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# ASX ANNOUNCEMENT

# Major Debt Restructure and Capital Raise

# Debt Reduction of 81% & $60m Increase in Net Assets

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## HIGHLIGHTS

- **Major financier agrees to debt forgiveness of $54.7m, settling approximately $70.0m of outstanding loan balances (including capitalised interest) for $15.3m as full and final settlement**
- **Second (subordinated) lender contributes a further $9.0m loan and extends maturity date of existing $5.5m loan, with the total loan of $14.5m maturing in two years**
- **Firm commitments received for a $9.0m capital raising (before costs):**
  - **institutional placement of $6.5m supported by existing and new shareholders at a price of 1.15 cents per share**
  - **Share Purchase Plan of $2.5m with firm shortfall commitments received from institutional investors for the total amount**
- **Opportunity to receive up to $31.3m via the proceeds from exercise of options attaching to the SPP and Placement**
- **FY26 guidance for revenue of approximately $17.0m, representing 50% growth on FY25, and EBITDA of $0.3m to $0.7m (FY25 EBITDA loss of $5.0m)**
- **Mr. Mike Ryan to join the Board as Chairman upon completion of the transaction**

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**27 October 2025** – Cann Group Limited ("Cann" or the "Company") is pleased to announce details of a major refinance of its debt facilities and capital raise per the details set out below.

### Debt Restructure

*Settlement of Debt Facilities*

The Company is entering into a forbearance and settlement Deed with its major financier, National Australia Bank (**NAB**) whereby NAB agrees to release all security, including by discharging all real property mortgages that it holds, release the Company from any remaining liability under the facilities, and close all loan facilities, in consideration of a payment of $15.30 million. The loan facilities total $69.96 million as at 15 October 2025.

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*New Loan with Existing Lender*

The Company has an existing loan with a prominent Australian private credit fund (**Credit Fund**) which has a balance of $5.5 million as at 30 September 2025. The Credit Fund will provide an additional $9.0 million, bringing the total loan balance to $14.5 million, maturing two years from the new loan's commencement. The loan bears 9.5% p.a. cash interest, payable monthly, plus 3% p.a. capitalised interest payable at maturity.

The Credit Fund will be paid a 2% facility fee (capitalised and due upon maturity) and will receive 63,439,600 options, with a 1.46 cent per option exercise price, that will expire upon maturity of the loan.

**Capital Raise**

The Company has received firm commitments from investors for an institutional placement raising $6.5 million (before costs) (**Placement**) and will launch a purchase plan (**SPP**) on Thursday, 30 October 2025 to raise a further $2.5 million (minimum), before costs. The Company has received firm shortfall commitments from institutional investors for $2.5 million under the SPP.

The Placement will be conducted via two tranches:

- **Tranche 1**, issue of 120,395,238 fully paid ordinary shares at a price per share of 1.15 cents, raising approximately $1.3 million (before costs), to various sophisticated and institutional investors which is expected to settle on Thursday, 30 October 2025. Of the Tranche 1 Shares, 54,771,651 and 65,917,587 fully paid ordinary shares will be issued under the Company's 7.1 and 7.1A placement capacity respectively.
- **Tranche 2,** issue of 444,822,153 fully paid ordinary shares at a price per share of 1.15 cents, raising approximately $5.1 million (before costs), to various sophisticated and institutional investors which is subject to shareholder approval at the Company's upcoming annual general meeting (**AGM**) to be held on or around Friday, 28 November, and is expected to settle on Wednesday, 3 December 2025.

The issue price of per share of 1.15 cents represents a 17.9% discount to the last closing share price of 1.4 cents on 22 October 2025 and a 18.3% discount to the 5-day VWAP up to and including 22 October 2025.

In addition to the Placement, the Company will also offer eligible shareholders in Australia and New Zealand the opportunity to participate in the SPP. Eligible shareholders will be entitled to apply for up to $30,000 of new fully paid ordinary shares, targeting an additional $2.5 million (before costs). The offer price under the SPP will be the lower of:

- 1.15 cents per share; and
- a 2.5% discount to the VWAP of shares traded on the ASX during the five trading days up to the closing date of the SPP (being Monday, 17 November 2025), rounded to the nearest half cent.

Both the SPP and Placement participants will be granted one (1) free attaching option for every new share issued, exercisable at 1.15 cents per option on or before 15 June 2026 (**Attaching Options**).

Upon their exercise, holders of Attaching Options will also receive one (1) share in Cann along with one (1) free option exercisable at 2.85 cents per option and an expiry date of 15 June 2028 for each Attaching Option exercised (**Piggyback Options**).

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The Attaching Options and Piggyback Options proposed to be issued to participants under the Placement and SPP are subject to shareholder approval at an extraordinary general meeting (**EGM**) to be held on or around 22 December 2025. Cann intends to seek quotation of Attaching Options and Piggyback Options once they are issued.

Subject to receiving shareholder approval, approximately 15 million options will be issued to the investors who have provided firm SPP shortfall commitments on the same terms as the Attaching Options and Piggyback Options.

Bell Potter Securities Limited acted as lead manager and bookrunner to the capital raising.

Further details in relation to the SPP will be provided to eligible shareholders in a SPP offer booklet while the offer of Attaching Options, Piggyback Options and Sub-Underwriter Options will be undertaken pursuant to a transaction specific prospectus and separate shareholder approval at an EGM to be held on 22 December 2025.

**FY26 Guidance**

Cann is forecasting revenue of approximately $17 million in FY26, representing approximately 50% growth on FY25, driven by strong demand for bulk flower and branded Botanitech™ products, and is targeting EBITDA of $0.3m to $0.7m for FY26 (EBITDA loss of $5.0m FY25).

