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ASX ANNOUNCEMENT

19 August 2020

Cann Group raises \$25.9 million under share purchase plan offer to support near-term growth

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- **Share purchase plan (SPP) offer oversubscribed and raises \$25.9 million following strong support from retail shareholders**
 - **Total funds raised from institutional Placement and SPP is \$40.2 million**
 - **Funding places Cann Group in strong position to pursue growth plans**
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19 August 2020 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to confirm that tomorrow, Thursday, 20 August 2020, it will complete the settlement and allotment of shares pursuant to the share purchase plan offer (**SPP**) announced on Friday, 17 July 2020.

The SPP offer closed on Wednesday, 12 August 2020. The Company confirms that the SPP was oversubscribed and the Company received application monies totalling \$25.9 million from 2,793 shareholders, reflecting a participation rate of over 14.5% of eligible shareholders.

In response to the strong demand from shareholders, the Company has decided to increase the size of the SPP by \$15.9 million to a total of \$25.9 million to enable retail shareholders to participate to the fullest amount.

The completion of the SPP follows the successful completion of the oversubscribed share placement to institutional investors (**Placement**) which was announced on 16 July and raised \$14.3 million.

The total amount raised under the Placement and the SPP is \$40.2 million (**Capital Raising**) before costs. The net proceeds from the Capital Raising will be used to provide working capital to support the Company's near-term growth plans and provides additional equity that will strengthen the Company's position in terms of securing external debt funding to proceed with the first stage of the Mildura expansion.

Cann Group CEO, Peter Crock, said the strong interest and support from retail shareholders is an endorsement of the Company's strategic growth plans, which remain firmly focused on building a robust, vertically integrated medicinal cannabis business, with an expanding revenue base, and proceeding with the cultivation expansion project at Mildura.

"We are extremely pleased with the confidence and support shown by our large retail shareholding base. The funding secured via the Capital Raising places the Company in a very strong financial position to continue with our growth and expansion plans over the next 12 months and beyond."

Since announcing a strategic re-set in January 2020, Cann has secured multiple new offtake and supply agreements which support short-term revenues and de-risk its expansion plans.



Further information

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

Tel: 1300 135 403 (within Australia)

Tel: +61 1300 135 403 (outside Australia)

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

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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. The company has established research and cultivation facilities in Melbourne and is developing a state-of-the-art cultivation facility near Mildura, Victoria. Cann Group has executed collaboration agreements that have enabled it to establish 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 about Cann Group at www.cann grouplimited.com**