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ASX ANNOUNCEMENT

21 October 2021

Cann Group raises \$8.69 million under share purchase plan offer to support investment in revenue growth and cost-saving initiatives

- **Share purchase plan offer raises \$8.69 million**
 - **Total funds raised from institutional placement and SPP is \$18.69million**
 - **Funding enables Cann to invest in further integration of supply chain and expanded production capabilities**
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21 October 2021 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to confirm that tomorrow, Friday, 22 October 2021, it will complete the settlement and allotment of shares pursuant to the share purchase plan offer (**SPP**) announced on Tuesday, 7 September 2021.

The SPP offer closed on Friday, 15 October 2021. The Company confirms that it received application monies totalling \$8.69 million from 1,385 shareholders.

The SPP follows the successful completion of the share placement to institutional investors (**Placement**) which was announced on 26 July 2021 and raised \$10.0 million.

The total amount raised under the Placement and the SPP is \$18.69 million (**Capital Raising**) before costs. The net proceeds from the Capital Raising will be used to invest in further integration of supply chain and expanded production capabilities. In particular, investment in these initiatives is expected to deliver substantial cost savings as Cann moves to large scale production with the commissioning of its new manufacturing facility near Mildura. Funding will be used to expedite and strengthen Cann's in-house extraction, laboratory and manufacturing capabilities, which are expected to de-risk Cann's supply chain and lower the Company's Cost of Goods (COGS) by reducing Cann's reliance on third party manufacturers and service providers. Proceeds will also be used to expand and grow the Company's wholly owned subsidiary business, Satipharm.

Cann Group CEO, Peter Crock, said "The Company is at an exciting juncture as we continue with the commissioning phase of the new facility at Mildura, progress our registration program for the Satipharm S3 CBD capsule, and continue to expand our domestic and overseas customer base. Our shareholders have provided strong support to the business over recent years and we are committed to rewarding that support by transitioning to sustainable and profitable growth as quickly as possible."



Further information

For further information regarding the SPP Offer, please contact Cann's Share Registry, Link Market Services Limited on the following numbers:

Tel: 1300 363 917 (within Australia)

Tel: +61 1300 363 917 (outside Australia)

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

For all media enquiries please contact:

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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 the proprietary Gelpell delivery system for cannabinoids. Cann has established research and cultivation 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