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ASX ANNOUNCEMENT

5 March 2026

Little Green Pharma Ltd (ASX: LGP)

SCHEME BOOKLET REGISTERED BY ASIC



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Little Green Pharma Ltd (ASX:LGP) (**LGP** or the **Company**) refer to its announcements dated 14 January 2026 and 4 March 2026 in relation to the Company's proposed acquisition of 100% of the issued capital of Cannatrek Ltd (**Cannatrek**) by way of scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Scheme**).

Capitalised terms used in this announcement have the meaning given to them in the Scheme Booklet, unless otherwise specified.

SCHEME BOOKLET

LGP confirms that the explanatory statement providing information about the Scheme (**Scheme Booklet**) has today been registered with ASIC. A copy of the Scheme Booklet is attached to this announcement and will also be made available for viewing and downloading on LGP's website https://investlittlegreenpharma.com/.

The Scheme Booklet will be dispatched to Cannatrek Shareholders on or around 4 March 2026. Cannatrek Shareholders who have an email address on record or who have previously elected to receive communications electronically from Cannatrek (**Email Members**) will receive an email which contains instructions on how to access an electronic copy of the Scheme Booklet.

Cannatrek Shareholders who are not Email Members will receive a printed copy of the Scheme Booklet by post.

Cannatrek Shareholders should read the Scheme Booklet carefully in its entirety, including the materials accompanying it, before deciding how to vote at the Scheme Meeting. The Scheme Booklet includes important information including the reasons why Cannatrek Shareholders may wish to vote in favour of or against the Scheme Resolution, and details regarding LGP's intentions in respect of the Cannatrek from implementation of the Scheme (including key risks).

Further information on how Cannatrek Shareholders can participate and vote at the Scheme Meeting, or lodge a proxy form, will be provided in the Notice of Scheme Meeting, included in the Scheme Booklet.

LGP NOTICE OF MEETING

Following ASX confirmation, LGP will dispatch a notice of meeting and explanatory memorandum to LGP Shareholders (**LGP Notice of Meeting**) in respect of the LGP Resolutions required to be approved by LGP Shareholders as a condition of the Scheme. A copy of the LGP Notice of Meeting will be made available for viewing and downloading on LGP's website https://investlittlegreenpharma.com/site/investor-centre/extraordinary-general-meetings and LGP's ASX market announcement platform at https://www.asx.com.au/.

Further information on how to participate and vote at the LGP Shareholder Meeting are provided in the LGP Notice of Meeting. Any updates regarding the LGP Shareholder Meeting will be provided following ASX confirmation of the draft LGP Notice of Meeting.

INDEPENDENT EXPERT'S REPORT

The Scheme Booklet includes (as Annexure 2 to the Scheme Booklet) a copy of the Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd (**Independent Expert**). The Independent Expert has concluded that the Scheme is fair and reasonable and that the Scheme is in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet, which, in addition to other information, detail the reasons why the Independent Expert reached this conclusion.

BOARD RECOMMENDATIONS AND VOTING INTENTIONS

The Cannatrek Board has unanimously recommended that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Cannatrek shareholders. Subject to those same qualifications, each Cannatrek Director intends to vote (or procure the voting of) all Cannatrek Shares held or controlled by them at the time of the Scheme Meeting in favour of the Scheme.

The LGP Board unanimously recommends that LGP Shareholders vote in favour of the LGP Resolutions that are contained in the LGP Notice of Meeting, in the absence of an LGP Superior Proposal. Each LGP Director will, in the absence of a LGP Superior Proposal, vote (or procure the voting of) all LGP Shares held or controlled by them at the time of the LGP Shareholder Meeting in favour of the LGP Resolutions.

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SECOND COURT HEARING

If the Requisite Majorities of Cannatrek Shareholders vote in favour of the Scheme at the Scheme Meeting, and all relevant conditions of the Scheme are satisfied or waived (as applicable), Cannatrek will apply to the Court for orders approving the Scheme.

INDICATIVE TIMETABLE

The key dates and times for the Scheme are as follows:

Event	Date
Date of the Scheme Booklet	4 March 2026
Latest time and date for receipt of proxy forms and powers of attorney from Cannatrek Shareholders for the Scheme Meeting	9.30am (Melbourne time) on 8 April 2026
Time and date for determining eligibility of Cannatrek Shareholders to vote at the Scheme Meeting	7.00pm (Melbourne time) on 8 April 2026
Latest time and date for receipt of proxy forms and powers of attorney from LGP Shareholders for the LGP Shareholder Meeting	3:00pm (Perth time) on 8 April 2026
Time and date for determining eligibility of LGP Shareholders to vote at the LGP Shareholder Meeting	3:00pm (Perth time) on 8 April 2026
Scheme Meeting	9.30am (Melbourne time) on 10 April 2026
LGP Shareholder Meeting	3.00pm (Perth time) on 10 April 2026
If the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders	
Second Court Date for approval of the Scheme	9:30am (Melbourne time) on 21 April 2026
Effective Date Court order lodged with ASIC and announcement to the ASX by LGP	22 April 2026
Scheme Record Date for determining entitlements to Consideration Securities	7.00pm (Melbourne time) on 24 April 2026
Implementation Date and provision of Consideration Securities	1 May 2026

Notes:

1. All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX (by LGP) and notified via Boardroom, Cannatrek's Share Registry. Cannatrek may vary the timetable detailed above subject to the approval of such variation by LGP, the Court and ASIC where required.

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This announcement is authorised for release by the Board of LGP

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About Little Green Pharma

Little Green Pharma Ltd (ASX:LGP) is a leading global medicinal cannabis company with vertically integrated operations across Europe and Australia.

LGP has a diverse and growing portfolio of cannabis-based medicines, distributed across Australia and over 12 export markets via a network of wholesalers, pharmacies, clinics, and GPs. The Company generates revenue through both the sale of medicinal cannabis products and its domestic Health House distribution business, which allows it to capture value across the supply chain and to adapt to evolving regulatory environments while building defensible commercial positions in high-growth markets.

Operating three production facilities in Denmark and Australia – including the largest facility in Europe – LGP is the one of the top three suppliers in Australia, the largest supplier into France, and a significant supplier into Germany and the UK, positioning it as a key player in global medicinal cannabis markets.

With diversified revenue streams, a presence in over a dozen export markets, and a high net tangible asset position relative to its enterprise value, LGP offers investors leveraged exposure to global medicinal cannabis demand and a clear platform for scalable growth.

For more information about Little Green Pharma go to: www.littlegreenpharma.com

Help us be Green

LGP investors are encouraged to go paperless and receive Company communications, notices and reports by email to help reduce our costs and environmental footprint.

To easily update your communication preferences, visit: www.computershare.com.au/easyupdate/lgp

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Cannatrek GROUP

Scheme Booklet

For the recommended scheme of arrangement between Cannatrek Ltd ACN 056 175 369 (**Cannatrek**) and its shareholders in relation to the proposed acquisition of all Cannatrek Shares by Little Green Pharma Ltd ACN 615 586 215 (**LGP**).

VOTE IN FAVOUR

The Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal.

This is an important document and requires your immediate attention.

You should read it carefully and in full before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers immediately.

Further, if you have any questions in relation to this document or the Scheme, you should call the Cannatrek Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), between 9:00am and 5:00pm (Melbourne time), Monday to Friday (excluding public holidays).

Legal adviser

K&L GATES

Corporate adviser

IntrinsicPartners

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Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making a decision about how to vote at the Scheme Meeting.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in Section 13.

Nature of this document

The purpose of this Scheme Booklet is to explain the terms of the Transaction and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Cannatrek Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to Cannatrek Shareholders under Part 5.1 of the Corporations Act.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position and particular needs. It is important that you read this Scheme Booklet carefully and in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult your independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers.

Not an offer

This Scheme Booklet does not constitute or contain an offer to Cannatrek Shareholders, or a solicitation of an offer from Cannatrek Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek independent professional advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

This Scheme Booklet does not constitute an offer of New LGP Shares in any jurisdiction in which it would be unlawful.

No action has been taken to register or qualify the New LGP Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, shareholders of Cannatrek whose addresses are shown in the register on the record date for the Scheme as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have New LGP Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- Australia;
- New Zealand;
- Canada;
- the Netherlands, where (i) Cannatrek Shareholders are 'qualified investors' (as defined in Article 2(e) of the EU Prospectus Regulation) or (ii) the number of other Cannatrek Shareholders is fewer than 150;
- Singapore;
- United Kingdom;
- United States of America; and
- any other person or jurisdiction in respect of which Cannatrek and LGP reasonably believe that it is not prohibited and not unduly onerous or impractical to issue LGP Shares to a Cannatrek shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold Cannatrek Shares on behalf of a beneficial owner resident outside Australia, New Zealand, Canada, Singapore, United Kingdom and the United States of America may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Cannatrek, except nominees and custodians may forward the Scheme Booklet to any beneficial shareholder who:

- if in the Netherlands, is a 'qualified investor' (as defined in Article 2(e) of the *Regulation (EU) 2017/1129* of the European Parliament and the Council of the European Union).

Please refer to additional information in Section 4.10 below.

If the Scheme is implemented, Scheme Shareholders that are Ineligible Foreign Shareholders will not be able to receive New LGP Shares as their Scheme Consideration and will instead receive cash for the Cannatrek Shares they hold.

Role of ASIC and ASX

This document is the explanatory statement for the scheme of arrangement between Cannatrek and the holders of its fully paid ordinary shares as at the Scheme Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure 3.

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A copy of this Scheme Booklet has been registered with ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Meeting is set out in Annexure 5.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Cannatrek Shareholder may appear at the Second Court Hearing, expected to be held at 9.30am (Melbourne time) on 21 April 2026 at the Federal Court of Australia (Victoria registry), 305 William St, Melbourne, VIC 3000.

Any Cannatrek Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Cannatrek a notice of appearance in the prescribed form together with any affidavit that the Cannatrek Shareholder proposes to rely on.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that the Court has ordered under section 411(1) of the Corporations Act that the Scheme Meeting be convened and has directed that the Scheme Booklet accompany the Notice of Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme nor as to how Cannatrek Shareholders should vote (on this matter Cannatrek Shareholders must reach their own decision);
- has prepared, or is responsible for, the content of the Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Disclaimer as to forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet reflect views only as at the Last Practicable Date, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe Cannatrek's or LGP's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of Cannatrek's or the Combined Group's operations and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

The operations and financial performance of Cannatrek and LGP are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of Cannatrek and LGP. Cannatrek Shareholders should note that the historical financial performance of Cannatrek or the LGP Group is no assurance of future financial performance of Cannatrek or the Combined Group (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which Cannatrek and LGP operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of Cannatrek following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

Any forward-looking statements included in the Cannatrek Information have been made on reasonable grounds. Although Cannatrek believes that the views reflected in any forward-looking statements included in the Cannatrek Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Any forward-looking statements included in the LGP Information have been made on reasonable grounds. Although LGP believes that the views reflected in any forward-looking statements included in the LGP Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

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None of Cannatrek or LGP or their respective officers or any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

All subsequent written and oral forward-looking statements attributable to Cannatrek or LGP or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, Cannatrek and LGP do not give any undertaking to update or revise any such statements after the Last Practicable Date, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

You should review all of the information in this Scheme Booklet carefully. Section 1.2 sets out the reasons why you should vote in favour of the Scheme and Section 1.3 sets out the reasons why you may not wish to vote in favour of the Scheme.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Melbourne, Victoria. In particular where a reference is to a time in respect of the Court or Scheme Meeting, such reference will be in respect of Melbourne, Victoria time. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to any necessary approvals from Government Agencies.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated).

Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

No website is part of this Scheme Booklet

Cannatrek and LGP each maintain websites at https://www.cannatrek.com and https://www.littlegreenpharma.com/au/ respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

Responsibility statement

Cannatrek has been solely responsible for preparing the Cannatrek Information. LGP and its directors and officers do not assume any responsibility for the accuracy or completeness of any such Cannatrek Information.

LGP has been solely responsible for preparing the LGP Information. The information concerning LGP and the intentions, views and opinions of LGP contained in this Scheme Booklet have been prepared by LGP and are the responsibility of LGP. Cannatrek and the Cannatrek Directors and officers do not assume any responsibility for the accuracy or completeness of any such LGP Information.

RSM Corporate Australia Pty Ltd (**RSM**) has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. The Independent Expert's Report is set out in Annexure 2.

RSM was not involved in the preparation of any part of this Scheme Booklet other than being named as the Independent Expert. RSM has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Privacy

Cannatrek and LGP may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Cannatrek Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Cannatrek and LGP to conduct the Scheme Meeting, implement the Scheme and account to you for the Scheme Consideration. Personal information of the type described above may be disclosed to the Cannatrek Share Registry and LGP Share Registry, print and mail service providers, authorised securities brokers, Related Bodies Corporate of Cannatrek and LGP, and Cannatrek and LGP's advisers and service providers. Cannatrek Shareholders have certain rights to access personal information that has been collected. Cannatrek Shareholders should contact the Cannatrek Share Registry in the first instance if they wish to access their personal information. Cannatrek Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Date of this Scheme Booklet

This Scheme Booklet is dated 4 March 2026.

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Letter from the Board of Cannatrek

4 March 2026

Dear Cannatrek Shareholder,

On behalf of the directors (**Board**), I am pleased to present you with this Scheme Booklet for your consideration in relation to the proposed acquisition of 100% of the shares in your company by way of a scheme of arrangement.

Background

A. On 10 June 2025, Cannatrek received a non-binding, indicative and incomplete proposal (**NBIO**) from Little Green Pharma Ltd ACN 615 586 215 (**LGP**) to acquire all of the ordinary shares on issue in the capital of Cannatrek, by way of a scheme of arrangement (**Scheme**).

B. Under the NBIO each of Cannatrek and LGP were granted a period of exclusivity to undertake due diligence and to allow the negotiations of the Scheme Implementation Deed (**Scheme Implementation Deed**).

C. On 14 January 2026, Cannatrek entered into the Scheme Implementation Deed with LGP to implement the Scheme.

D. The Scheme can only proceed if, among other Conditions Precedent, it receives approval by the Requisite Majorities of Cannatrek Shareholders, as well as Court approvals. Details regarding the Conditions Precedent to the Scheme are set out in Section 12.5(a).

