cannabis formulations appear to have a great potential to improve symptoms.

Human trials on the specific identified formulations are currently being undertaken, patents are currently being applied for, and it may be possible for a cannabis product to be available for development and production later this year.

The Board are extremely pleased at the success to date of this research and of the humanitarian and commercial benefits that this may translate into for so many people and for the shareholders of CGB.

CANNTAB

The Company has been working with Canntab to import their range of products into Australia. As previously announced in detail, we expect these products to be much sought after in the marketplace, and lucrative for the Company. The Company is currently working on the permits for import and will announce to market as soon as a definite date for import is secured.



PHARMOCANN

As previously announced, the Company has a joint venture with leading Israeli Cannabis company Pharmocann, to produce in Australia their unique cosmeceutical range of products.

The first range of skin care products are in advanced development stage with the plan to come to market by mid 2020.

This premium line of cosmeceuticals has been formulated to the highest standards, using active ingredients with proven efficacy as well as harnessing the power of cannabis and hemp.

The company is planning to create three ranges of products; women's, men's and therapeutics (aromatic). At this stage, we have already developed 8 formulas for the women's range which will include face creams and serums, as well as masks and cleansers. The other ranges are also developing rapidly, and we expect another 8 product types, 4 in each category.

The Company anticipates the formal launch of the skin care range to take place in the coming months.

The initial markets intended for distribution include Australia, New Zealand and the Asia- Pacific region.



OLIVIA'S CHOICE

On 10th December 2019, CGB announced an agreement to secure the exclusive rights to the IP of the unique medicinal cannabis formulations that have been used by Olivia Newton-John in her recent health challenge. With her holistic approach to her stage 4 metastatic breast cancer, Olivia credits these formulations in conjunction with her conventional therapies for her much improved health.

These formulations are known as "XO 27 XP, and ONJ 18 XP and ONJ XO" and are intended to be distributed to the global marketplace under Cann Global's label.

These Cannabis formulations have been uniquely developed, formulated and researched over the past 6 years by Olivia's husband and world-renowned, plant-derived medical formulations expert John Easterling, a non-executive director of Cann Global. The existence of these formulations have recently been widely publicised in the media, by Olivia, to which she attributes, in conjunction with her conventional treatments, much of her recent positive developments in the restoration of her health. Olivia has reported improvements in three main areas: 1) Pain relief 2) Increased mobility 3) Increased healthy blood count numbers. She credits the administering of these formulations, over time, in conjunction with her other conventional treatments, to having also markedly increased her energy and continued well-being.

"My mobility has increased dramatically. As a complement to my therapies these formulas have been wonderful. All my numbers are moving in the right direction."

"If you had told me a few years ago I would be talking openly about my experiences with cannabis I never would've believed you, but I feel so strongly about it that I wanted to let it be known and made available for anyone who may require it for medical purposes. In addition, I am aware of others who have tried these formulas who have experienced real benefit too. I would love to see these formulas scientifically studied and proven in a clinical setting."

Utilising the current medical cannabis legislation in Australia and subject to any regulatory approvals and permits that may be required, Cann Global intends to produce these formulas in Australia and make it available to patients as soon as possible through the Special Access Scheme, Medical Cannabis program in Australia, and to also explore its export potential to provide to patients globally. Cann Global also intends to actively support Olivia's wish for clinical trials using these formulas to be conducted with cancer patients.

Olivia says, "John's unique cannabis formulas have been a huge help to me with sleep, stress, mood, and of course pain. I was able to wean myself completely off morphine and all pain meds using cannabis which is something I think everyone should know is possible."



Olivia Newton-John

John Easterling has over 30 years of experience in developing therapeutic products from plants which includes many years of experience in medical cannabis cultivation and products. He has formulated specific medicinal cannabis products from multiple chemovars that Olivia Newton-John has been using.

He founded the Amazon Herb Company in 1990 with his product formulations generating over \$100m in revenue worldwide. John has bred a dozen new genetics from the Cannabis plant and his focus is on formulating a broad range of cannabinoid and terpene profiles for therapeutic benefits. John married Olivia Newton-John in 2008 and shares her passion in supporting the continuing growth of the Olivia Newton-John Cancer Wellness and Research Centre in Melbourne. John is an advocate for legislation reform in Australia to allow for wider access for medical Cannabis.

