



ASX ANNOUNCEMENT

29 August 2025

FY25 Results

Highlights

- Dried flower production up 34% to 5.9 tonne
 - Total Revenue of \$13.3million, with Botanitech (own brand) flower sales up 100%
 - Operating expenses down 35% to \$18.3 million
 - EBITDA (normalised)¹ loss improves by \$3.9 million (44%) to \$5.1 million
 - Operating cash outflows improve by \$5.5 million (36%) to \$9.6 million
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29 August 2025 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) today released its financial results for the financial year ending 30 June 2025.

“FY2025 was a year of reset and scale-up, laying the foundation for a stable, efficient business. We are now seeing the benefits of economies of scale with the right sizing of our cost base and a sizable increase in production as we near full capacity. These operational improvements are allowing us to be very competitive in the medicinal cannabis market and still achieve good margins. As we enter FY2026, our focus is on delivering a restructured balance sheet, maximising revenue via our Botanitech brand and B2B business and delivering an EBITDA-positive outcome for our stakeholders.”

~ Jenni Pilcher, CEO and Managing Director.

FY25 Financial Performance

Sales

Cann’s own-brand “Botanitech” dried flower range achieved 100% revenue growth over the previous year, with annual sales reaching \$4.4 million. This strong performance reflects the brand’s growing market share and continued consumer demand. The Botanitech range is distributed through a network of wholesalers and consignment partners, including several Chemist Warehouse franchises, following a distribution agreement signed in the second half of the financial year.

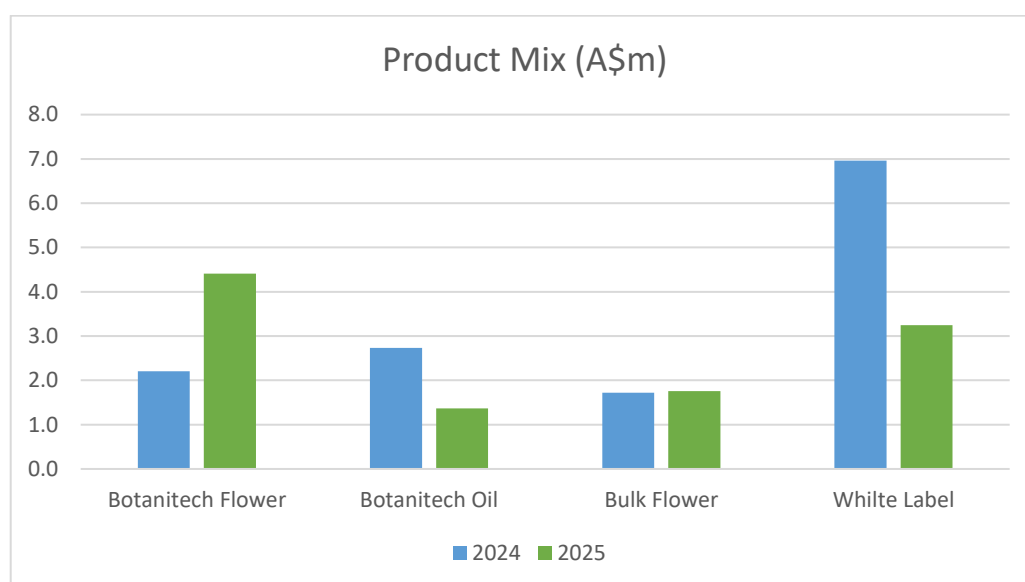
Cann’s B2B sales strategy (bulk dried flower), re-launched in the second half of the financial year, is already delivering strong results—contributing 50% of the total annual revenue in the final quarter alone. This momentum is continuing into FY2026.

¹ Earnings Before Interest, Tax, Depreciation & Amortisation, and excluding impairment charges on property, plant & equipment, and investments.

Botanitech oil sales have declined in the current year, down 50%, a reflection of market trends more broadly.

Contract packing and white label revenue streams were deprioritised in FY2025, as the Company focused on delivering a high-quality, consistent dried flower range in response to market demand. As a result, revenue from these streams declined by 58% year-on-year.