E. Full details of the Scheme are set out in this Scheme Booklet.

What you will receive under the Scheme

Under the Scheme, Cannatrek Shareholders will receive listed scrip in LGP of 1.835806 newly issued ordinary shares in the capital of LGP (each a **New LGP Ordinary Share**) and unlisted scrip in LGP of 0.727502 newly issued convertible and redeemable preference shares in the capital of LGP (each a **New LGP CV Share**) (together **New LGP Shares**) for every Cannatrek Share (**Scheme Consideration**).

The Board believes that the Scheme provides an opportunity for Cannatrek Shareholders to realise value for your investment in Cannatrek following implementation of the Scheme, via the issue of LGP Ordinary Shares which are tradeable on the ASX.

Overview of the Scheme Consideration

LGP, an Australian registered listed public company, will, on implementation of the Scheme, own 100% of the issued capital in Cannatrek.

Cannatrek Shareholders who own a minimum parcel of 2,270 Cannatrek Shares (**Marketable Parcel**), and are not (nor are acting on behalf of someone) in a jurisdiction other than Australia, New Zealand, United States of America, Canada, Singapore, Netherlands and the United Kingdom (**Ineligible Foreign Shareholders**), will receive 1.835806 New LGP Ordinary Shares and 0.727502 New LGP CV Shares for every Cannatrek Share that they hold on the Scheme Record Date (**LGP Scrip Offer**) and will be bound by LGP's constitution.

The treatment of Ineligible Foreign Shareholders, and the treatment of those shareholders with less than a Marketable Parcel, is addressed at Section 4.8. In summary, Ineligible Foreign

Shareholders and shareholders with less than a Marketable Parcel will not be issued New LGP Shares directly. Instead, the New LGP Shares that would otherwise have been issued to those shareholders will be issued to a sales agent who will arrange for them to be sold on-market with the net proceeds to be paid to the respective shareholders.

The New LGP Ordinary Shares will be quoted on the ASX and will rank equally with the existing LGP Ordinary Shares on issue.

The New LGP CV Shares are a new class of shares which has been created for the purposes of the Scheme and will not be quoted on the ASX. A summary of the terms of the New LGP CV Shares is set out in Section 4.3(c) and the full Terms of Issue are set out in Annexure 6. Capitalised terms used below which are not otherwise defined in this Scheme Booklet have the meaning given in the Terms of Issue.

On the Conversion Date (being no earlier than the second anniversary of the Implementation Date), each New LGP CV Share may convert into a number of LGP Ordinary Shares at the Conversion Ratio. The Conversion Ratio is to be determined based on the calculation of the Contingent Amount. The conversion terms of the New LGP CV Shares are summarised as follows:

- If the Contingent Amount is less than or equal to negative $8 million, each New LGP CV Share will convert into LGP Ordinary Shares on a 1 for 1 basis.

- If the Contingent Amount is greater than negative $8 million but less than $8 million, each New LGP CV Share will convert into LGP Ordinary Shares at a Conversion Ratio (ranging from 0.98960 to 0.00668) which is set out in the Terms of Issue. Example scenarios of conversion of the New LGP CV Shares into LGP Ordinary Shares at differing Contingent Amounts are set out in Section 4.3(c).

- If the Contingent Amount is greater than or equal to $8 million, LGP will elect to either convert all New LGP CV Shares held by a Holder into one LGP Ordinary Share (in total) or redeem the New LGP CV Shares by paying a price of $0.00001 per New LGP CV Share to the Holder, which in effect would value the New LGP CV Shares at close to zero value.

The calculation of the Contingent Amount is further explained in Section 4.3(c)(x). As at the date of this Scheme Booklet, the quantum of the Contingent Amount (and accordingly the applicable Conversion Ratio) cannot be determined or estimated. The New LGP CV Shares cannot be traded prior to their conversion into LGP Ordinary Shares and the New LGP CV Shares may be converted or redeemed for nominal value if the Contingent Amount is greater than or equal to $8 million. Accordingly, there is no certainty as to the value of the New LGP CV Shares and Scheme Shareholders may receive minimal or no value for the New LGP CV Shares.

Risks of the LGP Scrip Offer

The LGP Scrip Offer allows Cannatrek Shareholders (other than Ineligible Foreign Shareholders or Unmarketable Parcel Shareholders) to benefit from any increase in the value of LGP over time. The combination of Cannatrek and LGP is expected to create value through synergies and through LGP becoming a larger business with more diverse product offerings.

However, whether the LGP Scrip Offer is appropriate will depend significantly on the characteristics and risk profile of each individual Cannatrek Shareholder. It is important to understand that any investment in LGP following implementation of the Scheme is highly speculative and represents a fundamentally different investment than your current investment in Cannatrek. More information on LGP can be found in Sections 7 and 8.

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LGP Scrip Offer carries risks, which are set out in Section 10, including but not limited to:

- *Assumed liability risk:* if the Scheme proceeds, Scheme Shareholders will share a proportional risk of any contingent liabilities associated with the past operations of LGP. This includes exposure to possible taxation, regulatory and legal claims in respect of, amongst other things, business practices, product and public liability and employee health and safety issues;

- *Regulatory and licensing risk:* the successful execution of LGP's medicinal cannabis business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import of starting materials and the production, sale, import and export of its medicinal cannabis products;

- *Governance and personnel risk:* the "fit and proper person" test applies to directors, officers and influential shareholders. Failure by any relevant person to satisfy this test, or loss of key personnel, could lead to licence revocation and materially adverse operational impacts;

- *Operational, supply chain and facility risks:* expansion, scaling and optimisation of cultivation and manufacturing facilities (including in Denmark) carry risks of delays, cost overruns, underperformance, unreliable key inputs (energy, utilities, materials), agricultural events and force majeure disruptions;

- *Commercial and contractual dependency:* LGP relies on key suppliers, key distributors, key service providers, logistics providers, pharmacies and international partners. Contract failures, insolvencies, renegotiations, disputes or loss of exclusivity could reduce supply, increase costs and harm revenues;

- *Market, pricing and expansion risk:* growth depends on market acceptance, competitive pricing dynamics and successful international expansion amid regulatory uncertainty, foreign exchange exposure and geopolitical instability, particularly in Europe and emerging markets;

- *Product, intellectual property and compliance risk:* risks include product testing failures, recalls, liability claims, uninsured losses, intellectual property infringement challenges, first-mover regulatory uncertainty particularly into France and other newly opened EU jurisdictions such as Spain, cybersecurity breaches and reputational damage; and

- *Financial, integration and transaction risks:* LGP's performance may be affected by access to capital, economic conditions, integration challenges with Cannatrek, potential dilution, litigation exposure, and significant transaction costs payable regardless of Scheme outcome.

You should read this Scheme Booklet carefully, including Sections 7, 8, 9, and 10 to ensure that you understand the nature of LGP, the New LGP Shares and their associated risks, and seek independent professional advice.

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The Board unanimously recommends that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Cannatrek Shareholders.[1]

Subject to those same qualifications, **each member of the Board intends to vote in favour of the Scheme** for all Cannatrek Shares held or controlled by them. It is expected that the Board will collectively hold or control approximately 22.35% of Cannatrek Shares as at the date of the Scheme Meeting[2].

The Board's unanimous recommendation that you vote in favour of the Scheme.

In reaching its recommendation, the Board, together with Cannatrek's advisers, conducted a comprehensive evaluation of proposal by LGP, as well as the alternative options available to Cannatrek, including maintaining the status quo.

The Board reached its unanimous decision to recommend the Scheme, subject to the above qualifications, for the following reasons:

- the Independent Expert has concluded that the LGP Scrip Offer is fair and reasonable and that the Scheme is in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal;
- following implementation of the Scheme, Cannatrek Shareholders will receive New LGP Shares and participate in the future performance of LGP (as the holding company of the combined group), which is expected to operate an international, vertically integrated medicinal cannabis business that is cash generative, has strong, sustainable profitability and significant growth potential to generate shareholder value;
- the LGP Scrip Offer provides Cannatrek Shareholders with additional liquidity as LGP is a listed entity which in turn creates the opportunity to immediately realise their investment for cash by selling LGP Ordinary Shares on market on the ASX (subject to market conditions);
- if the Scheme is not implemented, Cannatrek Shareholders will continue to hold securities in an unlisted company for which there is no active market, meaning they may have limited ability to realise value in the short term;
- if the Scheme is not implemented, Cannatrek Shareholders will continue to be exposed to the inherent operational, funding and cash flow risks associated with remaining a Cannatrek Shareholder.
- no Superior Proposal has emerged as at the Last Practicable Date. Additionally, as at the Last Practicable Date, the Board is not aware of any Competing Proposal that is likely to emerge; and

[1] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

[2] Based on the fact that the members of the Board collectively hold 22.35% of Cannatrek Shares as at the Last Practicable Date and the fact that vesting and exercise of the options on issue shall increase the total number of Cannatrek Shares on issue by 1,749,772 shares.

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- brokerage charges will not apply to the transfer of your Cannatrek Shares under the Scheme.

In forming its unanimous decision to recommend the Scheme to Cannatrek Shareholders, subject to the qualifications described above, the Board considered the potential disadvantages of the Scheme proceeding. In particular:

- you may disagree with the Board's unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests;
- you may wish to maintain your direct investment in Cannatrek as a publicly unlisted company;
- you may believe it is in your best interests to maintain your current investment and risk profile;
- you may believe that there is potential for a Superior Proposal to emerge in the foreseeable future; and
- the tax consequences of the Scheme may not suit your individual position and circumstances.

The Board believes, based on the LGP Scrip Offer, that the benefits of the Scheme outweigh its potential disadvantages and risks, with the Scheme representing the most attractive option for Cannatrek Shareholders to realise value for their Cannatrek Shares.

Cannatrek Shareholders should consider the risks associated with the LGP Scrip Offer outlined above and detailed in Sections 10.6 and 10.7 of this Scheme Booklet.

If eligible Cannatrek Shareholders[3] receive the LGP Scrip Offer, it will provide them with an indirect ongoing interest in Cannatrek, which will be listed and have different features from their existing Cannatrek Shares. Cannatrek Shareholders should carefully read Sections 9 and 10 of this Scheme Booklet and seek independent professional advice.

Independent Expert

Cannatrek appointed RSM Corporate Australia Pty Ltd (**RSM**) as the Independent Expert to assess the merits of the Scheme and provide an opinion on whether the Scheme is fair, reasonable and in the best interests of Cannatrek Shareholders.

Based on the LGP Scrip Offer, the Independent Expert has concluded that the Scheme is fair, reasonable and in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of:

- a Cannatrek Share to be in the range of $0.196 and $0.251 on a non-controlling interest basis.

[3] Being Cannatrek Shareholders who own a Marketable Parcel and are not an Ineligible Foreign Shareholder.

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- the Scheme Consideration(being 1.835806 New LGP Ordinary Shares and 0.727502 New LGP CV Shares for every Cannatrek Share) under two outcomes:

  - » Outcome One: where the Contingent Amount is between negative $2 million and $2 million, in which case the Independent Expert has assessed the value of the Scheme Consideration on a non-controlling basis to be in the range of $0.251 and $0.292 with a midpoint of $0.272 (**Outcome One**); and

  - » Outcome Two: where the Contingent Amount is greater than $8 million, in which case the Independent Expert has assessed the value of the Scheme Consideration on a non-controlling basis to be in the range of $0.237 to $0.276 with a midpoint of $0.257 (**Outcome Two**).

The LGP Scrip Offer is within the Independent Expert's assessed valuation range under either of Outcome One or Outcome Two.

A copy of the Independent Expert's Report is included in Annexure 2. The Board encourages Cannatrek Shareholders to read the Independent Expert's Report in its entirety before deciding whether to vote in favour or against the Scheme.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme.

If the Scheme is not implemented and no Superior Proposal emerges, Cannatrek will continue as an independent publicly unlisted Company and Cannatrek Shareholders will not receive the Scheme Consideration.

If a Competing Proposal is received by Cannatrek, the Board will follow the procedures set out in Section 12.5(c) in considering and responding to the Competing Proposal, which includes a matching right process in favour of LGP.

How to vote

The Scheme can only be implemented if approved by the Requisite Majority of Cannatrek Shareholders at the Scheme Meeting which is scheduled for 9.30am (Melbourne time) on 10 April 2026 at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 (and accessible online at https://meetings.lumiconnect.com/300-701-212-756). This requires more than 50% of the number of shareholders present and voting (whether in person, by proxy, by attorney or by a corporate representative), and at least 75% of votes cast at the Scheme Meeting, to be in favour of the Scheme. The Scheme also requires Court approval.

Your vote is important, and I encourage you to vote by attending the Scheme Meeting in person, online or by completing and ensuring the Proxy Form accompanying this Scheme Booklet is received by 9.30am (Melbourne time) on 8 April 2026.

Please refer to Section 3.2 for information setting out how to participate in and vote at the Scheme Meeting.

Further information

Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote.

Capitalised terms not otherwise defined in this letter have the meaning given in Section 13.1.

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If you require any further information about the Scheme or your Cannatrek Shareholding, please call the Cannatrek Share Registry on 1300 020 243 (within Australia) or +61 2 8016 2857 (outside Australia), between 9:00am and 5:00pm (Melbourne time) Monday to Friday.

If you are in any doubt as to what you should do, please consult your independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers without delay.

On behalf of the Board, I would like to take this opportunity to thank you for your continued support of Cannatrek and I look forward to your participation at the Scheme Meeting.