THE DEAL

The deal between CGB and John Easterling is a cash-free deal and subject to shareholder and any other regulatory approvals that may be required, and based upon a stock-for-stock exchange agreement by and among Cann Global, Plant Matrix Research Pty Ltd (PMRPL) which is the Company that John has set up in Australia which owns the IP, and Botanical Science Pty Ltd (BSPL) an Australian Company controlled by John Easterling which is the 100% owner of PMRPL as a trustee of a trust controlled by John Easterling, set up for the purposes of Cannabinoid Formula Research and Development.

CONSIDERATION

In consideration for the Stock-for-Stock Exchange pursuant to the Agreement, and subject to shareholder approval, CGB will transfer to BSPL 50 million CGB Shares simultaneously with the transfer to CGB by BSPL of eighty percent (80%) of the shares of PMRPL. BSPL will retain a twenty percent (20%) ownership interest in PMRPL.

CGB intends to review and assess the optimum funding arrangements for PMRPL to develop commercial opportunities and back the continued research and clinical trials of these products. Subject to regulatory approvals CGB intends to investigate raising money directly into PMRPL with the view to independently list PMRPL on the ASX in 2020. In the event that Cann Global elects to proceed with this strategy, it is intended that a priority allocation of shares will be reserved for existing shareholders of CGB.

AUSTRALIAN REGISTRATIONS

With the view to conducting the continued research of his unique formulas in Australia, John Easterling registered these two Australian companies (PMRPL) and (BSPL) in January 2019 to comply with, and meet all the necessary Australian regulatory requirements, and to make the necessary applications in due course to protect the IP in Australia and globally as and when required.

John Easterling, through Plant Matrix Research Pty Ltd, will work closely with Cann Global's Medical Cannabis Research Division, Medical Cannabis Research Group (MCRG) and collaboratively with MCL's Technical Director, Andrew Kavasilas, and Prof. David (Dedi) Meiri at the Haifa, Technion Israel, to further the clinical studies on these formulas.

PMRPL is the exclusive owner of the cannabis based therapeutical formulations which form the basis of the "Intellectual Property" or "IP." All shares of PMRPL are currently owned by BSPL, controlled by John Easterling, who:

- has a wealth of experience in developing therapeutical products from plants, which includes many years of experience in medical Cannabis cultivation and products; and
- has formulated the IP;

The Cann Global Research Team and Company management are most encouraged and excited with this deal which the Board believes will not only be of world health interest, but with the anticipated successful sales in due course, should also bring meaningful income to the Company.



John Easterling

KOEGAS MEDICINAL IN SOUTH AFRICA

DEVELOPMENTS

In December, the Company announced that it had entered into a Heads of Agreement with the South African company Koegas Medicinal Herbs Pty Ltd (Koegas) to establish a Joint venture (CGB to hold 70%) in medicinal Cannabis production and distribution in Africa.

Cann Global continues to develop and expand its footprint into global markets and the Company believes that the recently announced H.O.A. with Koegas, will further both our global expansion and securing revenue opportunities to sustain the future of the company moving forward into the new decade. Africa is being recognised as a huge emerging market and is considered to be of strategic importance in the establishment of a base in Africa for the distribution of CGB's existing and future products for local and international export markets.



TENEMENTS

As at 31st December 2019, the Company held the following tenements:

PROJECT NAME			INTEREST HELD %
Eastern Australia Bauxite Projects			
South Johnstone QLD	EPM18463	Granted	100%
South Johnstone QLD	MDL2004	Granted	100%

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year.

EVENT SUBSEQUENT TO DATE

There has not arisen in the interval between the end of the financial half-year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13 and forms part of the directors' report for the half-year ended 31 December 2019.

Signed in accordance with a resolution of the Board of Directors:



Pnina Feldman

Chairperson

Sydney

28th of February 2020

For further information, please contact:

Cann Global Limited

Tel: +61 (0)2 8379 1832

For further information or any queries please email the Company at:

sfeldman@canngloballimited.com

<https://twitter.com/CGBCannGlobal>

ABOUT CANN GLOBAL LIMITED

Cann Global Limited is a driving force in the medical Cannabis and nutritional hemp industries. Our strength comes from our team's core competencies and expertise and our solid and strategic partnerships with experts in Australia, Israel and Canada. We believe in building a stronger industry together. We are working under the provision of legislations 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, highest quality, most effective and sustainable products. Part of our work is to keep researching and educating. We are part of a worldwide movement, the return to Nature. This movement is more than just a phenomenon, it is a necessity. At Cann Global Limited, we are committed to leading a movement, not just a business.

