

ASX ANNOUNCEMENT

22 April 2022

Cann executes documentation on \$15 million working capital facility with the National Australia Bank

- **New working capital facility supports scale-up of business**
 - **Cann also renegotiates terms of existing \$50 million construction facility**
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22 April 2022 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announced today that it has executed final documentation to enter into a \$15 million working capital facility with National Australia Bank (NAB).

The new working capital facility will be used by Cann Group to support the scale-up of the business and assist Cann in implementing the next phase of its long term growth strategy.

The facility terms have been negotiated for an initial period with review on 30 November 2022 and thereafter for rolling 12 month periods. Key terms are:

- Drawn margin rate will be 2.00% p.a.
- Facility fee will be 0.35% p.a.

In addition, Cann is also pleased to announce that it has renegotiated its \$50 million construction draw down facility with the NAB. This facility was put in place in December 2020 to help fund construction of the Company's new state-of-the-art large scale manufacturing facility near Mildura. The loan will be restructured as follows:

- Base interest rate will be the Bank Bill Swap Bid Rate (BBSY) (as for the original facility)
- Drawn margin rate will be 2.30% p.a. (compared to a rate of 3.20% p.a. for the original facility)
- Facility fee will be 0.35% p.a. (compared to a fee of 1.80% for the original facility)

Amortisation of the loan will commence 31 May 2024 on a quarterly basis for a period of 10 years (compared to an 8 year amortisation for the original facility).

The two facilities are cross-collateralised and cross-defaulting.

Cann CEO Peter Crock said NAB's ongoing support of the Company is a strong validation of Cann's business model and growth strategy. "With the commissioning of the Mildura facility and the GMP licensing of our Southern facility, we are scaling up production to meet growing demand for Cann's medicinal cannabis range of products. Having these financing arrangements in place provides us with the confidence to pursue new opportunities in both the Australian market and markets overseas."

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

For all media enquiries please contact:

Matthew Wright
NWR Communications
+61 451 896 420
matt@nwrcommunications.com.au

For all other information please contact:

Peter Crock
CEO
Cann Group Limited
+61 3 9095 7088
contact@cann grouplimited.com

Deborah Ambrosini
CFO
Cann Group Limited
+61 3 9095 7088
deborah.ambrosini@cann grouplimited.com

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 has established research, cultivation and GMP manufacturing facilities in Melbourne and a state-of-the-art cultivation and manufacturing facility near Mildura, Victoria. Cann Group's leading position in plant genetics, breeding, extraction, analysis and production techniques supports its objective to supply high quality, safe medicinal cannabis for a range of diseases and medical conditions. Cann's product portfolio incorporates the proprietary Satipharm delivery system for cannabinoids.

Learn more at: www.cann grouplimited.com | www.satipharm.com