Yours sincerely,



Brent Dennison
Chair
Cannatrek Ltd

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Important dates for the Scheme

Execution of Scheme Implementation Deed	14 January 2026
ASX Announcement of Scheme Implementation Deed (by LGP)	14 January 2026
First Court Date for convening the Scheme Meeting	2.15pm (Melbourne time) 3 March 2026
Date of this Scheme Booklet	4 March 2026
Latest time and date for receipt of Proxy Forms and powers of attorney for the Scheme Meeting	9.30am (Melbourne time) on 8 April 2026
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm (Melbourne time) on 8 April 2026
Scheme Meeting To be held at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 and accessible online at https://meetings.lumiconnect.com/300-701-212-756	9.30am (Melbourne time) on 10 April 2026
If the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders	
Second Court Date for approval of the Scheme	9.30am (Melbourne time) on 21 April 2026
Effective Date Court order lodged with ASIC and announcement to the ASX (by LGP)	22 April 2026
Scheme Record Date for determining entitlements to Scheme Consideration	7.00pm (Melbourne time) on 24 April 2026
Implementation Date and provision of Scheme Consideration	1 May 2026

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX (by LGP) and notified via Boardroom, Cannatrek's Share Registry. Cannatrek may vary the timetable detailed above subject to the approval of such variation by LGP, the Court and ASIC where required.

All references to time in this Scheme Booklet are references to Melbourne, Victoria time. In particular where a reference is to a time in respect of the Court or Scheme Meeting, such reference will be in respect of Melbourne, Victoria time. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Cannatrek Shareholders who have elected to receive communications electronically will be sent an email which contains instructions about how to download a copy of this Scheme Booklet, and to lodge their proxy vote online at https://www.votingonline.com.au/cannatrekscheme26.

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1. Key considerations relevant to your vote

1.1 General

The Scheme has a number of advantages and potential disadvantages that may affect Cannatrek Shareholders in different ways depending on their individual circumstances. Cannatrek Shareholders should seek independent professional advice on their particular circumstances.

Section 1.2 sets out the key reasons why the Board unanimously recommends[4] Cannatrek Shareholders vote in favour of the Scheme. There are also reasons why Cannatrek Shareholders may not support the Scheme and may consider voting against the Scheme. These reasons are set out in Section 1.3. Other important considerations are set out in Sections 1.4 and 1.5.

You should read this Scheme Booklet carefully and in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting.

While the Board acknowledges the reasons to vote against the Scheme, it believes the advantages of the Scheme outweigh the disadvantages.

In considering the potential reasons why you may consider voting against the Scheme, you should be aware that even if you vote against the Scheme, the Scheme may still be implemented if all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived, it is approved by the Requisite Majorities of Cannatrek Shareholders and the Court approves the Scheme. If this occurs, your Cannatrek Shares will be transferred to LGP and you will receive the Scheme Consideration even though you voted against the Scheme.

1.2 Why the Board recommends that you vote in favour of the Scheme

The Board considers that the key reasons to vote in favour of the Scheme are as follows:

(a) The Board unanimously recommends[5] that you vote in **FAVOUR** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.

In reaching its recommendation, the Board has assessed the Scheme having regard to the reasons to vote in favour of, or against the Scheme, as set out in this Scheme Booklet. The Board believes the LGP Scrip Offer is compelling and provides Cannatrek Shareholders with value via the issue of LGP Ordinary Shares which are tradeable on the ASX.

The Board also considered a number of factors impacting Cannatrek near and medium-term outlook, including:

[4] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

[5] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

- the capital requirements of Cannatrek's business to support ongoing operations, product supply and growth initiatives in a highly regulated environment, including the availability, cost and timing of future funding; and

- general market conditions in the sectors in which Cannatrek operates.

The execution of the Scheme Implementation Deed with LGP followed negotiation and due diligence resulting in the Board unanimously recommending that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Cannatrek Shareholders.[6] The key reasons for reaching this conclusion were (a) the attractive offer by LGP, and (b) the fact that (assuming the Scheme proceeds) Cannatrek Shareholders who receive the LGP Scrip Offer will receive value for their investment in Cannatrek via the issue of LGP Ordinary Shares which are tradeable on the ASX.

The members of the Board collectively hold or control approximately 22.35% of Cannatrek Shares as at the Last Practicable Date as set out in Section 12.1 and intend to vote or procure the voting of their Cannatrek Shares in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. Cannatrek Shareholders should have regard to these interests when considering how to vote on the Scheme.

(b) **The Independent Expert has concluded that the Scheme is in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal**

The Independent Expert has analysed the LGP and the Cannatrek business and, in light of this analysis, based on the LGP Scrip Consideration, has concluded that the Scheme is fair, reasonable and in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of:

- a Cannatrek Share to be in the range of $0.196 and $0.251 on a non-controlling interest basis.

- the Scheme Consideration (being 1.835806 New LGP Ordinary Shares and 0.727502 New LGP CV Shares for every Cannatrek Share) under two outcomes:

  - » Outcome One: where the Contingent Amount is between negative $2 million and $2 million, in which case the Independent Expert has assessed the value of the Scheme Consideration on a non-controlling basis to be in the range of $0.251 and $0.292 with a midpoint of $0.272 (**Outcome One**); and

  - » Outcome Two: where the Contingent Amount is greater than $8 million, in which case the Independent Expert has assessed the value

[6] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

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of the Scheme Consideration on a non-controlling basis to be in the range of $0.237 to $0.276 with a midpoint of $0.257 (**Outcome Two**).

The Independent Expert also provides more detail on the LGP CV Shares and the Contingent Amount at 1.2 and 8.2 and 9 of its report.

The LGP Scrip Offer is within the Independent Expert's assessed valuation range under either of Outcome One or Outcome Two.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 2. The Board strongly encourages you to read the Independent Expert's Report in its entirety.

(c) **Scheme Shareholders who receive the LGP Scrip Consideration will participate in the future performance of the Combined Group and its expected strategic and operational benefits**

Following implementation of the Scheme, Cannatrek Shareholders (other than Ineligible Shareholders or Unmarketable Parcel Shareholders) will receive New LGP Shares and participate in the future performance of LGP (as the holding company of the Combined Group), which is expected to operate an international, vertically integrated medicinal cannabis business that is cash generative, has strong, sustainable profitability and significant growth potential to generate shareholder value. The key strategic pillars that underlie the combination of Cannatrek and LGP are:

(i) Maintaining strong profitability margins and cash generation in the Australian market by leveraging the synergy opportunities created by combining two of Australia's largest medicinal cannabis operators. Identified synergy opportunities include:

» Broader utilisation of Cannatrek's GMP manufacturing capability

» Sourcing supply for Cannatrek's product range from LGP's cultivation, both in Australia and Denmark

» Strengthening brand and product diversification by enhancing the combined group's ability to serve a wider range of patient needs and price points

» Optimising costs and expenses to improve margin performance

» Combining clinic and distribution assets where appropriate

(ii) Accelerating the expansion and growth of LGP's Danish cultivation facility to serve the ongoing growth in the European market. The strength of Cannatrek's balance sheet is expected to facilitate the necessary investment in both facility fitout and development, and the necessary working capital to underwrite further growth. The Combined Group will aim to improve the scale, yield, product quality, and ultimately the return on capital of one of the largest and most technologically advanced EU-GMP facilities in Europe

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(iii) The Combined Group, exhibiting both growth and profitability, is expected to become a platform for further international expansion. Via both organic initiatives (such as EU GMP warehousing and distribution for current supply partners), and investment and/or acquisition of synergistic opportunities that are emerging as the global industry consolidates, the Combined Group has the appetite, capability and resources to implement a broader international expansion strategy. The Combined Group is expected to be cash generative and has unutilised debt capacity to assist in the funding of future initiatives.

Further work will be undertaken to refine these opportunities and to develop a post-merger integration plan designed to capture potential synergies, take full advantage of growth opportunities, and position the Combined Group to maximise value for shareholders.

FY26 pro-forma revenue, for the period ending 31 March 2025, of the Combined Group is expected to be over $100 million.

Further information on the prospects of the Combined Group is included in Section9.5.

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(d) **Scheme Shareholders who receive the LGP Scrip Consideration are provided liquidity with respect to their investment in Cannatrek**

The LGP Scrip Consideration provides liquidity for Cannatrek Shareholders as the LGP Scrip Consideration will be issued by a company whose shares are listed on the ASX. This provides Cannatrek Shareholders with a significantly higher degree of liquidity compared with their current investment in an unlisted entity. As a result, Cannatrek Shareholders will have greater flexibility to realise some or all of their investment on-market, should they wish to do so.

The LGP Ordinary Shares provides Cannatrek Shareholders (other than Ineligible Shareholders or Unmarketable Parcel Shareholders) with the opportunity to realise value immediately following implementation of the Scheme by selling their LGP Ordinary Shares on-market (subject to normal market conditions). This compares favourably with the limited avenues available to realise value from shares in Cannatrek, which are not listed and for which there is no established secondary market.

The LGP Scrip Offer also allows Cannatrek Shareholders (other than Ineligible Shareholders or Unmarketable Parcel Shareholders) to benefit from any increase in the value of LGP over time, noting that any investment in LGP is highly speculative. The addition of Cannatrek to the LGP Group should create value through various synergies as described in Section 9.3.

In contrast, if the Scheme does not proceed, the price which Cannatrek Shareholders will be able to realise for their Cannatrek Shares will be uncertain and subject to a number of risks, including those outlined in Section 10, as well as there being no readily liquid market available.

(e) **No Competing Proposal has emerged as at the Last Practicable Date**

Since the proposed Scheme was made and up until the Last Practicable Date, no Competing Proposal has emerged. The Board is not aware, as at the Last Practicable Date, of any Competing Proposal that is likely to emerge.

Given the time elapsed since the Scheme was announced, Cannatrek Shareholders should consider whether a Superior Proposal is likely to arise in the circumstances.

The Scheme Implementation Deed contains customary provisions that regulate the way in which Cannatrek can respond to or announce Competing Proposals, details of which are summarised in Section 12.5(c). If a Competing Proposal is received which, after receiving advice from its advisors, the Board believes to be a Superior Proposal, it will be announced to Cannatrek Shareholders and on the Cannatrek's website.

In the absence of the Scheme, Cannatrek will continue to operate unlisted public company. Any future liquidity event, including a listing, third-party transaction or return of capital, would depend on the availability of a suitable opportunity and the approval of the Cannatrek Board and shareholders (if applicable), and may not occur in the foreseeable future.

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(f) **Voluntary escrow**

The Cannatrek Key Persons and the LGP Key Shareholders have voluntarily agreed that certain LGP Ordinary Shares held by them will be subject to escrow for up to 12 months after the Implementation Date (see section 4.6 for more detailed information).

The inclusion of voluntary escrow arrangements demonstrates a clear commitment by key Cannatrek and LGP stakeholders of the Combined Group, reflecting their confidence and commitment in LGP's long term potential performance and strategic objectives. The escrow also demonstrates potentially reduced sale supply pressures on the LGP Ordinary Shares following implementation of the Scheme which may result in increased share price stability.

(g) **Brokerage charges will not apply to the transfer of your Cannatrek Shares**

You will not incur any brokerage charges if you accept the LGP Scrip Consideration and the Scheme is implemented.

It is possible that brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your Cannatrek Shares other than under the Scheme.

1.3 Why you may not wish to vote in favour of the Scheme

Although the Scheme is unanimously recommended by the Board (in the absence of a Superior Proposal)[7] and the Independent Expert has concluded that the Scheme is fair, reasonable and in the best interests of Cannatrek Shareholders, factors that may lead you to consider voting against the Scheme include the following:

(a) **You may disagree with the Board's recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

Despite the unanimous recommendation[8] of the Board to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is in the best interests of Cannatrek Shareholders, you may believe that the Scheme is not in your best interests.

(b) **Scheme Shareholders who receive the LGP Scrip Offer will be subject to the following potential disadvantages**

if the Scheme is implemented, it would result in Scheme Shareholders having a reduced direct exposure to Cannatrek's business and assets on a standalone basis and an increased exposure to the broader LGP Group (including its existing business and assets). Further information about:

- LGP is set out in Sections 7 and 8; and
- the Combined Group is set out in Section 9.

[7] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

[8] You should note that when considering this recommendation that the members of the Board hold the interests set out in Sections 1.5 and 12.1.

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Further risks associated with LGP business and the New LGP Shares are set out in Sections 10.6 and 10.7.

(c) **You may believe that it is in your interests to maintain your current investment and risk profile by retaining your investment in Cannatrek**

You may prefer to keep your Cannatrek Shares to preserve your investment in an unlisted public company with the specific characteristics of Cannatrek.

You may consider that, despite the potential strategic and operational benefits expected to arise from the Combined Group, and the matters and risk factors relevant to Cannatrek's potential future operations on a standalone basis (included in Sections 10.2, 10.3 and 10.4), Cannatrek may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Cannatrek or incur transaction costs in undertaking any new investment.

It is important to note that, if the Scheme is not implemented and you wish to maintain your investment in Cannatrek, then you may be offered to participate in any capital raising that Cannatrek is required to immediately undertake. Any such capital raising, if successful, is likely to materially dilute the investment of Cannatrek Shareholders who do not participate.

(d) **You may believe that there is potential for a Superior Proposal to emerge**

It is possible that a more attractive proposal for Cannatrek Shareholders could materialise in the future, such as a Superior Proposal or some other takeover bid with a higher offer price than the Scheme Consideration. However, as at the Last Practicable Date, the Board has not received or become aware of any Competing Proposal and has no reasonable basis for believing that a Competing Proposal will be received.

The Scheme Implementation Deed prohibits Cannatrek from soliciting a Competing Proposal. However, Cannatrek is permitted to respond to any Competing Proposal should the members of the Board determine that failing to do so would likely constitute a breach of their fiduciary or statutory duties, and provided that LGP' s matching rights (discussed at Section 12.5(c)) are observed. Further details of the key terms of the Scheme Implementation Deed (including a summary of Cannatrek's obligations in relation to responding to a Competing Proposal) are provided in Section 12.5(c).

If a Competing Proposal (which may be a Superior Proposal) is received by Cannatrek, the Board will follow the procedures set out in Section 12.5(c) in considering (if required to discharge the Board's fiduciary obligations) and responding to the Competing Proposal.

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(e) **The tax consequences of transferring your Cannatrek Shares pursuant to the Scheme may not suit your individual position and circumstances**

The tax consequences of the Scheme will depend on your personal situation. You may consider that the tax consequences of disposing of your Cannatrek Shares to LGP pursuant to the Scheme.