The Board of Directors
Cann Global Limited
Level 21
133 Castlereagh Street
SYDNEY NSW 2000

To the Board of Directors of Cann Global Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the review of the financial statements of Cann Global Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely

Nexia Sydney Partnership



Stephen Fisher
Partner

Sydney
28 February 2020

Sydney Office

Level 16, 1 Market Street
Sydney NSW 2000
PO Box H195
Australia Square NSW 1215
p +61 2 9251 4600
f +61 2 9251 7138
e info@nexiasydney.com.au
w nexia.com.au

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FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	CONSOLIDATED ENTITY	
	31 DECEMBER 2019 \$	31 DECEMBER 2018 \$
Interest received	62,228	62,850
R&D Grant	23,281	-
Sales	673,365	304,167
Corporate and administrative expenses	(920,688)	(1,043,523)
Cost of goods sold	(544,574)	(371,334)
Depreciation and amortisation	(38,185)	(23,661)
Exploration expenditure	(70,198)	-
Impairment of other receivables	-	(380,736)
Directors fees - Cann Global Limited (CGB)	(337,000)	(357,000)
Directors fees - Medical Cannabis Limited (MCL)	(60,000)	(60,000)
Legal expenses	(45,827)	(499,711)
Finance cost (Note 10)	(1,811,145)	(548,617)
Use of office space and factory premises	(72,142)	(108,716)
Financial assets at FVTPL – net change in value	-	(944,237)
Loss on equity settled liabilities (Note 10)	(308,157)	-
Research cost	(1,065,246)	(401,878)
Advertising and marketing	(73,072)	(115,197)
Other expenses	(145,833)	(20,187)
Travelling expenses	(124,215)	(146,968)
Exchange loss realised	(20,394)	(23,625)
Share based payments expense (Note 6)	(607,446)	(257,583)
Share of loss in equity-accounted investees – net of tax	-	(8,472)
Loss before income tax	(5,485,248)	(4,944,428)
Income tax expense	-	-
Loss after tax	(5,485,248)	(4,944,428)
Total comprehensive income	(5,485,248)	(4,944,428)
Loss attributable to members of Cann Global Limited	(5,436,807)	(3,561,520)
Total comprehensive income attributable to members of Cann Global Limited	(5,436,807)	(3,561,520)
Loss attributable to non-controlling interest	(48,441)	(1,382,908)
Total comprehensive income attributable to non-controlling interest	(48,441)	(1,382,908)
Basic earnings per share (cents per share)	(0.18)	(0.31)
Diluted earnings per share (cents per share)	(0.18)	(0.31)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CONTINUING OPERATIONS	CONSOLIDATED ENTITY	
	31 DECEMBER 2019 \$	31 DECEMBER 2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,573,921	5,183,769
Trade and other receivables (Note 7)	1,248,254	936,057
Prepayments	18,760	103,513
Inventory	704,877	168,864
TOTAL CURRENT ASSETS	8,545,812	6,392,203
NON-CURRENT ASSETS		
Exploration and evaluation (Note 8)	2,243,102	2,238,019
Property, plant and equipment	499,892	73,404
Intangible asset (Note 9)	4,503,456	1,919,311
Equity accounted investee	-	210,974
Investment in Cann Global South Africa	200,000	-
TOTAL NON-CURRENT ASSETS	7,446,450	4,441,708
TOTAL ASSETS	15,992,262	10,833,911
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	872,583	1,249,247
Other financial liabilities (Note 10)	3,815,995	6,405,001
Current tax liability	292,666	292,666
TOTAL CURRENT LIABILITIES	4,981,244	7,946,914
TOTAL LIABILITIES	4,981,244	7,946,914
NET ASSETS	11,011,018	2,886,997
EQUITY		
Issued capital (Note 11)	82,909,026	29,600,842
Share based payments reserve	5,965,277	5,253,372
Accumulated losses	(35,295,213)	(29,858,406)
Acquisition of non-controlling interests reserve	(42,498,259)	-
TOTAL	11,080,831	4,995,808
Non-controlling interest (Note 12)	(69,813)	(2,108,811)
TOTAL EQUITY	11,011,018	2,886,997

