Update Summary

Entity name

CANN GROUP LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

30/9/2021

Reason for update to a previous announcement

The closing date for the offer has been extended by 10 days until 5.00pm, Friday 15 October 2021 due to many shareholders experiencing difficulties in either receiving offer materials due to postal delays, or accessing the SPP online platform.

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	**Registration Number**
ACN	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

The closing date for the offer has been extended by 10 days until 5.00pm, Friday 15 October 2021 due to many shareholders experiencing difficulties in either receiving offer materials due to postal delays, or accessing the SPP online platform.

1.4b Date of previous announcement to this update

7/9/2021

1.5 Date of this announcement

30/9/2021

1.6 The Proposed issue is:

☑ An offer of +securities under a +securities purchase plan

Part 4 - Details of proposed offer under securities purchase plan

Part 4A - Conditions

4A.1 Do any external approvals need to be obtained or other conditions satisfied before the offer of +securities under the +securities purchase plan issue can proceed on an unconditional basis?
☑ Yes

4A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	7/9/2021	☑ Actual	Yes

Comments

Shareholder approval was required in order to offer the Share Purchase Plan (SPP) to shareholders because the proposed offer price for the SPP is less than 80% of the volume weighted average market price for shares in the Company, calculated in the 5 trading days prior to the announcement of the Company's recent placement.

Part 4B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

CAN : ORDINARY FULLY PAID

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

Maximum total number of those +securities that could be issued if all offers under the +securities purchase plan are accepted

36,363,636

Will the offer be conditional on applications for a minimum number of +securities being received or a minimum amount being raised (i.e. a minimum subscription condition)?
No

Will the offer be conditional on applications for a maximum number of +securities being received or a maximum amount being raised (i.e. a maximum subscription condition)?
No

Will individual security holders be required to accept the offer for a minimum number or value of +securities (i.e. a minimum acceptance condition)?
Yes

Is the minimum acceptance unit based or dollar based?
Dollar based ($)

Please enter the minimum acceptance value

$ 500

Will individual security holders be limited to accepting the offer for a maximum number or value of +securities (i.e. a maximum acceptance condition)?
Yes

Is the maximum acceptance unit based or dollar based?
Dollar based ($)

Please enter the maximum acceptance value

$ 30,000

Describe all the applicable parcels available for this offer in number of securities or dollar value

N/A

Offer price details

Has the offer price been determined?
Yes

In what currency will the offer be made?	What is the offer price per +security?
AUD - Australian Dollar	AUD 0.27500

Oversubscription & Scale back details

Will a scale back be applied if the offer is over-subscribed?
Yes

Describe the scale back arrangements

To the extent that the SPP Offer results in acceptances in excess of $10.0 million, Cann will scale back acceptances on a pro rata basis, based on securities applied for under the SPP Offer.

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

Part 4C - Timetable

4C.1 Date of announcement of +security purchase plan

7/9/2021

4C.2 +Record date

6/9/2021

4C.3 Date on which offer documents will be made available to investors

13/9/2021

4C.4 Offer open date

13/9/2021

4C.5 Offer closing date

15/10/2021

4C.7 +Issue date and last day for entity to announce results of +security purchase plan offer

22/10/2021

Part 4D - Listing Rule requirements

4D.1 Does the offer under the +securities purchase plan meet all of the requirements of listing rule 7.2 exception 5 or do you have a waiver from those requirements?
No

4D.1a Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
No

4D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
No

Part 4E - Fees and expenses

4E.1 Will there be a lead manager or broker to the proposed offer?
Yes

4E.1a Who is the lead manager/broker?

PAC Partners Pty Ltd

4E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

1.0% of proceeds.

4E.2 Is the proposed offer to be underwritten?
No

4E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?
No

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

Nil.

Part 4F - Further Information

4F.01 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

The proceeds from the Placement and the SPP will be used to invest in Cann's new manufacturing facility and to expedite and strengthen Cann's in-house extraction, laboratory and manufacturing capabilities.

4F.1 Will the entity be changing its dividend/distribution policy if the proposed offer is successful?

☑ No

4F.2 Countries in which the entity has +security holders who will not be eligible to accept the proposed offer

Any countries other than Australia, New Zealand or Ireland. Shareholders resident in Australia, New Zealand or Ireland are eligible to participate in the proposed offer.

4F.3 URL on the entity's website where investors can download information about the proposed offer

Details can be downloaded from the Company's website at www.canngrouplimited.com

4F.4 Any other information the entity wishes to provide about the proposed offer

Nil.