Cannatrek Shareholders should read the tax implications of the Scheme outlined in Section 11. However, Section 11 is general in nature, and Cannatrek Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme.

1.4 Other considerations relevant to your vote on the Scheme

You should also consider the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) **The Scheme may proceed and apply to you even if you vote against it**

If the Scheme Resolution is passed by the Requisite Majorities and is approved by the Court and the Conditions Precedent are either satisfied or (if permitted) waived, the Scheme will be implemented irrespective of whether you do not vote or you vote against the Scheme Resolution at the Scheme Meeting.

If this occurs, any Cannatrek Shares you hold as at the Scheme Record Date will be transferred to LGP and you will receive the LGP Scrip Consideration.

(b) **If the Scheme does not proceed, Cannatrek Shareholders will not receive the Scheme Consideration**

If the Scheme is not approved or all outstanding Conditions Precedent are not satisfied or (if permitted) waived, the Scheme will not proceed. In that case, Cannatrek Shareholders will retain their Cannatrek Shares and not receive the Scheme Consideration. Cannatrek will then continue to operate as it does currently and Cannatrek Shares will remain unlisted.

If the Scheme is not implemented, the advantages of the Scheme described in Section 1.2 will not be realised.

(c) **Exclusivity and the effect on likelihood of Competing Proposal**

The Scheme Implementation Deed provides that Cannatrek is subject to certain exclusivity obligations and restrictions, including no shop, no talk and no due diligence restrictions, and notification obligations to LGP in respect of Competing Proposals. It also provides that LGP has a matching right in respect of Competing Proposals.

Cannatrek must not, directly or indirectly, solicit or encourage any Competing Proposal or any enquiries or discussions in relation to, or which may reasonably be expected to lead to, a Competing Proposal.

However, if the Board determines that complying with no talk and no due diligence restrictions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Board, it need not do so, and in those circumstances Cannatrek would be permitted to respond to any Competing Proposal subject to compliance with LGP matching rights.

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A Competing Proposal may also arise without the assistance or engagement of the Board.

Refer to Section 12.5(c) for further information on these arrangements.

(d) **Costs and Break Fee**

Cannatrek has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These costs include negotiating with LGP, the retention of advisers, the provision of information to LGP, facilitating LGP's access to due diligence, engagement of the Independent Expert and the preparation of this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by LGP as the ultimate controller of Cannatrek following implementation of the Scheme. If the Scheme is implemented and if no Superior Proposal emerges, Cannatrek expects to incur total transaction costs of approximately $2,150,000 (excluding GST).

Under the Scheme Implementation Deed, the Cannatrek Break Fee of $335,000 may become payable by Cannatrek to LGP, in certain circumstances.

Failure by Cannatrek Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the Cannatrek Break Fee. Further details of the circumstances in which the Cannatrek Break Fee may become payable to LGP are in Section 12.5(e).

Under the Scheme Implementation Deed, the LGP Break Fee of $335,000 may become payable by LGP to Cannatrek, in certain circumstances. Refer to Section 12.5(f) for a summary of when the LGP Break Fee may become payable.

(e) **Warranties by Scheme Shareholders**

Each Scheme Shareholder is deemed to have warranted to LGP, and, to the extent enforceable, appointed and authorised Cannatrek as its agent and attorney to warrant to LGP that:

(i) all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to LGP, pursuant to the Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the PPSA) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and

(ii) they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to LGP, pursuant to the Scheme.

Cannatrek undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to LGP, on behalf of that Scheme Shareholder.

See Sections 4.14 and 12.5 for more details.

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1.5 Important Information concerning Director Recommendations

The Board believes that the Scheme is in the best interests of Cannatrek Shareholders, and they unanimously recommend[9] that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.

The Board has formed its conclusion and made its recommendation on the Scheme based on the reasons outlined in Section 1.2.

In relation to the recommendations of the Board, Cannatrek Shareholders should have regard to the following information:

(a) Interests of Cannatrek Directors in Cannatrek Shares

Shareholders should have regard to the interests held by the Cannatrek Directors, as set out below when considering the recommendation of the Board on the Scheme, which appears throughout this Scheme Booklet.

As at the Last Practicable Date, the number of Cannatrek Shares held by or on behalf of each of the Cannatrek Directors is as follows:

Director	Member of the Board	No. of Cannatrek Shares held	No, of Cannatrek Options held
Thomas Huppert	Non-Executive Director	52,869,670[1]	1,054,464[3]
Seth Yakatan	Non-Executive Director	3,076,922	-
Sam Holt	Non-Executive Director	2,798,911[2]	-
Brent Dennison	Executive Chairman	2,747,252	0
Justin Arter	Non-Executive Director	329,670	-
Imogen Randell	Non-Executive Director	-	-
TOTAL		**61,822,425**	**1,054,464**

Notes
[1] Includes shares held personally and via entities controlled by the Director.
[2] Held via entities controlled by the Director.
[3] Thomas Huppert as a Director is also the holder of Cannatrek Options, which will be dealt with in accordance with Section 1.5(e).

All Cannatrek Directors who hold Cannatrek Shares, will be entitled to vote at the Scheme Meeting and, if the Scheme is implemented, will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

[9] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Section 12.1.

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Each member of the Board intends to vote or procure the voting of their Cannatrek Shares in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.

(b) **No other benefits for Board**

As set out in Section 12.4, there are no benefits that will be received by the members of the Board upon implementation of the Scheme, other than receipt of the Scheme Consideration for the Cannatrek Shares they hold (as set out at Section 1.5(a) above).

(c) **Board recommendation notwithstanding interest in Cannatrek Shares**

The Board has determined that each member of the Board holding Cannatrek Shares can, and should, if they wish to do so, make a recommendation on the Scheme notwithstanding the nature of the interests described at Section 1.5(a) (above), which will result in them receiving the Scheme Consideration for their Cannatrek Shares, if the Scheme is implemented.

The Board also considers that it is appropriate for each of its members holding an interest in Cannatrek, notwithstanding the nature of the interests described in Section 1.5(a) (above), to make a recommendation on the Scheme in light of the importance of the Scheme and in assisting with the facilitation of the Scheme.

(d) **Interests of Cannatrek key management personnel in Cannatrek Shares**

Shareholders should also have regard to the interests held by the Cannatrek key management personnel, as set out below, when considering the recommendation of the Board on the Scheme, which appears throughout this Scheme Booklet.

As at the Last Practicable Date, the number of Cannatrek Shares held by the Cannatrek key management personnel is as follows:

Personnel	Position	No. of Cannatrek Shares held	No, of Cannatrek Options held
Phoebe Macleod	GM Product & Industry Development	3,607,910[1]	-
Dr Jim Connell	Chief Medical Officer	3,509,019[2]	-
Paula Butler	Chief Financial Officer	1,373,626	-
Jason Rance	Chief Executive Officer	-	650,000
James Kapetanios	General Manager - Operations	-	370,370
George Michalopoulos	General Manager - Commercial	-	259,259
Chris Petrakis	General Manager - Digital Products & Technology	-	-
	TOTAL	**8,490,555**	**1,279,629**

Notes
[1] Includes shares held by an associate of the key management person

[2] Held via entities controlled by key management.

The Cannatrek key management personnel who hold Cannatrek Shares will be entitled to vote at the Scheme Meeting and intend to vote or procure the voting of their Cannatrek Shares in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. If the Scheme is implemented, Cannatrek key management personnel will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

(e) **Cannatrek Options**

As at the Last Practicable Date, there were 4,269,492 Cannatrek Options on issue.

More information in relation to the Equity Incentive Plan, under which Cannatrek Options are granted, are set out in Section 12.3.

The '**Cannatrek Optionholders**' are the holders of the Cannatrek Options on issue, as set out in the table below:

Holder	No. of options	Exercise price	Expiry date
Holder 1	100,000	$0.50	31/12/26
Holder 2	1,054,464	$0.43	31/05/31
Holder 3	1,089,464	$0.34	31/05/31
Holder 4	650,000	$0.27	06/05/31
Holder 5	370,370	$0.27	30/06/31
Holder 6	330,750	$0.27	31/05/31
Holder 7	259,259	$0.27	30/06/31
Holder 8	185,185	$0.27	30/06/31
Holder 9	80,000	$0.40	31/05/31
Holder 10	75,000	$0.40	31/05/31
Holder 11	75,000	$0.40	31/05/31
Total	**4,269,492**		

Each of the Cannatrek Optionholders and LGP have agreed that each Cannatrek Option will be subject to a cash-free exercise into fully paid ordinary shares in Cannatrek in respect of each Cannatrek Option held at 5:00pm (Melbourne time)

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on the date the Scheme becomes Effective with the cash-free exercise occurring on the day after the Scheme becomes Effective.

Upon exercise of those Cannatrek Options, new Cannatrek Shares shall be issued to the Cannatrek Optionholders. The Cannatrek Optionholders will not be entitled to vote at the Scheme Meeting.

If the Scheme is implemented, the Cannatrek Optionholders will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

The number of Cannatrek Shares each Cannatrek Optionholder is entitled to was determined on the following basis:

(i) applying a Black-Scholes option pricing methodology to determine a notional value for the Cannatrek Options held by each Cannatrek Optionholder (**Notional Option Value**); and

(ii) dividing the Notional Option Value by $0.12 (being the closing price of LGP Ordinary Shares on ASX on the trading day immediately preceding execution of the Scheme Implementation Deed) rounded to the nearest whole number (**Notional Option LGP Share Issue**); and

(iii) dividing the Notional Option LGP Share Issue by 1.835806 (being the number of New LGP Ordinary Shares issued per Cannatrek Share under the Scheme) rounded to the nearest whole number.

Accordingly, it is expected that a further 1,749,772 of Cannatrek Shares will be issued in Cannatrek following the date of this Scheme Booklet.

1.6 What are your options and what should you do?

Cannatrek Shareholders have the following four options in relation to their Cannatrek Shares. The Board encourages Cannatrek Shareholders to consider their personal risk profile, portfolio strategy, tax position and financial circumstances and seek independent professional advice before making any decision in relation to their Cannatrek Shares.

(a) Vote in favour of the Scheme at the Scheme Meeting

The Board unanimously recommends[10] that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. The reasons for the Board's unanimous recommendation are set out in Section 1.2.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting or via a Proxy Form.

[10] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

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For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 3. The Notice of Scheme Meeting is contained in Annexure 5.

You will not need to make any election to receive the LGP Scrip Consideration.

(b) **Vote against the Scheme at the Scheme Meeting**

If, despite the Board's unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should be aware that if:

(i) all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived;

(ii) the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders; and

(iii) the Court approves the Scheme,

the Scheme will bind all Cannatrek Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 3. The Notice of Scheme Meeting is contained in Annexure 5.

If you vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all, and the Scheme is implemented, you will receive the LGP Scrip Consideration.

If you vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all, and the Scheme is not implemented, Cannatrek will continue to operate as a standalone unlisted entity.

(c) **Sell your Cannatrek Shares**

The Scheme does not preclude you from selling your Cannatrek Shares through a private treaty, if you wish to do so, prior to 5.00pm (Melbourne time) on the Scheme Record Date.

If you sell your Cannatrek Shares for cash, you:

(i) will not be entitled to receive the Scheme Consideration;

(ii) may incur costs and charges;

(iii) may incur CGT; and

(iv) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the Last Practicable Date, the Board has not received or become aware of any Competing Proposal and has no reasonable basis for believing that a Competing Proposal will be received.

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(d) **Do nothing**

If, despite the Board's unanimous recommendation[11] and the conclusion of the Independent Expert, you decide to do nothing, you should be aware that if:

(i) all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived;

(ii) the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders; and

(iii) the Court approves the Scheme,

the Scheme will bind all Cannatrek Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority of Cannatrek Shareholders, you will not be entitled to receive any Scheme Consideration.

It is also important to note that if you decide to do nothing and the Scheme is implemented, you will receive the LGP Scrip Consideration.

[11] In relation to the unanimous recommendation of the Board, refer to Section 1.5 for further details.

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2. Frequently asked questions

Question	Answer	More information
Details of the Scheme		
What is the Scheme?	The Scheme is a scheme of arrangement between Cannatrek and Cannatrek Shareholders at the Scheme Record Date. The Scheme will effect the acquisition of Cannatrek by LGP. A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company. If the Scheme is approved by the Requisite Majorities and implemented, Scheme Shareholders will receive the Scheme Consideration on the Implementation Date.	Section 1 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure 3.
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Cannatrek Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting. You should read this Scheme Booklet carefully and, if necessary, consult independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers before voting on the Scheme Resolution.	See Cover Page and Important Notices.
What will be the effect of the Scheme?	If the Scheme is approved by the Requisite Majority of Cannatrek Shareholders and by the Court, and is implemented: • all your Cannatrek Shares held as at the Scheme Record Date will be transferred to LGP; • in exchange, you will receive the LGP Scrip Consideration for each Cannatrek Share you hold as at the Scheme Record Date; and • Cannatrek will become a wholly owned Subsidiary of LGP.	Section 4.2.
Questions about LGP		

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Question	Answer	More information
Who is LGP?	LGP operates a vertically integrated medicinal cannabis business comprising cultivation, production, research and development, manufacturing, and distribution of medicinal cannabis products. LGP cultivates, produces and manufactures medicinal cannabis in Australia and Denmark, with its products being sold in both the Australian and European markets. In the 6 months ending 30 September 2025, LGP generated revenues of $19,225,000.	Section 7.2.
How is LGP funding the Scheme Consideration?	The LGP Scrip Consideration is non-cash and therefore no funding is required to satisfy the Scheme Consideration.	Section 7.10.
What are LGP's intentions regarding Cannatrek	Following implementation of the Scheme, the current intention of LGP is to continue to operate the day-to-day operations of Cannatrek's business largely in its current form with no material changes anticipated. LGP will undertake a review of Cannatrek' existing operations, assets and structure to identify any areas where Cannatrek's business can be enhanced or improved with the support and resources of LGP.	Section 9.2.
Voting recommendations and considerations		
What does the Board recommend and how do they intend to vote?	The Board has carefully considered the advantages and disadvantages of the Scheme and unanimously recommends[12] that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. The Board intends to vote, or procure the voting of their Cannatrek Shares, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude	Section 1.2 provides a summary of some of the reasons why the Board considers that Cannatrek Shareholders should vote in favour of the Scheme. Section 12.1 sets out the interests of each member of the Board in Cannatrek.