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	ISSUED CAPITAL	ACCUMULATED LOSSES	SHARE BASED PAYMENTS RESERVE	ACQUISITION OF NON-CONTROLLING INTERESTS RESERVE	NON-CONTROLLING INTEREST (NCI)	TOTAL EQUITY
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	29,600,842	(23,617,200)	4,701,599	-	864,148	11,549,389
Loss for the half-year	-	(3,561,520)	-	-	(1,382,908)	(4,944,428)
Transfer from share based payments reserve to accumulated losses	-	20,207	(20,207)	-	-	-
Transfer from accumulated losses to NCI	-	173,522	-	-	(173,522)	-
Share and option based payments (Note 6)	-	-	257,583	-	-	257,583
Balance at 31 December 2018	29,600,842	(26,984,991)	4,938,975	-	(692,282)	6,862,544
Balance at 1 July 2019	29,600,842	(29,858,406)	5,253,372	-	(2,108,811)	2,886,997
Loss for the half-year	-	(5,436,807)	-	-	(48,441)	(5,485,248)
Transfer from share-based payments reserve to accumulated losses	-	-	-	-	-	-
Share and option-based payments (Note 6)	-	-	711,905	-	-	711,905
Acquisition of additional 45% interest in MCL	40,410,820	-	-	(42,498,259)	2,087,439	-
Shares issued during the half year	12,897,364	-	-	-	-	12,897,364
BALANCE AT 31 DECEMBER 2019	82,909,026	(35,295,213)	5,965,277	(42,498,259)	(69,813)	11,011,018

The accompanying notes form part of the statement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTES	CONSOLIDATED ENTITY	
		31 DECEMBER 2019 \$	31 DECEMBER 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(4,793,143)	(2,801,103)
Interest received		62,228	62,850
Proceeds from sales		1,119,013	251,457
Net cash outflow from operating activities		(3,611,902)	(2,486,796)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration assets		(5,083)	(183,708)
Payment for plant and equipment		(6,361)	(22,458)
Net cash outflow from investing activities		(11,444)	(206,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan provided to related company – Australian Gemstone Mining Pty Ltd		(40,541)	(9,783)
Proceeds from share capital		5,950,000	-
Proceeds from issue of convertible securities		2,221,200	500,000
Proceeds from seed capital loans		-	1,652,646
Loans provided to other entities		(60,000)	-
Loan repaid to MCL Director		(531,591)	-
Loan repaid to other party		(115,037)	-
Loans repaid to seed capital providers		(2,450,000)	-
Net cash inflow from financing activities		4,974,031	2,142,863
Net increase/(decrease) in cash held		1,350,685	(550,099)
Cash and cash equivalents at the beginning of the half - year		5,183,769	6,409,317
Cash acquired from HHC and T12 acquisition (Note 16)		39,467	-
Cash and cash equivalents at the end of the half – year		6,573,921	5,859,218

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: CORPORATE INFORMATION

The interim financial report of Cann Global Limited for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 28 February 2020.

Cann Global Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is Level 21, 133 Castlereagh Street, Sydney NSW 2000.

The principal activities of the Group during the half-year ended 2019 were legally developing, growing, cultivating and producing hemp and medicinal cannabis products; and mining exploration and evaluation in Australia.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2019 has been prepared in accordance with applicable Accounting Standards including Accounting Standard AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Cann Global Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Group has adopted all of the new and revised Accounting Standards and Accounting Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year.

NOTE 3: USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, is in relation to share and option based payments and convertible securities.

**NOTE 4:
OPERATING SEGMENTS****a. Basis for segmentation**

The Group has three reportable segments; cannabis, mining exploration and evaluation and corporate. The corporate segment includes all of our initiatives in corporate growth activities and provides administrative, technical and financial support.

b. Information about reportable segments

Information related to each reportable segment is set out below.

	CANNABIS	MINING EXPLORATION & EVALUATION	CORPORATE	TOTAL
31 December 2019				
Segment revenues	673,365	-	-	673,365
R&D Grant	23,281	-	-	23,281
Less: Intersegment revenues	-	-	-	-
Revenues	696,646	-	-	-
Interest income	-	-	62,228	62,228
Depreciation	(19,266)	(2,309)	-	(21,575)
Amortisation	(16,610)	-	-	(16,610)
Finance costs	-	-	(1,811,145)	(1,811,145)
Other costs	(1,807,107)	(70,198)	(2,517,487)	(4,394,792)
Loss before tax	(1,146,337)	(72,507)	(4,266,404)	(5,485,248)
Income tax expense	-	-	-	-
Loss after tax	(1,146,337)	(72,507)	(4,266,404)	(5,485,248)
Capital expenditures	6,362	5,083	-	11,445
Total assets	6,324,355	2,263,456	7,404,451	15,992,262
Total liabilities	(542,661)	-	(4,438,583)	(4,981,244)

