



ASX ANNOUNCEMENT

7 October 2024

Non-Renounceable Entitlement Offer

7 October 2024 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to announce that it has lodged a 'transaction specific' prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth) (the **Act**) (**Prospectus**) with ASIC and ASX for a non-renounceable rights issue to raise approximately \$6.25 million (before associated costs) (**Offer**).

The Offer has two components. Firstly it includes an entitlement offer which provides Eligible Shareholders (as described below) with the opportunity to subscribe for one (1) new share for every three (3) existing shares held at \$0.04 (4 cents) per share with one (1) free attaching new option for every three (3) new shares subscribed for and issued, with an exercise price of \$0.08 (8 cents) per share and an exercise period of 24 months (**Entitlement Offer**).

Secondly, Cann is also offering Eligible Shareholders who subscribe for their full entitlement under the Entitlement Offer the opportunity to increase their shareholding in the Company should there be any shortfall under the Entitlement Offer (**Top Up Offer**). The Top Up Offer has been included to provide maximum opportunity for existing Cann shareholders to subscribe for further shares in the Company.

This Prospectus also contains details of the Lead Manager Offer (described below).

Eligible Shareholders

Eligible Shareholders are those shareholders with a registered address within Australia or New Zealand as at 7:00pm (Melbourne time) on Thursday, 10 October 2024 (**Record Date**). Shareholders with a registered address outside Australia and New Zealand at the Record Date will not be eligible to participate in the Offer.

Issue Price

The Issue Price of \$0.04 (4 cents) per New Share is a 42% discount to the last closing price, a 53.3% discount to the 5 day VWAP and a 37.1% discount to the 30 day VWAP of Cann Shares as traded on ASX on Friday, 4 October 2024.

Purpose of the Offer

The key objective of the Offer is to raise the additional capital required to fund increased production at our Mildura facility.

The funds from the Offer will assist Cann in executing a number of activities including:

- Dried flower production target for FY2025 of 5-6 tonnes,
- Broadening our Botanitech product range, including supporting the launch of several new SKUs in Q2 FY2025, and
- Supporting our Botanitech curated and vape range.

Cann Group Limited

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Funds will also be used towards the working capital, including the servicing of lines of credit, of the Company as well as the costs of the Offer.

Cann Directors who are Eligible Shareholders have indicated their intention to take up their entitlements.

Further information on the Offer can also be found on the Cann website using the link www.canngrouponlimited.com.

Timetable

The proposed timetable* for the Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC and ASX	Monday, 7 October 2024
Lead Manager Offer opens	Monday, 7 October 2024
"Ex" Date	Wednesday, 9 October 2024
Record Date (at 7:00pm Melbourne time)	Thursday, 10 October 2024
Offer Opening Date	Tuesday, 15 October 2024
Entitlement and Acceptance Form dispatched to Eligible Shareholders	Tuesday, 15 October 2024
Last day to extend the Offer Closing Date	Monday, 21 October 2024
Offer and Lead Manager Offer Closing Date (at 5:00pm Melbourne time)	Thursday, 24 October 2024
New Shares under the Offer quoted on a deferred settlement basis	Friday, 25 October 2024
Notification of results of Offer	Tuesday, 29 October 2024
Issue of New Shares and New Options under Offer and deferred settlement trading ends	Thursday, 31 October 2024
Anticipated date for despatch of holding statements for New Shares and New Options under Offer	Friday, 1 November 2024
Anticipated trading of New Shares under Offer on ASX commences	Friday, 1 November 2024
Last day for issuing Lead Manager Options (subject to successful Shortfall Placement)	Friday, 24 January 2025

*The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of the New Securities under the Offer. The Directors also reserve the right not to proceed with the whole or part of any of the Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest. The commencement of quotation of New Shares is subject to approval by ASX.

Lead Manager Offer

Alpine Capital Pty Ltd (ACN 155 409 653) have been appointed Lead Manager for the Offer under the terms of a mandate.

Any New Shares or New Options not subscribed for under the Offer will form the shortfall and will be offered to sophisticated and professional investors by the lead manager pursuant to a separate offer in accordance with the mandate (**Shortfall Placement**).

The Lead Manager will receive a management fee of 1.5% in respect of amounts subscribed for under the Offer and a selling fee of 4% in respect of amounts subscribed for under the Shortfall Placement. The Lead Manager will also receive 7 million options following the successful completion of the Shortfall Placement (**Lead Manager Offer**).

How to participate

Eligible Shareholders wishing to participate in the Offer should carefully read the Prospectus and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around Tuesday, 15 October 2024.

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

For all other information please contact:

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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 research facilities and corporate headquarters in Melbourne and operates 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