[12] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

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Question	Answer	More information
	that the Scheme is in the best interests of Cannatrek Shareholders. The Board collectively holds or controls approximately 22.35% of Cannatrek Shares as at the Last Practicable Date. Cannatrek Shareholders should have regard to these interests when considering how to vote on the Scheme.	
What benefits will the Board receive if the Scheme is Implemented?	In relation to the recommendation of the Board, Cannatrek Shareholders should have regard to the Cannatrek Shares held by the Board. Please see Sections 1.5 and 12.1 for more information. The Board also considers that it is appropriate for each of its member's holding an interest in Cannatrek, notwithstanding the nature of the interests described in Section 1.5(a) (above) which they will receive, to make a recommendation on the Scheme in light of the importance of the Scheme and in assisting with the facilitation of the Scheme. Cannatrek Shareholders should have regard to these arrangements when considering the recommendation of the Board in relation to the Scheme.	Sections 1.5 and 12.1.

What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair, reasonable and in the best interests of Cannatrek Shareholders, in the absence of a Superior Proposal.
	The Independent Expert has assessed the value of:
	• a Cannatrek Share to be in the range of $0.196 and $0.251 on a non-controlling interest basis.
	• the Scheme Consideration under two outcomes:
	  ○ Outcome One: where the Contingent Amount is between negative $2 million and $2 million, the Scheme Consideration on a non-controlling basis is in the range of $0.251 and $0.292 with a midpoint of $0.272;
	  ○ Outcome Two: where the Contingent Amount is greater than $8 million, the Scheme Consideration on a non-controlling basis is in the range of
		Annexure 2 contains the Independent Expert's Report.

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Question	Answer	More information
	$0.237 to $0.276 with a midpoint of $0.257. The LGP Scrip Offer is within the Independent Expert's assessed valuation range under either of Outcome One or Outcome Two.	
What if the Independent Expert changes its opinion?	If the Independent Expert changes its opinion, the Board will consider the Independent Expert's revised opinion and advise Cannatrek Shareholders of its recommendation. The Board may change, qualify or withdraw its recommendation that Cannatrek Shareholders vote in favour of the Scheme without paying the Cannatrek Break Fee to LGP if the Independent Expert concludes that the Scheme is no longer in the best interests of Cannatrek Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including a Superior Proposal)).	Section 12.5.
What choices do I have as a Cannatrek Shareholder?	As a Cannatrek Shareholder who is eligible to vote at the Scheme Meeting, you have the following choices in relation to your Cannatrek Shares: • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your Cannatrek Shares; or • do nothing.	Section 1.6 sets out your options.
Is a Superior Proposal likely to emerge?	Since the announcement of the execution of the Scheme Implementation Deed on 14 January 2026, and up to the Last Practicable Date, no Superior Proposal has emerged. The Board has no reasonable basis for believing that a Competing Proposal will be received.	Section 1.2.
Conditions Precedent		

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Question	Answer	More information
Are there any conditions to be satisfied or waived?	Yes. There are a number of Conditions Precedent that will need to be satisfied or (if permitted) waived before the Scheme can become Effective. In summary, as at the Last Practicable Date, the outstanding Conditions Precedent include: • ASIC and ASX (to the extent relevant) each having issued or provided the requisite consents, waivers or approval to implement the Scheme; • all material Regulatory Approvals deemed necessary or desirable to implement the Scheme being obtained; • Cannatrek Shareholders approve the Scheme; • the Independent Expert concluding that the Scheme is in the best interests of Cannatrek Shareholders prior to registration of this Scheme Booklet with ASIC; • the Independent Expert not changing or adversely qualifying its conclusion that the Scheme is in the best interests of Cannatrek Shareholders or withdrawing its Independent Expert's Report before 8:00am on the Second Court Date; • the Court approves the Scheme in accordance with Corporations Act; • no applicable law is enacted and no order is given by the Court that would prevent the implementation of the Scheme; • no LGP Material Adverse Change occurs; • no LGP Prescribed Occurrence occurs; • no Cannatrek Material Adverse Change occurs; • no Cannatrek Prescribed Occurrence occurs; and • Cannatrek has complied with its obligations under the Scheme Implementation Deed in relation to Cannatrek Options. • Cannatrek has complied with its obligations under the Scheme Implementation Deed in relation to Loan Funded Shares.	Sections 4.5 and 12.5(a) contain further information on the Conditions Precedent to the Scheme.

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Question	Answer	More information
	• LGP Shareholders pass the LGP Resolutions. • Required approvals or consents in relation to the Cannatrek Financing are obtained. • Required approvals or consents in relation to the LGP Financing are obtained. • ASX confirming the terms of the New LGP CV Shares for the purposes of ASX Listing Rule 6.1. • By 8.00am on the Second Court Date, the Cannatrek Group having Net Cash and Receivables (in aggregate) of no less than $19,000,000. • LGP and each Cannatrek Key Person duly executing a Voluntary Escrow Deed. • LGP and each LGP Key Shareholder duly executing a Voluntary Escrow Deed. • Such approvals or consents in relation to leases, licences or permits held by an LGP Group Member are obtained. As at the Last Practicable Date, none of the members of the Board are aware of any circumstances which would cause any Conditions Precedent not to be satisfied or (if permitted) waived.	
When must the Conditions Precedent be satisfied or (if permitted) waived by?	Apart from the Conditions Precedent relating to Cannatrek Shareholder approval and Court approval, the Conditions Precedent must be satisfied or (if permitted) waived as at 8:00am on the Second Court Date. While any Conditions Precedent (other than Court approval) remain unsatisfied and have not been (if permitted) waived, there is a risk that the Second Court Hearing will be delayed until after those Conditions Precedent have been satisfied or (if permitted) waived. If the Second Court Hearing is delayed, this may in turn delay the Implementation Date. In addition, the Scheme will not proceed if any of the Conditions Precedent are not satisfied or (if permitted) waived by the End Date, and either Cannatrek or LGP terminates the Scheme Implementation Deed.	Sections 12.5(a) and 12.5(g).

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Question	Answer	More information
	The End Date is 14 July 2026 and may be extended by agreement between Cannatrek and LGP.	
When does the Scheme become Effective?	In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing. Cannatrek will apply to the Court for an order approving the Scheme if the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders voting at the Scheme Meeting and all other Conditions Precedent (other than Court approval) have been satisfied or (if permitted) waived. If the Court makes orders approving the Scheme, Cannatrek will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on or shortly after the date on which the Court issues orders approving the Scheme, with the Effective Date currently scheduled to be 22 April 2026.	Sections 4.13(b) and 4.13(d).
What will I receive?		
What will I receive if the Scheme is implemented?	If the Scheme is approved and implemented, on the Implementation Date you will receive the LGP Scrip Consideration based on the number of Scheme Shares you hold as at the Scheme Record Date.	Section 4.3 sets out details of the Scheme Consideration.
When will I receive the Scheme Consideration?	If the Scheme is approved and implemented, you will receive your Scheme Consideration on the Implementation Date, which is currently scheduled to be 1 May 2026. In the case of the LGP Scrip Consideration, on the Implementation Date your name and address will be entered on the LGP Share Register in respect of the New LGP Shares to which you are entitled and a holding statement will be sent to your registered address.	Section 4.4 sets out details related to the expected payment or issue of the Scheme Consideration.
Will I have to pay brokerage?	You will not have to pay brokerage on the transfer of your Cannatrek Shares to LGP or	Section 1.2(g) .

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Question	Answer	More information
	the issue of the New LGP Shares under the Scheme.	
What are the tax implications of the Scheme for me?	A general summary of the main Australian tax implications of the Scheme for certain Cannatrek Shareholders is set out in Section 11. You should seek your own independent professional tax advice in respect of your individual circumstances, particularly if you are not covered by the general summary in Section 11.	Section 11 contains further details.
Who is entitled to participate in the Scheme?	Cannatrek Shareholders holding Cannatrek Shares as at the Scheme Record Date (which is currently scheduled to be 24 April 2026) are entitled to participate in the Scheme.	Section 4.13(c) and the Notice of Meeting in Annexure 5.
What if I am an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder?	Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders will not be entitled to receive New LGP Shares in connection with the Scheme. If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, LGP will issue the New LGP Shares that would have otherwise been required to be issued to you to the Sale Agent. As soon as reasonably practicable after the Implementation Date, the Sale Agent will sell on-market, or procure the sale on-market of, all of the New LGP Ordinary Shares issued to it and remit the sale proceeds (less any applicable brokerage, stamp duty and other selling costs, taxes and charges) to LGP. LGP will pay to each Ineligible Shareholder its pro-rata share of the proceeds. As soon as reasonably practicable after the date of issue of all LGP Shares (if any) issued to the Sale Agent on conversion of the New LGP CV Shares (**Converted Shares**), the Sale Agent will sell on-market, or procure the sale on-market of, all of the Converted Shares issued to it and remit the sale proceeds (less any applicable brokerage, stamp duty and other selling costs, taxes and charges) to LGP. LGP will pay to each Ineligible Shareholder its pro-rata share of the proceeds.	Section 4.8.

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Question	Answer	More information
Voting on the Scheme		
Where and when is the Scheme Meeting?	The Scheme Meeting is scheduled to be held at 9.30am (Melbourne time) on 10 April 2026 at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 and accessible online at https://meetings.lumiconnect.com/300-701-212-756.	The Notice of Meeting in Annexure 5.
Who can vote at the Scheme Meeting?	If you are a Cannatrek Shareholder at 7:00pm (Melbourne time) on the Voting Scheme Record Date, you may vote at the Scheme Meeting. If you are eligible to vote and have appointed a proxy, attorney or corporate representative, that individual may vote at the Scheme Meeting on your behalf.	Section 3.2 and the Notice of Meeting in Annexure 5.
Is voting compulsory?	Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Cannatrek Shareholders by the Requisite Majorities, so voting is important and the Board encourages you to vote. The Board unanimously recommends[13] that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.	Section 1.6 and 4.13(a).
What are the approval thresholds for the Scheme?	For the Scheme to be approved, the Scheme Resolution must be passed by the Requisite Majorities, being: • unless the Court orders otherwise, more than 50% in number of Cannatrek Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and • at least 75% of the total number of votes cast on the Scheme Resolution	Sections 4.13(a) and 4.13(b).

[13] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

Question	Answer	More information
	(whether in person, by proxy, by attorney or by a corporate representative). Even if the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.	
How can I vote if I can't, or do not wish to, attend the Scheme Meeting?	If you would like to vote but cannot, or do not wish to, attend the Scheme Meeting, you can vote by appointing a proxy (including by lodging your proxy form online at https://www.votingonline.com.au/cannatrekscheme26) or by appointing an attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.	Section 3.2 and the Notice of Meeting in Annexure 5.
What if I do not vote at the Scheme Meeting or if I vote against the Scheme?	If the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders and the Court approves the Scheme, then, subject to the other Conditions Precedent being satisfied or (if permitted) waived and the Scheme becoming Effective, the Scheme will be implemented and will be binding on all Cannatrek Shareholders, including those who voted against the Scheme, or did not vote.	Sections 1.1, 1.6 and 4.13(a).
When will the result of the Scheme Meeting be known?	The result of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be announced to the ASX once available. Even if the Scheme Resolution is passed at the Scheme Meeting, the Scheme is still subject to approval of the Court.	Important Dates page and Section 4.13(b).
Trading		
Can I sell my Cannatrek Shares before the Scheme is implemented?	The Scheme does not preclude you from selling your Cannatrek Shares through a private treaty, if you wish to do so, prior to 5.00pm (Melbourne time) on the Scheme Record Date. If you are in any doubt as to what you should do, you should seek advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional	Section 1.6(c).

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Question	Answer	More information
	advisers before making any decision regarding the Scheme.	

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Permitted Dividend		
Will I receive payment of a Permitted Dividend?	Under the Scheme Implementation Deed. subject to the Net Cash of Cannatrek being greater than the Cannatrek Cash Floor (i.e. being greater than $13,000,000) as at the Implementation Date, Cannatrek is permitted to declare and pay a Permitted Dividend to Cannatrek Shareholders. As at the date of this Scheme Booklet, Cannatrek has determined that **no Permitted Dividend will be declared**.	Section 12.5(h)

Other questions		
What happens if a Competing Proposal is received?	If a Competing Proposal is received, the Board will (if appropriate and permitted) carefully consider it. Cannatrek must notify LGP of that Competing Proposal in accordance with the Scheme Implementation Deed, and first comply with LGP's matching rights. You should note that Cannatrek has agreed to certain exclusivity provisions in favour of LGP under the Scheme Implementation Deed that restrict Cannatrek's ability to participate in negotiations and discussions in relation to a Competing Proposal (subject to certain fiduciary exceptions).	Section 12.5(c).
Will I have to give any warranties in connection with the Scheme?	Yes. The Scheme provides that each Scheme Shareholder is deemed to have warranted to LGP, and, to the extent enforceable, appointed and authorised Cannatrek as its agent and attorney to warrant to LGP that: • all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to LGP, pursuant to the Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the PPSA) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and • they have full power and capacity to sell and to transfer their Scheme Shares	Sections 1.4(e) and 4.14.