	CANNABIS	MINING EXPLORATION & EVALUATION	CORPORATE	TOTAL
31 December 2018				
Segment revenues	304,167	-	-	304,167
Less: Intersegment revenues	-	-	-	-
Revenues	304,167	-	-	304,167
Interest income	-	-	62,850	62,850
Depreciation	(5,642)	(6,519)	-	(12,161)
Amortisation	(11,500)	-	-	(11,500)
Impairment receivables	(374,602)	-	(6,134)	(380,736)
Finance costs	-	-	(548,617)	(548,617)
Other costs	(2,973,161)	-	(1,385,270)	(4,358,431)
Loss before tax	(3,060,738)	(6,519)	(1,877,171)	(4,944,428)
Income tax expense	-	-	-	-
Loss after tax	(3,060,738)	(6,519)	(1,877,171)	(4,944,428)
Capital expenditures	21,600	183,709	-	205,309
Total assets	4,940,552	2,066,653	6,403,176	13,410,381
Total liabilities	(1,054,049)	-	(5,493,788)	(6,547,837)

NOTE 5: LOSS FOR THE HALF-YEAR

The consolidated loss for the half-year ended 31 December 2019 was (\$5,485,248) 2018: loss (\$4,944,428).

**NOTE 6:
SHARE BASED PAYMENTS EXPENSE**

The share-based payments expense for the half-year ended 31 December 2019 relates to the following share issues:

	HALF-YEAR ENDED 31.12.19 \$	HALF-YEAR ENDED 31.12.18 \$
Shares issued to consultants	418,257	257,583
Shares issued to T12 Pty Ltd management (T12)	189,189	-
	607,446	257,583
Finance cost - Convertible securities - L1 Capital	104,459	-
Increment to share based payments reserve	711,905	257,583

**NOTE 7:
TRADE AND OTHER RECEIVABLES**

	31 DECEMBER 2019 \$	30 JUNE 2019 \$
CURRENT		
Trade receivables	165,951	7,254
Other receivables	271,814	354,833
Loans to related parties – refer to note 13	58,489	39,654
Loan to associated company – Hemp Hulling Co (Qld) Pty Ltd	-	111,620
Loan to other party	60,000	422,696
Loan to other party (Note 10)	692,000	-
	1,248,254	936,057

**NOTE 8:
EXPLORATION AND EVALUATION**

	31 DECEMBER 2019 \$	30 JUNE 2019 \$
NON-CURRENT		
Balance as at beginning of the period	2,238,019	1,863,760
Mining permits, tenement acquisition and administration and geologist expenses	5,083	374,259
Impairment of exploration asset	-	-
Balance as at reporting date	2,243,102	2,238,019

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- results of future exploration, and
- recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The mining tenement which the exploration and evaluation asset relates is EPM 18463, which is due to expire on 5 June 2020.

NOTE 9:
INTANGIBLE ASSETS

	31 DECEMBER 2019		30 JUNE 2019	
	\$		\$	
Seedbank and plant genetics	230,000		230,000	
Accumulated amortisation	(57,500)		(46,000)	
Goodwill	4,322,016		1,726,261	
Intellectual property – website at cost	30,600		25,600	
Accumulated amortisation	(21,660)		(16,550)	
Total intangible assets	4,503,456		1,919,311	
31 DECEMBER 2019	INTELLECTUAL PROPERTY WEBSITE	SEEDBACK AND PLANT GENETICS	GOOD WILL	TOTAL
	\$	\$	\$	\$
Carrying amount year ended 30 June 2019	9,050	184,000	1,726,261	1,919,311
Acquisition of HHC (Note 16)	-	-	1,630,755	1,630,755
Acquisition of T12 (Note 16)	-	-	965,000	965,000
Additions	5,000	-	-	5,000
Accumulated amortisation	(5,110)	(11,500)	-	(16,610)
Carrying amount year ended 31 December 2019	8,940	172,500	4,322,016	4,503,456

NOTE 10:
OTHER FINANCIAL LIABILITIES

	31 DECEMBER 2019	30 JUNE 2019
	\$	\$
CURRENT		
Loan - Seed capital loans – unsecured	-	3,638,575
Loan from MCL Director – unsecured	162,430	694,021
Loan from related party – Director – unsecured	-	115,037
Loan from other party – unsecured	87,565	153,333
Convertible securities - L1 Capital pursuant to the financing agreement – secured	3,566,000	1,804,035
	3,815,995	6,405,001