**CEO Comment**

CEO and Managing Director, Jenni Pilcher, commented “We are very pleased to have reached this landmark agreement, which represents a major step forward in strengthening our balance sheet and positioning Cann for sustainable growth. The settlement with our major financier eliminates approximately $70 million of their debt for a payment of $15.3 million, providing a clean foundation for the Company’s next growth phase. We are equally encouraged by the continued support from our subordinated lender and the additional $9 million capital raising, which together provide the flexibility required to execute on our growth strategy.

“With a clear path to positive EBITDA and forecast FY26 revenue of $17 million, Cann is now well placed to capitalise on the strong demand for our bulk flower and Botanitech™ products.”

**Mr. Mike Ryan to Join the Board as Chair**

Mike Ryan will be appointed to the Board as Chair following completion of the transaction, at which time Mr. Doug Rathbone, currently interim Chair, will revert to a non-executive Director.

Mike has over 40 years of experience in the financial services sector. He has an extensive track record in strategic planning, organisational growth and stakeholder engagement and experience in leading financial services businesses in Australia and globally. He was previously head of equities at Shaw and Partners (6 years) and 12 years at Goldman Sachs as an Executive Director, and Executive Director / head of distribution at Morgan Stanley. Mike is currently Chair of Sequoia Financial Group (ASX:SEQ), and director of Energy One Ltd (ASX:EOL) and PM Capital Global Opportunities Fund (ASX:PFG).

Interim Chair, Doug Rathbone, added “This agreement is the result of an incredible and committed effort by our CEO and Managing Director, Jenni Pilcher. Jenni was well-supported by Mike Ryan who will now join the board as Chairman, bringing with him a wealth of

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experience, strong governance capability, and a clear vision for the future direction of the company. Together, Jenni and Mike will provide the leadership strength and continuity needed to guide the organisation through its next phase of growth and development."

## Additional Information

*Share Purchase Plan*

Eligible shareholders are those shareholders who:

- have a registered address in Australia or New Zealand as at 7.00pm (AEDT) on Friday, 24 October 2025 (**Record Date**); and
- are not in the United States or acting for the account or benefit of a person in the United States.

The offer price under the SPP will be the lower of:

- 1.15 cents per share; and
- a 2.5% discount to the VWAP of shares traded on the ASX during the five trading days up to the closing date of the SPP (being Monday, 17 November 2025), rounded to the nearest half cent.

The offer to acquire shares under the SPP opens on Thursday, 30 October 2025 and will close on Monday, 17 November 2025. The Company reserves the right to close the offer early and/or to accept oversubscriptions of shares under the SPP, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth).

The SPP offer document and application form are expected to be dispatched to eligible shareholders on Thursday, 30 October 2025 via post or email in accordance with their communication preferences. Shareholders receiving email communications can download the SPP offer booklet and personalised SPP application form from the SPP offer open date at the Company's website (www.canngrouplimited.com).

In determining the proposed amount that Cann seeks to raise under the SPP, Cann has considered the relatively large retail component on its share register and has sought to provide an equitable opportunity for its retail shareholders to participate in this offer. Cann reserves the right to accept more than $2.5 million, subject to compliance with relevant ASX Listing Rules, and also reserves the right to scale back acceptances on a pro rata basis, based on securities applied for under the SPP Offer.

*Timetable*

| Date* | Event |
|---|---|
| Friday, 24 October 2025 | SPP Record Date |
| Monday 27 October 2025 | Announcement of Placement and SPP Offer |
| Wednesday, 29 October 2025 | Lodgement of notice of AGM |

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| Thursday, 30 October 2025 | Dispatch of letter to Eligible Shareholders who can participate in the SPP containing login details for access to SPP Offer Booklet and SPP Entitlement and Acceptance Form |
| Friday, 31 October 2025 | Allotment of new shares issued under the Placement |
| Monday,17 November 2025 | Closing Date for SPP Offer (5:00pm Melbourne time) ** |
| Thursday, 20 November 2025 | Announcement of results of SPP Offer |
| Thursday, 20 November 2025 | Lodgement of notice of EGM |
| Thursday, 20 November 2025 | Lodgement of Prospectus with ASIC and ASX in relation to Attaching Options, Piggyback Options and Sub-Underwriting Options |
| Monday, 24 November 2025 | Issue of New Shares under the SPP Offer |
| Tuesday, 25 November 2025 | Commencement of trading of New Shares issued under the SPP |
| Friday, 28 November 2025 | AGM to approve issue of Tranche 2 Placement shares |
| Monday, 22 December 2025 | EGM to approve issue of Attaching Options, Piggyback Options and Sub-Underwriting Options |
| Tuesday, 23 December 2025 | Issue of Attaching Options and Sub-Underwriting Options<br>*(Subject to approval at EGM)* |

**This timetable is indicative only and subject to change. The Company reserves the right to vary the above date subject to the Listing Rules and the Corporations Act. **The Directors may extend the Closing Date by giving at least three (3) Business Days' Notice to ASX prior to the Closing Date. In that event, the date the New Shares are expected to be issued and commence trading on ASX may vary.*

*Shareholder Meetings*

A notice of meeting will be issued for the AGM shortly, which will provide details in respect of the resolutions being tabled at the AGM (including those summarised above) including date, time and location.

Additionally, a separate notice of meeting for the EGM will be issued at the appropriate time, which will provide details in respect of the resolutions being tabled at the EGM (including those summarised above) including date, time and location.

**Not an offer in the United States**

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**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 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.canngrouplimited.com | www.satipharm.com**

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