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	(together with any rights and entitlements attaching to those Scheme Shares) to LGP, pursuant to the Scheme. Cannatrek undertakes in favour of each Scheme Shareholder that it will provide such warranties, to the extent enforceable, to LGP, on behalf of that Scheme Shareholder.	
What happens if the Scheme does not proceed?	If: • the Scheme is not approved at the Scheme Meeting; • a Condition Precedent to the Scheme is not satisfied or (if permitted) waived; or • the Court does not approve the Scheme, the Scheme will not be implemented and in the absence of a Competing Proposal: • Cannatrek will continue to operate as a standalone entity and remain a public unlisted company; • Cannatrek Shareholders will not receive the LGP Scrip Offer and will continue to hold their Cannatrek Shares, which may be subject to ongoing market, liquidity and valuation uncertainty; and • Cannatrek will continue to fund its operations from existing cash resources and operating cash flows and may require access to additional funding over time to support its business activities and growth initiatives, the availability, cost and terms of which cannot be assured.	Section 1.4(b) sets out further details on what happens if the Scheme does not proceed. Sections 10.4, 10.5(b) and 10.5(c) set out some of the risks that Cannatrek Shareholders may be exposed to if the Scheme is not implemented.
Who can I contact if I have further questions in relation to the Scheme?	If you have any further questions, you should seek advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers. You may also call the Cannatrek Share Registry and enquire about the Scheme and about your Cannatrek shareholding on 1300 020 243 (within Australia), or +61 2 8016 2857 (outside Australia), between 9:00am and 5:00pm (Melbourne time), Monday to Friday.	N/A

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3. How to Vote

3.1 Carefully read this Scheme Booklet in full and seek advice if you have any questions

You should carefully read this Scheme Booklet in its entirety to assist you in making an informed decision on how to vote on the Scheme.

This Scheme Booklet contains important information, including:

(a) the reasons for the Board's recommendation;

(b) the reasons why you may choose to vote for or against the Scheme;

(c) information about the Scheme Consideration;

(d) information about Cannatrek and LGP; and

(e) the Independent Expert's Report.

If you have further questions, you can call the Cannatrek Share Registry and enquire about the Scheme and about your Cannatrek shareholding on 1300 020 243 (within Australia), or +61 2 8016 2857 (outside Australia), between 8:30am and 5:30pm (Melbourne time), Monday to Friday.

If you are in any doubt as to what you should do, you should seek advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers before making any decision regarding the Scheme.

3.2 Vote on the Scheme

(a) **Your vote is important**

For the Scheme to proceed, it is necessary that sufficient Cannatrek Shareholders vote in favour of the Scheme.

If you are registered as a Cannatrek Shareholder at 7:00pm (Melbourne time) on the Voting Scheme Record Date, you will be entitled to vote on the Scheme.

(b) **Notice of Meeting**

The Scheme Meeting will be held as a hybrid meeting (i.e. Cannatrek Shareholders may attend in person or online) at 9.30am (Melbourne time) on 10 April 2026 at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 or online at https://meetings.lumiconnect.com/300-701-212-756.

Cannatrek Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting in person or online are encouraged to submit a directed proxy vote as early as possible and in any event by 9.30am (Melbourne time) on 8 April 2026 by completing and submitting a proxy form.

The Notice of Meeting is contained in Annexure 5 to this Scheme Booklet.

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(c) **Procedure**

You may vote on the Scheme:

(i) by attending the Scheme Meeting in person at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 or online at https://meetings.lumiconnect.com/300-701-212-756;

(ii) by proxy, by completing, signing and lodging the original Proxy Form in accordance with the instructions set out on the form or using the online form at https://www.votingonline.com.au/cannatrekscheme26. You should arrange to have your proxy or proxies attend the Scheme Meeting in person or online if you are appointing a person other than the Chair of the Scheme Meeting as your proxy;

(iii) by attorney, by appointing an attorney to attend and vote at the Scheme Meeting in person or online on your behalf and providing a duly executed power of attorney to the Cannatrek Share Registry or the registered office of Cannatrek by 9.30am (Melbourne time) on 8 April 2026; or

(iv) by corporate representative, in the case of a corporation which is a Cannatrek Shareholder, by appointing a corporate representative to attend in person or online and vote at the Scheme Meeting on your behalf and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further, information on how to vote using each of these methods is contained in the Notice of Meeting attached as Annexure 5 to this Scheme Booklet.

If you are in favour of the Scheme, you should vote in favour of the Scheme.

The Scheme will not proceed unless the Scheme is approved by the Requisite Majority of Cannatrek Shareholders.

(d) **Voting entitlement**

Each Cannatrek Shareholder who is registered on the Cannatrek Shares Register at 7:00pm (Melbourne time) on the Voting Scheme Record Date is entitled to attend and vote at the Scheme Meeting, in person, online, by proxy, by attorney or, in the case of a corporation which is a Cannatrek Shareholder, by its representative appointed in accordance with the Corporations Act.

Scheme Shareholders will have one vote for every Scheme Share held (subject to any voting exclusions referred to the Notice of Meeting attached as Annexure 5 to this Scheme Booklet).

Further information on entitlements to vote, including if you are a joint holder of Scheme Shares, is contained in the Notice of Meeting.

4. Overview and key steps

4.1 Background

On 14 January 2026, Cannatrek entered into a Scheme Implementation Deed with LGP under which it is proposed that LGP will acquire all Cannatrek Shares by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

The Scheme Implementation Deed sets out a framework for Cannatrek to propose a scheme of arrangement between itself and Cannatrek Shareholders under which LGP will acquire all of the Cannatrek Shares on issue as at the Scheme Record Date.

Having carefully considered the LGP proposal, the Board unanimously recommends[14] that Cannatrek Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. Subject to those same qualifications, each member of the Board intends to vote all the Cannatrek Shares held or controlled by them in favour of the Scheme at the Scheme Meeting.[15]

4.2 What will happen under the Scheme?

If the Scheme is approved by Cannatrek Shareholders and the Court, and is implemented:

(a) all Cannatrek Shares held by Scheme Shareholders on the Scheme Record Date will be transferred to LGP;

(b) in return, Scheme Shareholders will be entitled to receive the Scheme Consideration for each Cannatrek Share they hold on the Scheme Record Date; and

(c) Cannatrek will become a wholly owned Subsidiary of LGP.

A copy of the Scheme is set out in full in Annexure 3. Section 4.13 explains the steps involved in implementing the Scheme in more detail.

4.3 Scheme Consideration

(a) **Overview**

If the Scheme is approved and implemented, Cannatrek Shareholders will receive the LGP Scrip Consideration whereby the Cannatrek Shareholder (other than Ineligible Foreign Shareholders) with a minimum holding of 2,270 Cannatrek Shares will receive 1.835806 New LGP Ordinary Shares and 0.727502 New LGP CV Shares for every Cannatrek Share that they hold as at the Scheme Record Date.

[14] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

[15] Please see Sections 1.5 and 12.1. for more information on the interests the members of the Board hold in Cannatrek and the benefits they will receive as a result of the Transaction.

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If a Cannatrek Shareholder is an Ineligible Shareholder, they will not be entitled to receive New LGP Shares. Please refer to Section 4.7 for further information in relation to the entitlements of Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders.

(b) **LGP Ordinary Shares**

As part of the LGP Scrip Consideration, eligible Cannatrek Shareholders will receive New LGP Ordinary Shares in LGP. Each New LGP Ordinary Shares will rank equally with the existing LGP Ordinary Shares on issue at the time in LGP, and the rights attaching to an LGP Ordinary Share set out in the LGP Constitution.

(c) **LGP CV Shares**

In addition to receiving New LGP Ordinary Shares, relevant Cannatrek Shareholders will also receive New LGP CV Shares under the Scheme, which has been specially created for the purposes of the Scheme.

This section provides an explanation of how the New LGP CV Shares operate, including the rights attaching to New LGP CV Shares and example scenarios of conversion of the New LGP CV Shares into LGP Ordinary Shares.

The full Terms of Issue that apply to New LGP CV Shares are set out in Annexure 6 – capitalised terms in this section which are not otherwise defined in this Scheme Booklet have the meaning given to them in the Terms of Issue that apply to New LGP CV Shares.

Key Features of the New LGP CV Shares are as follows:

(i) **No voting rights**: A New LGP CV Share does not carry any voting rights except as otherwise required by law.

(ii) **No dividend rights**: A New LGP CV Share does not carry any dividend rights.

(iii) **No rights to return of capital**: A New LGP CV Share does not carry rights in relation to a return of capital.

(iv) **Rights on winding up**: A New LGP CV Share does not carry rights to any surplus profits or assets upon a winding up.

(v) **Not transferable**: New LGP CV Shares are not transferrable.

(vi) **Reorganisation of capital**: The New LGP CV Shares are subject to amendment to the extent necessary to comply with the Listing Rules and Corporations Act at the time of reorganisation.

(vii) **Quotation and ranking**: The New LGP CV Shares will not be quoted on the ASX, except if converted, LGP has an obligation to seek quotation for the resulting shares, which rank equally with other ordinary shares on issue at the time of conversion.

(viii) **Participation in new issues**: The New LGP CV Shares are not entitled to participate in new issues of capital offered to holders of ordinary shares such as bonus issues and entitlement issues.

(ix) **Conversion on change of control**: The New LGP CV Shares will convert on occurrence of certain change of control events, on the basis of the

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Baseline Ratio (0.44444x) on the Business Day following the occurrence of the relevant event.

(x) **Conversion**: On the Conversion Date, each New LGP CV Share will convert into such number of LGP Ordinary Shares equal to the Conversion Ratio, except if the Contingent Amount is greater than or equal to $8 million, in which case LGP must elect to either:

(A) convert all New LGP CV Shares held by a Holder into one LGP Ordinary Share (in total); or

(B) redeem the New LGP CV Shares held by the Holder by paying a price of $0.00001 per New LGP CV Share to the Holder.

The Conversion Ratio is to be determined based on the calculation of the Contingent Amount and is the ratio at which each New LGP CV Share converts into new LGP Ordinary Shares.

The Contingent Amount is determined by deducting the amount of the LGP Liability from the amount of the Cannatrek Liability, as at the Contingent Amount Determination Date. The LGP Liability and the Cannatrek Liability refer to, in summary, to each entity's respective tax liability relating to the period prior to the Implementation Date, any loss from any litigation, prosecution, arbitration or other dispute resolution proceedings (threatened or commenced within 6 months of the Implementation Date), the amount of any bad debt expense relating to receivable as at the Implementation Date, and the amount of any loss suffered, incurred or arising out of or in connection with any investigation, or similar process, by any Government Agency including under Section 6.8 (threatened or commenced within 6 months of the Implementation Date). The Contingent Amount Determination Date will occur no earlier than the second anniversary of the Implementation Date and no later than the fourth anniversary of the Implementation Date.

The Conversion Ratio will be:

(A) if the Contingent Amount is less than $8 million but greater than $2 million, between 0.43623x and 0.00000x;

(B) if the Contingent Amount is equal to or less than $2 million, but equal to or greater than negative $2 million, equal to the Baseline Ratio (0.44444x);

(C) if the Contingent Amount is less than negative $2 million, but greater than negative $8 million, between 0.45269x and 1.00000x; and

(D) if the Contingent Amount is less than or equal to negative $8 million, is equal to 1.

The applicable Conversion Ratio corresponding to the relevant Contingent Amount is set out in Schedule 1 of the Terms of Issue.

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Example conversion scenarios

The following are example conversion scenarios provided for illustration purposes only:

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Cannatrek Liability	$8,500,000	$2,000,000	$2,500,000	$1,750,000	$700,000
LGP Liability	$600,000	$1,500,000	$2,500,000	$4,800,000	$8,520,000
Contingent Amount	$7,900,000	$500,000	Nil	-$3,050,000	-$7,820,000
Conversion Ratio	0.00668	0.44444	0.44444	0.5283	0.97925
Number of LGP Ordinary Shares if the relevant holder holds 5,000 New LGP CV Shares	33	2,222	2,222	2,642	4,896

4.4 Receipt of Scheme Consideration

If the Scheme becomes Effective and you remain a Cannatrek Shareholder as at the Scheme Record Date, all of your Cannatrek Shares will be transferred to LGP under the Scheme, and you will be provided the Scheme Consideration by, LGP issuing the New LGP Shares to each Scheme Shareholder and updating the LGP Share Register to record the issuance.

It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold Cannatrek Shares at the Scheme Record Date (currently expected to be 7:00pm (Melbourne time) on 24 April 2026).

4.5 Conditions to the Scheme

The Scheme will not become Effective and you will not receive the Scheme Consideration unless all of the Conditions Precedent to the Scheme are satisfied or (if permitted) waived in accordance with the Scheme Implementation Deed.

The Conditions Precedent to the Scheme are summarised in Section 12.5(a) and are set out in full in the Scheme Implementation Deed. These include approval by the Court and Cannatrek Shareholders by the Requisite Majorities.

4.6 Voluntary escrow

Each of the Cannatrek Key Persons and the LGP Key Shareholders have executed a Voluntary Escrow Deed with LGP pursuant to which each has agreed to escrow:

(a) 50% of their LGP Ordinary Shares until the date which is six (6) months after the Implementation Date; and

(b) 50% of their LGP Ordinary Shares until the date which is twelve (12) months after the Implementation Date.

The terms of the Voluntary Escrow Deed restrict the escrowed party, during the relevant escrow period, from disposing of, or agreeing or offering to dispose of, their restricted securities, or to create, or agree or offer to create, any security interest in the restricted securities, or to do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities, except as permitted by LGP in writing. These restrictions will not apply in circumstances where a disposal (or

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other action) is required by law (or an order of a court), or where the disposal does not result in a change in the beneficial ownership of the restricted securities (and the transferee agrees to similar restrictions). The restrictions will cease in the event of a takeover bid or merger.

The Voluntary Escrow Deed does not restrict any voting rights attached to the restricted securities, and does not restrict any rights of the holder to receive dividends or other forms of distributions, including in-specie distributions or a return of capital or any distribution, or to participate in any form of rights, bonus issues, entitlements or other pro rata offerings to shareholders, in respect of the restricted securities.

4.7 Nominee and custodian Cannatrek Shareholders

A Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person (**Nominee**), will receive the LGP Scrip Consideration for all Scheme Shares in relation to each parcel of Scheme Shares it holds as Nominee.

New LGP Shares issued as Scheme Consideration to any Nominee will be issued to that Nominee to hold as bare trustee for the relevant Scheme Shareholder (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scheme Consideration).

4.8 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

LGP will not issue and/or allot New LGP Shares to any Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder. If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder, LGP will issue the New LGP Shares that would have otherwise been required to be issued to you to the Sale Agent.