RECONCILIATION OF MOVEMENT IN OTHER FINANCIAL LIABILITIES

	SEED CAPITAL LOANS	LOAN FROM MCL DIRECTOR	LOAN FROM RELATED PARTY - DIRECTOR	OTHER LOAN	CONVERTIBLE SECURITIES L1 CAPITAL	TOTAL
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	3,638,575	694,021	115,037	153,333	1,804,035	6,405,001
Cash movements:						
Seed capital loans advanced	50,000	-	-	-	-	50,000
Convertible securities issued	-	-	-	-	2,221,200	2,221,200
Loans repaid	(2,450,000)	(531,591)	(115,037)	-	-	(3,096,628)
Other loan advanced	-	-	-	87,565	-	87,565
Other changes:						
Finance cost recognised	762,055	-	-	22,667	1,026,423	1,811,145
Loss on equity settled liability	-	-	-	-	308,157	308,157
Conversion to shares	(2,692,630)	-	-	(176,000)	(1,808,157)	(4,676,787)
Amount recognised as debtor loan (Note 7)	692,000	-	-	-	-	692,000
Other	-	-	-	-	14,342	14,342
BALANCE AT 31 DECEMBER 2019	-	162,430	-	87,565	3,566,000	3,815,995

NOTE 11:
ISSUED CAPITAL

	31 DECEMBER 2019 \$	30 JUNE 2019 \$
Share capital on issue 3,210,520,210 (30 June 2019: 1,612,435,425) fully paid ordinary shares (no par value)	82,159,026	28,850,842
50,000,000 (2018: 50,000,000) performance shares (no par value)	750,000	750,000
	82,909,026	29,600,842

	31.12.2019 No.	31.12.2019 \$.	30.06.2019 No.	30.06.2019 \$.
Ordinary shares				
At the beginning of reporting period	1,612,435,425	28,850,842	1,606,852,092	28,850,842
Share based payments	21,235,700	-	5,583,333	-
Capital raising	170,000,000	5,950,000	-	-
Acquisition MCL 45%	1,154,250,000	40,398,750	-	-
Acquisition HHC 30%	40,540,541	1,418,919	-	-
Acquisition T12 100%	21,621,621	756,757	-	-
Investment in Cann Global South Africa	10,000,000	200,000	-	-
Conversion of convertible securities into ordinary shares – L1 Capital	97,218,945	1,808,157	-	-
Conversion of seed loans into ordinary shares	76,932,264	2,692,629	-	-
Conversion of loan into ordinary shares	6,285,714	176,000	-	-
Less: Cost of capital raising	-	(93,028)		
At reporting date	3,210,520,210	82,159,026	1,612,435,425	28,850,842
Performance shares				
At the beginning of reporting period	50,000,000	750,000	50,000,000	750,000
At reporting date	50,000,000	750,000	50,000,000	750,000
	3,260,520,210	82,909,026	1,662,435,425	29,600,842

TERMS AND CONDITIONS OF ISSUED CAPITAL

Ordinary Shares

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

Performance Shares

Performance shares do not have the right to receive dividends as declared by the board and, in the event of winding up the Company, do not participate in the proceeds from the sale of any surplus assets. Performance shares do not entitle the holder to a vote either in person or by proxy at a meeting of the Company.

**NOTE 12:
NON-CONTROLLING INTERESTS**

	31 DECEMBER 2019 \$	30 JUNE 2019 \$
Non-controlling interest in equity at 30 June	(2,108,811)	864,148
Acquisition of additional 45% interest in MCL, resulting in derecognition of non-controlling interest	2,087,439	-
Transfer from accumulated losses	-	(173,522)
Loss attributable to non-controlling interest	(48,441)	(2,799,437)
Total non-controlling interests	(69,813)	(2,108,811)

**NOTE 13:
RELATED PARTY TRANSACTIONS*****Identity of related parties***

The Group has related party relationships with its subsidiaries, its key management personnel and companies related due to common directorships, Pnina Feldman being a Director of both Cann Global Limited and the director of related companies.

Related party transactions with Australian Gemstone Mining Pty Limited

The Company and Australian Gemstone Mining Pty Limited (AGMPL) are parties to a management services agreement (Management Services Agreement) dated 1 July 2007, and the variation deed dated 1 July 2018, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Group by the following executives:

- **Pnina Feldman** – *Executive Director, Business Development;*
- **Dr Robert Coenraads** – *Head Geologist, Exploration and Mining; and*
- **Sholom Feldman** – *Chief Executive Officer and Managing Director.*

AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Dr Robert Coenraads and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provided additional administrative services to the Group, such as secretarial, accounting and office management services. These services were provided to the Group by AGMPL on reasonable arm's length terms as approved by the independent director(s).