Overall, sales revenue for the year ended 30 June 2025 decreased by \$4.07 million (27%) to \$11.30 million primarily due to the change in product mix, with a market shift away from oils toward dried flower products, as the chart below demonstrates:



Expenditure

Operating expenses decreased by \$9.72 million (35%) during the year, reflecting the success of the Group's cost management program. Notably, direct production expenses were reduced by \$3.63 million (46%), contributing to an improvement in gross margins. With a lower cost of goods sold, the Company is well-positioned to offer competitive pricing across its product range. In addition, employee and administration costs were cut by \$4.32 million (31%), further enhancing overall operational efficiency.

EBITDA (normalised)²

EBITDA (normalised) has improved by \$3.90 million, or 44%, over FY24 to a loss of \$5.06 million. This improvement can largely be attributable to the reduction in operating expenditure of \$9.72 million (35%) as discussed above.

Loss after tax

Loss after tax improved by \$28.9 million (52%) compared to FY24, reducing the loss to \$22.3 million. The prior year's result was impacted by a \$20.13 million fair value write-down of property, plant, and equipment at the Mildura facility. The current year's improvement also reflects \$9.72 million (35%) in operating expense savings.

² Earnings Before Interest, Tax, Depreciation & Amortisation, and excluding impairment charges on property, plant & equipment, inventories and investments.

Manufacturing and Cultivation

Production Output and Efficiency

Cann achieved a total dried flower (trimmed) production output of 5.94 tonnes in FY25, representing a 34% increase year-on-year from 4.43 tonnes in FY24. This uplift reflects near full-capacity operations, particularly in the second half of the financial year. May 2025 marked a new operational milestone, with a record monthly output of 771 kg—the highest ever recorded by the Company, providing validation for the FY26 production target of 7.7 tonne.

Operational Improvements

A continued focus on product consistency and cost-efficiency per gram underpinned several operational enhancements throughout FY25. Improvements in wet-to-dry yield conversion were driven by the implementation of water activity measurement, enhanced environmental controls in processing rooms, optimized mechanical bucking speeds, and the introduction of automated curing technology. Market feedback has confirmed noticeable improvements in trim quality and overall patient appeal, validating the success of these initiatives.

Automation and Packaging

To further improve operational efficiency and expand commercial opportunities, Cann commissioned a Rotary Head Filler automated packing line during the year. This investment has boosted revenue-generating capabilities by enabling contract and white-label packing services, while also reducing the cost of goods for the Company's Botanitech range. In addition, the automation has improved labour efficiency and enabled GMP-compliant jar packing—supporting both regulatory compliance and scalability.

Strain Development

Significant progress was made in Cann's R&D program, with seven new strains from the pipeline now in commercial evaluation. The use of Tissue Culture continues to play a vital role in replenishing mother plants, ensuring strong disease resistance and plant vigour. This methodology supports consistent quality across all cultivation batches and reinforces Cann's leadership in premium genetics.

Mother Plant Replenishment

Mother plant replenishment remains an ongoing priority. The use of Tissue Culture-derived stock is ensuring plant health, vitality, and disease resistance across key production lines. This contributes directly to long-term yield stability and quality assurance.

Sustainability Initiative

As part of Cann's commitment to environmental stewardship, the Company launched a CO₂ capture and recirculation project utilising emissions from its gas-fired boiler. This initiative aims to reduce both greenhouse gas emissions and operational costs, while enhancing the overall sustainability of the glasshouse operation.

Research & Development

With a full suite of cultivars in production, it was decided to transition the Company's R&D program from the Northern R&D Facility at La Trobe University in Melbourne, to the Mildura Facility in the second half of the financial year. Collaboration with La Trobe University

continues with specific projects continuing including Tissue Culture and Spectral Imaging of plants in Mildura.

The use of Tissue Culture to provide disease free replacement mother stock is important to maintain plant health and vigour. The use of AI with the Spectral Imaging camera will allow early detection in crop of pest, disease and nutrition issues. As more data is gathered - predictions on yield and THC will become possible.

Financing

During the current financial year, the Company raised a total of \$9.69 million (before costs) of new funding, via a mixture of capital raisings (\$4.01 million), short term loan funding (\$2.65 million), and capitalisation of interest (\$3.03 million). The Company is currently in the process of restructuring its debt position with its major financiers and expects to update the market on this initiative by the end of September 2025.

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

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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