As soon as reasonably practicable after the Implementation Date, the Sale Agent will sell on-market, or procure the sale on-market of, all of the New LGP Ordinary Shares issued to it and remit the sale proceeds (less any applicable brokerage, stamp duty and other selling costs, taxes and charges) to LGP. LGP will pay to each Ineligible Shareholder its pro-rata share of the proceeds of sale of the New LGP Ordinary Shares, rounded to the nearest whole cent (**Ordinary Shares Cash Consideration**).

As soon as reasonably practicable after the date of issue of all LGP Ordinary Shares (if any) issued to the Sale Agent on conversion of the New LGP CV Shares (**Converted Shares**), the Sale Agent will sell on-market, or procure the sale on-market of, all of the Converted Shares issued to it and remit the sale proceeds (less any applicable brokerage, stamp duty and other selling costs, taxes and charges) to LGP. LGP will pay to each Ineligible Shareholder its pro-rata share of the proceeds of the Converted Shares, rounded to the nearest whole cent (**CV Shares Cash Consideration**).

The Ordinary Shares Cash Consideration and CV Shares Cash Consideration (if any) received by Ineligible Shareholders will depend on the price at which the LGP Ordinary Shares can be sold at the relevant time and other costs and charges incurred by the Sale Agent in connection with the sales. The amount of money received by each Ineligible Shareholder will be calculated on an averaged basis so that all Ineligible Shareholders will receive the same price per LGP Ordinary Share, subject to rounding.

An Ineligible Shareholder's pro rata share of the relevant proceeds may be more or less than the value of the LGP Ordinary Shares that the shareholder would have received.

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None of the Sale Agent, LGP or Cannatrek gives any assurance as to the price that will be achieved for the sale of LGP Ordinary Shares by the Sale Agent.

Ineligible Shareholders will have their Ordinary Shares Cash Consideration and CV Shares Cash Consideration (if any) remitted, at the election of LGP, by cheque to their registered address or by electronic funds transfer to an Australian bank account as notified by an appropriate authority for the Ineligible Shareholder to LGP or the Cannatrek Share Registry.

The payment of the Ordinary Shares Cash Consideration and CV Shares Cash Consideration (if any) to an Ineligible Shareholder will satisfy in full the Ineligible Shareholder's right to the Scheme Consideration.

4.9 Fractional entitlements

If the number of Cannatrek Shares held by a Scheme Shareholder at the Scheme Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration:

(a) comprising New LGP Ordinary Shares or New LGP CV Shares is such that a fractional entitlement to New LGP Shares arises; or

(b) comprising cash is such that a fractional entitlement to a cent arises,

then the entitlement of that Scheme Shareholder must be rounded up or down with any such fractional entitlement of less than 0.5, being rounded down to the nearest whole number of New LGP Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more is to be rounded up to the nearest whole number of New LGP Shares (or cents, as applicable).

4.10 Foreign Selling Restrictions

This Scheme Booklet does not constitute an offer of the New LGP Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New LGP Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) **New Zealand**

This Scheme Booklet is not a New Zealand disclosure document, and has not been registered, filed with or approved by any New Zealand Regulatory Authority with the *Financial Markets Conduct Act 2013* or any other New Zealand law. The offer of New LGP Shares under the Scheme is being made to existing Cannatrek Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(b) **United States of America**

Cannatrek and LGP intend to rely on an exemption from the registration requirements of the *US Securities Act of 1933* provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of New LGP Shares. Approval of the Scheme by an Australian court will be relied upon by Cannatrek and LGP for purposes of qualifying for the Section 3(a)(10) exemption.

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Shareholders of Cannatrek who resides in the United States of America should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States of America.

It may be difficult for you to enforce your rights and any claim you may have arising under United States of America federal securities laws since Cannatrek and LGP are located in Australia and most of their respective officers and directors reside outside the United States of America. You may not be able to sue Cannatrek, LGP or their respective officers or directors in Australia for violations of the United States of America securities laws. It may be difficult to compel Cannatrek and its affiliates to subject themselves to a United States of America court's judgment.

You should be aware that LGP may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the United States of America's Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The New LGP Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the *US Securities Act of 1933* or the securities laws of any state of the United States of America or other jurisdiction. The Scheme is not being made in any state of the United States of America or other jurisdiction where it is not legally permitted to do so.

(c) **Canada**

The New LGP Shares will be issued by LGP in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Scheme.

(d) **Singapore**

This Scheme Booklet and any other document relating to the Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Scheme is not regulated by any financial supervisory authority in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the *Securities and Futures Act 2001* (**SFA**) will not apply.

This Scheme Booklet and any other document relating to the Scheme may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New LGP Shares being subsequently offered for sale to any other party in Singapore. You are advised to acquaint

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yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Scheme Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither Cannatrek nor LGP is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, Cannatrek and LGP are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(e) **Netherlands**

This Scheme Booklet is not a prospectus under *Regulation (EU) 2017/1129* of the European Parliament and the Council of the European Union (**EU Prospectus Regulation**). Therefore, the Scheme Booklet has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the New LGP Shares be offered for sale or exchange, in the Netherlands except in circumstances that do not require the obligation to publish a prospectus under the EU Prospectus Regulation.

In accordance with Article 1(4) of the EU Prospectus Regulation, an offer of New LGP Shares in the Netherlands is limited:

(i) to persons who are "qualified investors" (as defined in Article 2(e) of the EU Prospectus Regulation);

(ii) to fewer than 150 other natural or legal persons; and

(iii) in any other circumstance falling within Article 1(4) of the EU Prospectus Regulation.

Investors in the Netherlands should note:

Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.



(f) **United Kingdom**

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New LGP Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New LGP Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Cannatrek or LGP.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005*, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

4.11 Disclosure for eligible foreign shareholders

No action has been taken to register or qualify the New LGP Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, shareholders of Cannatrek whose addresses are shown in the register on the record date for the Scheme as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have New LGP Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

(a) Australia;

(b) New Zealand;

(c) Canada;

(d) the Netherlands, where (i) Cannatrek Shareholders are 'qualified investors' (as defined in Article 2(e) of the EU Prospectus Regulation) or (ii) the number of other Cannatrek Shareholders is fewer than 150;

(e) Singapore;

(f) United Kingdom;

(g) United States of America; and

(h) any other person or jurisdiction in respect of which Cannatrek and LGP reasonably believe that it is not prohibited and not unduly onerous or impractical to issue LGP Shares to a Cannatrek shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold Cannatrek Shares on behalf of a beneficial owner resident outside Australia, New Zealand, Canada, Singapore, United Kingdom and the United States of America may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Cannatrek, except nominees and custodians may forward the Scheme Booklet to any beneficial shareholder who if in the Netherlands, is a 'qualified investor' (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

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4.12 If the Scheme does not become effective

If the Scheme does not proceed:

(a) Cannatrek Shareholders will not receive the Scheme Consideration;

(b) Cannatrek Shareholders will continue to hold their Cannatrek Shares; and

(c) in the absence of any alternative or Competing Proposal to the Scheme, Cannatrek will continue as a stand-alone entity with management continuing to implement its current business plan and financial and operating strategies. Cannatrek Shareholders will be exposed to general risks and risks relating to Cannatrek's business, including those set out in Section 10.4.

Depending on the reasons why the Scheme does not proceed, Cannatrek may be liable to pay the Cannatrek Break Fee or LGP may be liable to pay the LGP Break Fee. Information on the Cannatrek Break Fee and the LGP Break Fee are set out in Sections 12.5(e) and 12.5(f) respectively.

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by Cannatrek in relation to the Scheme. Those transaction costs have either already been paid or will be payable by Cannatrek regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred. See Section 12.6 for more details.

4.13 Key steps in the Scheme

(a) **Scheme approval requirements**

The Scheme will only become Effective and be implemented if it is:

(i) agreed to by the Requisite Majorities of Cannatrek Shareholders at the Scheme Meeting, expected to be held at 9.30am (Melbourne time) on 10 April 2026 at the offices of K&L Gates, 25/525s Collins Street, Melbourne VIC 3000 and online; and

(ii) approved by the Court at the Second Court Hearing.

The Requisite Majorities, in relation to the Scheme Resolution, are a resolution passed by:

(iii) a majority in number (more than 50%) of Cannatrek Shareholders, present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or by a corporate representative); and

(iv) at least 75% of the total number of votes cast on the Scheme Resolution (whether in person, by proxy, by attorney or by a corporate representative).

The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

The Notice of Scheme Meeting, which includes the Scheme Resolution, is set out in Annexure 5.

The vote at the Scheme Meeting will be conducted by poll.

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Voting is not compulsory. However, the Board unanimously recommends that Cannatrek Shareholders vote in favour of the Scheme[16], in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. You are encouraged to attend and vote at the Scheme Meeting.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Cannatrek Shareholders and the Court. If this occurs, your Cannatrek Shares will be transferred to LGP and you will receive the Scheme Consideration.

For further details on how to vote, please refer to Section 3.

(b) **Court approval**

If:

(i) the Scheme is agreed to by the Requisite Majorities of Cannatrek Shareholders at the Scheme Meeting; and

(ii) all other Conditions Precedent (except Court approval of the Scheme) have been satisfied or (if permitted) waived,

then Cannatrek must apply to the Court for orders approving the Scheme.

Each Cannatrek Shareholder has the right to appear at the Second Court Hearing.

The Court may refuse to approve the Scheme or may approve the Scheme subject to conditions or variations, even if the Scheme is approved by the Requisite Majorities of Cannatrek Shareholders voting at the Scheme Meeting.

(c) **Scheme Record Date**

Scheme Shareholders, being those Cannatrek Shareholders on the Cannatrek Share Register at 7:00pm (Melbourne time) on the Scheme Record Date (currently expected to be 24 April 2026) will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Scheme Record Date.

(i) **Dealings on or prior to the Scheme Record Date**

For the purpose of establishing the identity of the Scheme Shareholders and eligibility to participate in the Scheme, dealings in Cannatrek Shares will be recognised by Cannatrek provided that registrable transfers or transmission applications in respect of those dealings are received by the Cannatrek Share Registry by 5:00pm (Melbourne time) on the day which is the Scheme Record Date at the place where the Cannatrek Share Register is located (in which case Cannatrek must register such transfers or transmission applications before 7:00pm (Melbourne time) on that day), and Cannatrek will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders nor for any other purpose (other than to transfer to LGP, pursuant to this Scheme and any subsequent

[16] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

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transfers by LGP, and its successors in title), any transfer or transmission application in respect of Cannatrek Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

(ii) **Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, Cannatrek must maintain the Cannatrek Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been provided. The Cannatrek Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

(A) all statements of holding for Cannatrek Shares will cease to have effect as documents relating to title in respect of such Cannatrek Shares; and

(B) each entry on the Cannatrek Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Cannatrek Shares relating to that entry.

(d) **Effective Date**

If:

(i) the Cannatrek Shareholders approve the Scheme with the Requisite Majorities;

(ii) the Court approves the Scheme; and

(iii) all other Conditions Precedent have been satisfied or (if permitted) waived;

the Scheme will become Effective on the date when a copy of the Court order approving the Scheme is lodged with ASIC.

(e) **Implementation Date**

The Implementation Date is the fifth Business Day after the Scheme Record Date or such other date after the Scheme Record Date agreed to in writing between LGP and Cannatrek. The Implementation Date is currently expected to be 1 May 2026.

The LGP Scrip Offer will be satisfied by LGP issuing the New LGP Shares to each Scheme Shareholder and updating the LGP Share Register to record the issuance.

Immediately after the Scheme Consideration is paid, the Scheme Shares will be transferred to LGP without Scheme Shareholders needing to take any further action.

(f) **Deed Poll**

On 18 February 2026, LGP executed the Deed Poll pursuant to which LGP has undertaken in favour of each Scheme Shareholder to provide each Scheme Shareholder with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

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A copy of the Deed Poll is contained in Annexure 4.

4.14 Warranties by Cannatrek Shareholders and shareholder instructions

The Scheme provides that each Scheme Shareholder is taken to have warranted to LGP, and, to the extent enforceable, appointed and authorised Cannatrek as its attorney and agent to warrant to LGP that:

(a) all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to LGP, pursuant to the Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the PPSA) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and

(b) they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to LGP, pursuant to the Scheme.

Cannatrek undertakes in favour of each Scheme Shareholder that it will provide such warranties, to the extent enforceable, to LGP, on behalf of that Scheme Shareholder.

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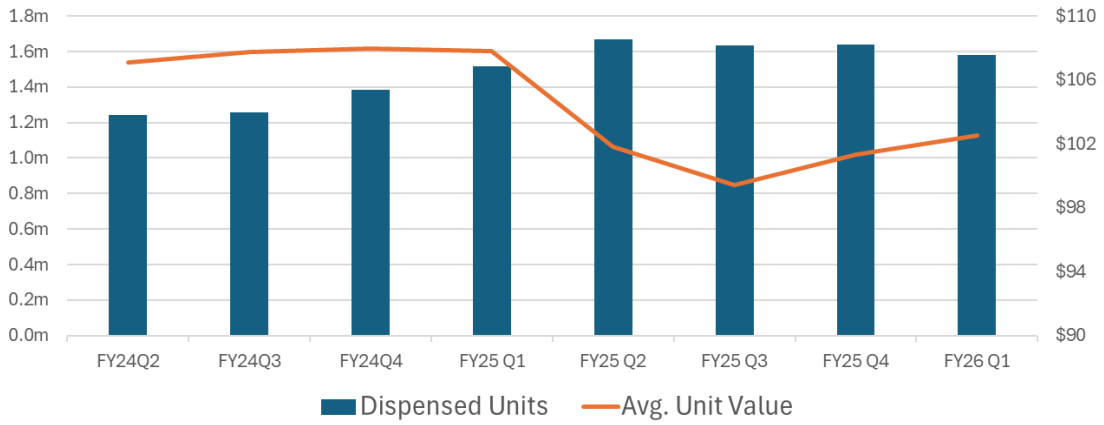
5. Industry overview

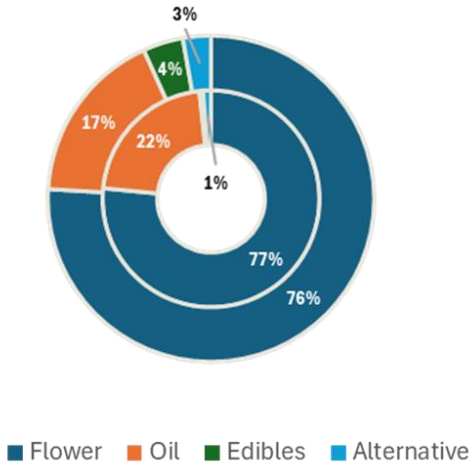
5.1 Australia's medicinal cannabis market has expanded rapidly since legalisation, with 1,504 unique products from 120 brands available at the end of FY25.[17] In the same period, the market generated approximately $660 million in sales value from approximately 6.5 million dispensed units.[17] Prescriber adoption continues to rise, and there are now over 3000 Authorised Prescribers (AP) who make up the majority of prescriptions, and more than 5,700 medical and nurse practitioners total using the AP and Special Access Scheme (SAS) pathways to prescribe to more than 1 million patients. Despite this strong growth trajectory, medicinal cannabis remains relatively small compared with major prescription medicine categories.

