



Update Summary

Entity name

CANN GROUP LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

13/9/2021

Reason for update to a previous announcement

To update the total number of shares that are being issued for this transaction, now that the final VWAP details have been confirmed for the consideration.

Refer to next page for full details of the announcement

**Part 1 - Entity and announcement details**

1.1 Name of +Entity

CANN GROUP LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

603949739

1.3 ASX issuer code

CAN

1.4 The announcement is☒ Update/amendment to previous announcement**1.4a Reason for update to a previous announcement**

To update the total number of shares that are being issued for this transaction, now that the final VWAP details have been confirmed for the consideration.

1.4b Date of previous announcement to this update

15/2/2021

1.5 Date of this announcement

13/9/2021

1.6 The Proposed issue is:☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

☒ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

CAN : ORDINARY FULLY PAID

Number of +securities proposed to be issued

7,028,561

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

The securities are being issued to a third party entity, Harvest One Cannabis Inc, in consideration for the acquisition by CAN of all of the shares in a group of companies owned by Harvest One, known as the Satipharm business.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

3,389,561.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes



Part 7C - Timetable

7C.1 Proposed +issue date

13/9/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

7/9/2021

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Nil



Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

The securities are being issued to a third party entity, Harvest One Cannabis Inc, in consideration for the acquisition by CAN of all of the shares in a group of companies owned by Harvest One, known as the Satipharm business.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

Due to changes in the VWAP since the date of the original Appendix 3B (15 February 2021), the amount of shares issued or to be issued has increased to a total of 7,028,561.

- 4,278,615 shares were issued on 10 March 2021 (calculated based on VWAP share price of \$0.602 per share);
- 2,725,863 shares to be issued on 13 September 2021 (calculated based on VWAP share price of \$0.295 per share);and
- 24,083 shares to be issued on 13 September 2021 (calculated based on VWAP share price of \$0.403 per share).