	HALF-YEAR ENDED 31.12.2019 \$	HALF-YEAR ENDED 31.12.201 \$
Consulting services – Geologist Fees	126,000	180,000
Rent	33,683	85,716
Management and secretarial	105,000	90,000
Marketing services	10,000	60,000
Executive and corporate services	312,000	312,000
Administrative fee	84,000	168,000
Reimbursement of expenses	3,439	3,054
TOTAL	674,122	898,770

Other transactions with related parties

The Company paid directors' fees of \$15,000 (2018: NIL) for the non-executive director, Jonathan Cohen, during the half-year ended 31 December 2019.

The Company paid directors' fees of \$10,000 (2018: \$10,000) to the non-executive director, David Austin, during the half-year ended 31 December 2019.

	31.12.2019 \$	31.12.201 \$
CURRENT		
Australian Gemstone Mining Pty Ltd	57,563	39,654
NON CURRENT		
Volcan Australia Corporation Pty Ltd	1,200,000	1,200,000
Impairment recognised as at 31 December 2019 Due for repayment on 14 December 2012*	(1,200,000)	(1,200,000)
Volcan Australia Corporation Pty Ltd	80,184	79,258
Impairment recognised as at 31 December 2019 No due date for repayment	(79,258)	(79,258)

The above loans are unsecured and interest free.

*The loan to Volcan Australia Corporation Pty Ltd was not a cash advance from the company to Volcan, but was the amount that was to be paid in consideration for the purchase by Volcan Australia Corporation Pty Ltd (VAC) of ML1492 from the Company pursuant to the transactions completed on 14 December 2010 as approved at the time by shareholders at an EGM. Volcan was to have invested in ML1492, and from the profits of the development of that asset was to have paid CGB \$1.2M. Volcan subsequently invested in the asset's development, but due to the prevailing market conditions, Volcan was not able to make a profit from that asset at that time. As a result, Volcan was unable to meet the acquisition cost of \$1.2M at the due date. The amount due was unsecured, due for payment in cash on 14 December 2012, and there was no interest payable on the amount due. The Directors have agreed that it is in CGB's interest to allow VAC further time to seek to further develop that asset in more favourable market conditions to enable Volcan to make the necessary amounts from the asset to make the payment. As the timing of this payment is at present uncertain, it is considered prudent for this amount to be impaired in the financial statements until the payment is able to be made.

NOTE 14: FINANCIAL INSTRUMENTS

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31.12.2019 TOTAL CARRYING AMOUNT	31.12.2019 NET FAIR VALUE	30.06.2019 TOTAL CARRYING AMOUNT	30.06.2019 NET FAIR VALUE
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,573,921	6,573,921	5,183,769	5,183,769
Trade and other receivables	1,248,254	1,248,254	936,057	936,057
Financial liabilities				
Trade and other payables	872,583	872,583	1,249,247	1,249,247
Other financial liabilities	3,815,995	3,815,995	6,405,001	6,405,001
Current tax liability	292,666	292,666	292,666	292,666

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables, and current tax liability are assumed to approximate their fair-values due to their short-term nature.

The fair values of other financial liabilities are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 15: COMMITMENTS FOR EXPENDITURE

	31 DECEMBER 2019 \$	30 JUNE 2019 \$
Exploration and evaluation		
- Not later than 1 year	282,000	282,000
- Later than 1 year and not later than 5 years	-	-
Research and development		
Canntab Therapeutics		
- Not later than 1 year	-	-
- Later than 1 year and not later than 5 years	1,429,000	1,429,000
TDRF Israel Research		
- Not later than 1 year	1,029,000	1,029,000
- Later than 1 year and not later than 5 years	1,185,000	2,214,000
	3,925,000	4,954,000



NOTE 16: BUSINESS COMBINATIONS

Acquisition of Hemp Hulling Co (QLD) Pty Ltd – additional 30% interest

Effective 1 July 2019 Cann Global Limited acquired an additional 30% interest of the ordinary shares of Hemp Hulling Co (QLD) Pty Ltd (HHC), to bring the interest to 55%, to continue to develop its operations in the medicinal cannabis and hemp food industry. The acquired business contributed revenues of \$7,588 and loss after tax of \$102,351 to the consolidated entity for the period from 1 July 2019 to 31 December 2019.

DETAILS AS FOLLOWS:	FAIR VALUE \$
Cash and cash equivalents	3,837
Receivables	6,631
Inventory	2,025
Plant and equipment	441,785
Investments	10,805
Trade and other payables	(300,872)
Loans	(165,781)
Net liabilities acquired	(1,570)
Net liabilities acquired – 55%	(864)
Goodwill	1,630,755
Acquisition-date fair value of the total consideration transferred	1,629,891
Representing:	
Cann Global Limited consideration shares	1,418,919
Investment in HHC – current value	210,972
Total	1,629,891

Acquisition of T12 Pty Ltd – 100% interest

Effective 1 July 2019 Cann Global Limited, acquired 100% of the ordinary shares of T12 Pty Ltd to continue to develop its operations in the medicinal cannabis and hemp food industry. The acquired business contributed revenues of \$665,777 and loss after tax of \$101,847 to the consolidated entity for the period from 1 July 2019 to 31 December 2019.

DETAILS AS FOLLOWS:	FAIR VALUE \$
Cash and cash equivalents	35,630
Receivables	86,382
Inventory	120,529
Loans	61,769
Intangibles	4,918
Trade and other payables	(426,800)
Loans	(90,671)
Net liabilities acquired	(208,243)
Goodwill	965,000
Acquisition-date fair value of the total consideration transferred	756,757
Representing:	
Cann Global Limited consideration shares	756,757

**NOTE 17:
EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial half-year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and accompanying notes set out on pages 14 to 29 are in accordance with the Corporations Act 2001, and:
 - (i) comply with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors:



Pnina Feldman
Chairperson

Sydney
28th of February 2020

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF CANN GLOBAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cann Global Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2019, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors declaration of the Company and the consolidated entity (the Group), comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cann Global Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Sydney Office

Level 16, 1 Market Street
Sydney NSW 2000
PO Box H195
Australia Square NSW 1215
p +61 2 9251 4600
f +61 2 9251 7138
e info@nexiasydney.com.au
w nexia.com.au

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cann Global Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Nexia Sydney Partnership



Stephen Fisher
Partner

Sydney
28 February 2020



HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Cann Global Limited
ABN 18 124 873 507
and Controlled Entities

Appendix 4D Half Year Report

Name of entity: **CANN GLOBAL LIMITED**

ABN: **18 124 873 507**

- 1. The reporting period covers the half*year ended 31 December 2019 and the previous corresponding period covers the period ending 31 December 2018.**
- 2. Results for announcement to the market.**

		\$	Change %		\$
Consolidated revenue from operations	up	673,365	121.38%	from	304,167
Loss after tax	down	(5,485,248)	10.94%	from	(4,944,428)
Total comprehensive income attributable to members of Cann Global Limited	down	(5,436,807)	52.65%	from	(3,561,520)
Total comprehensive income	down	(5,485,248)	10.94%	from	(4,944,428)

Dividends		Amount per security	Franked amount per security at 30% tax
Interim dividend - Ordinary	Cents	Nil	Nil
Previous corresponding period Interim dividend - Ordinary	Cents	Nil	Nil

- 3. Net tangible assets per security with the comparative figure for the previous corresponding period.**

	31-Dec 2019	31-Dec 2018
Net tangible asset backing per ordinary security	Cents 0.2027	Cents 0.06

- 4. Details of entities over which control has been gained or lost during the period, including the following.**

4.1 Name of the entity.

Hemp Hulling Co (QLD) Pty Ltd –(HHC) additional 30% interest.
T12 Pty Ltd (T12) – 100% Interest

4.2 The date of the gain or loss of control.

Effective 1 July 2019 the Company, acquired an additional 30% of the ordinary shares of HHC, to bring the interest to 55%.

Also effective 1 July 2019, the Company acquired 100% of the ordinary shares of T12.

4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

HHC contributed revenues of \$7,588 and loss after tax of \$102,351 to the consolidated entity for the period from 1 July 2019 to 31 December 2019 (1 July 2018 to 31 December 2018 - \$Nil).

T12 contributed revenues of \$665,777 and loss after tax of \$101,847 to the consolidated entity for the period from 1 July 2019 to 31 December 2019 (1 July 2018 to 31 December 2018 - \$Nil).

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Nil (2018: nil)

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Nil (2018: nil)

7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

N/A

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).

N/A

9. For all entities, if the +accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

N/A