Figure 1: Dispensed Units & Avg. Unit Value[17]



Dispensed volumes remain materially above FY24 levels, confirming that the medicinal cannabis market has structurally reset at a significantly higher base than in prior years. As prescriber and patient acquisition moderate following this period of expansion, market dynamics are increasingly defined by product mix, brand strength and distribution scale.

Figure 2: Dispensed Units by Consumption Method[17]



[17] *Approximation based on NostraData, which captures dispensing units and sales values from a subset of Australian pharmacies. NostraData's implied market coverage is approximately 50%, inferred by comparing Cannatrek's actual dispensed units to the Cannatrek dispensed units captured in NostraData over Oct-23 to Dec-24 (recognising variability over time). Absolute units and sales have been indicatively scaled to an estimated full-market level by multiplying by two. Percentage-based metrics and product counts are presented unscaled. All figures derived from NostraData are indicative only and should be interpreted as directional rather than precise measures of total market activity.*

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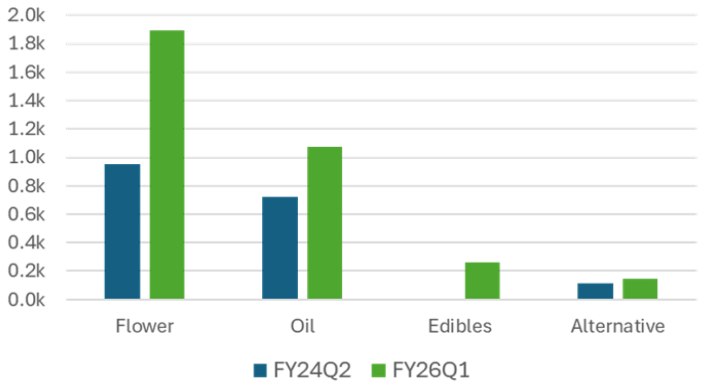
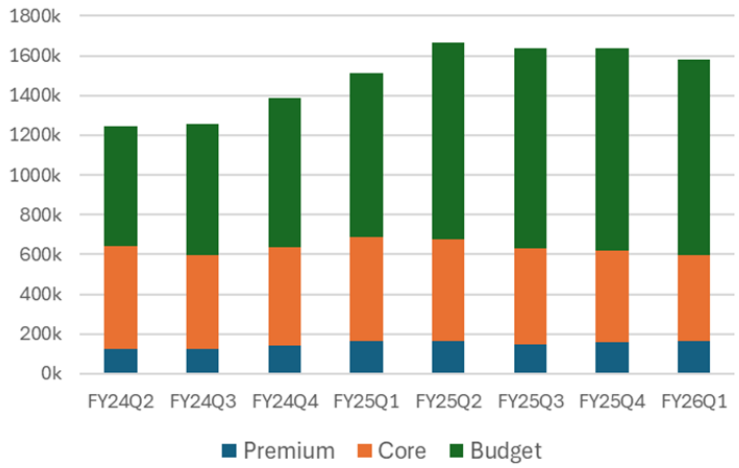
Flower continues to anchor overall market volumes, while patient demand is progressively shifting away from oils towards edibles and alternative formats. Leading suppliers are actively broadening their portfolios to capture emerging consumption trends and reinforce category leadership across multiple formats.

Figure 3: Number of Products[17]



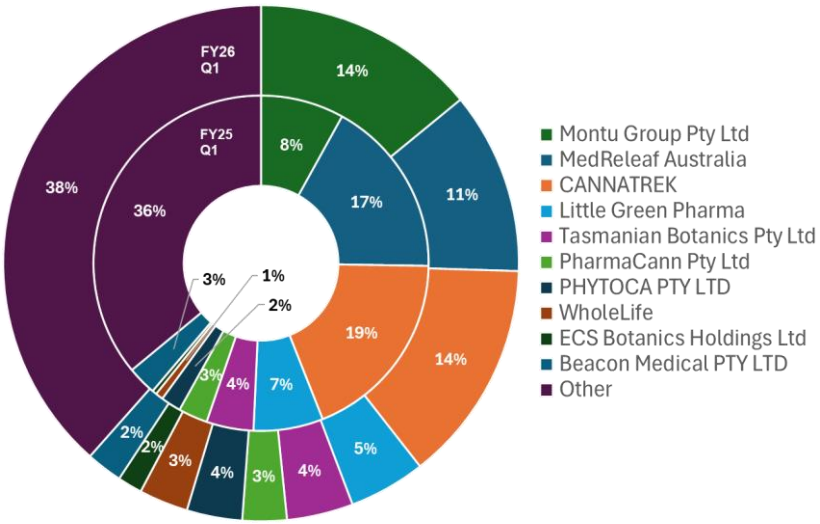
Product ranges continue to expand across all formats, reflecting strategic portfolio investments by major participants to strengthen market positioning, deepen channel presence, and secure long-term share in a maturing, competitive environment.

Figure 4: Dispensed Units by Market Segment[17]



Following the rapid expansion of the budget segment, volumes across all pricing tiers have shifted to a more stable growth profile, signalling the market's evolution into a structurally larger and more competitive phase.

Figure 5: Market Player Movements – Total Sales Value[17]



As the market consolidates around a smaller number of scaled participants, Cannatrek continues to reinforce its position as the leading supplier, benefiting from national distribution scale, portfolio depth, balance sheet strength and established channel relationships.

5.2 Medicinal Cannabis Value Chain

(a) Overview

This section provides a high-level overview of how the value chain operates within the medicinal cannabis industry. It outlines the key stages involved in the production and supply of medicinal cannabis products and describes the roles played by various participants across the value chain.

It is not intended to be a comprehensive summary of the broader regulatory landscape, therapeutic use cases, or market size. Rather, it focuses specifically on the operational flow of products within the context of regulated medicinal cannabis frameworks.

(b) Value Chain

The value chain for medicinal cannabis, illustrated below, outlines the key stages involved in the development, production and delivery of cannabis-based medicines to patients. These stages include everything from early research through to cultivation, manufacturing, distribution, prescribing and dispensing.

While some companies focus on specific stages, many licensed producers (**LPs**) operate across the full value chain under a vertically integrated model – allowing them to cultivate, process, manufacture, brand and distribute their products either directly to authorised patients or through pharmacies and dispensaries, typically via licensed wholesalers.

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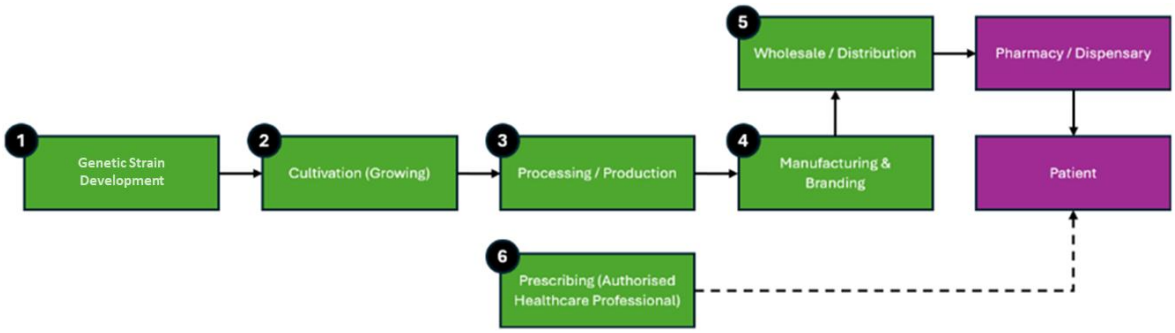
Each stage of the supply chain plays a distinct role and is subject to regulation, licensing and quality standards. The sections that follow provide further detail on the function of key stages and the roles of key industry participants.

Figure 6: Value Chain for Medicinal Cannabis



(c) **Genetic Strain Development**

Genetic strain development in the medicinal cannabis sector involves the selection, breeding and stabilisation of cannabis plant genetics to produce consistent plant material suitable for medicinal use. These activities are undertaken to achieve defined cannabinoid and terpene profiles, stable agronomic performance, and batch-to-batch consistency to support downstream cultivation, processing, and manufacturing requirements.

Strain development typically uses controlled breeding, genomic analysis, and propagation techniques to identify and maintain desirable genetic traits. These activities may be supported by laboratory testing and, in some cases, collaboration with third-party genetics providers or research partners. Genetic strain development is an iterative process and is focused on optimising plant characteristics rather than evaluating therapeutic efficacy.

In Australia, genetic research involving cannabis is regulated under the *Gene Technology Act 2000 (Cth)* and overseen by the Office of the Gene Technology Regulator (OGTR). Genetic strain development activities are distinct from clinical research and do not involve the assessment of safety or efficacy in patients, which is regulated separately under applicable legislation.

(d) **Cultivation (Growing)**

The cultivation of medicinal cannabis can be undertaken through three primary facility types, each offering different levels of environmental control and quality outcomes: indoor facilities, greenhouse operations, and outdoor cultivation. All commercial cultivation occurs within biosecure environments designed to meet stringent quality standards and licensing conditions.

Indoor facilities operate in purpose-built grow rooms where lighting, humidity, airflow, temperature, and nutrients are precisely regulated, typically delivering the most consistent product quality and cannabinoid profiles with year-round production capability, though at higher capital and operational costs. Greenhouse facilities combine natural sunlight with supplementary environmental controls, offering a middle ground that reduces energy costs while maintaining good quality standards, though with more variability than indoor cultivation. Outdoor cultivation relies primarily on natural environmental conditions with minimal supplementary controls, achieving the lowest production costs but also the most variable quality outcomes and seasonal limitations.

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In the jurisdictions in which Cannatrek operates, all commercial cultivation of cannabis for medicinal use requires a licence. Licensing regimes differ by country and, in some cases, by region or state, and typically involve requirements relating to facility security, record keeping, and regulatory oversight.

(e) **Processing / Production**

Processing or production refers to the post-harvest handling of medicinal cannabis. This typically includes steps such as curing, trimming, and milling of dried flower, as well as extraction of resin for use in oils and other liquid formulations. While specific requirements vary by country, many jurisdictions refer to or adopt the World Health Organization's Good Agricultural and Collection Practice (**GACP**) guidelines for this stage of production. GACP covers a range of quality assurance principles including hygiene, documentation, equipment, personnel training, and traceability during the handling of medicinal plants.

(f) **Manufacturing and Branding**

This stage of the supply chain involves the transformation of cannabis flower, resin and extracts into finished medicinal products. It includes dosage formulation, testing, and the bottling or packaging of products such as oils and dried flower. It is also the stage where brand identity is applied – including product labelling, packaging design, and patient instructions – which must comply with regulatory requirements before the product can be released to market.

In Australia, manufacturing or importing medicinal cannabis products for patient use must be done by a sponsor – the individual or company legally responsible for ensuring compliance with the *Therapeutic Goods Act 1989* (Cth). The sponsor must retain legal control of the product and is accountable for its quality and regulatory status throughout the supply chain, including when distributing via third parties.

Manufacturing must occur in facilities certified to Good Manufacturing Practice (**GMP**) standards by the relevant national authority. In Australia, the Therapeutic Goods Administration (**TGA**) requires GMP compliance for manufacturers supplying medicinal cannabis to patients. In the European Union, GMP certification is coordinated by the European Medicines Agency (**EMA**) and is required for manufacturing or importing medicinal cannabis products.

Many countries operate under Mutual Recognition Agreements (MRAs), which allow GMP certifications to be recognised across jurisdictions. Australia, for example, has MRAs with over 30 EU countries, as well as the UK, Canada, New Zealand and Singapore. These arrangements enable manufacturers in MRA partner countries to obtain GMP clearance in the destination market more efficiently – for instance, GMP clearance for an eligible overseas facility in Australia can typically be granted within 28 working days.

(g) **Wholesale / Distribution**

Wholesalers or distributors act as intermediaries in the medicinal cannabis supply chain, linking manufacturers, importers, and sponsors with pharmacies or other authorised dispensing points. Their core duties include logistics functions such as warehousing, transport, inventory control, and ensuring product integrity during distribution.

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In Australia, medicinal cannabis may be classified as a Schedule 8 (S8) controlled drug, which imposes stringent logistics and handling requirements including secure storage facilities, controlled transport protocols, comprehensive chain of custody documentation, and personnel security clearances. Distributors must hold a wholesale licence or permit issued by the relevant state or territory authority and comply with national regulations governing controlled substances. Similar authorisation requirements apply in many international markets, including those in the European Union, where distributors must comply with Good Distribution Practice (**GDP**) guidelines.

In most regulated markets – including Australia – medicinal cannabis must be dispensed through a pharmacy or licensed dispensary. While jurisdictions like Canada permit direct-to-patient access through LPs, in pharmacy-centric systems distributors ensure reliable supply to authorised outlets, especially in countries like Australia where pharmacy ownership is fragmented.

In parallel, digital platforms have emerged as enablers of medicinal cannabis access. Certain industry players have deployed platforms which enable telehealth consultations with authorised prescribers and coordinate with licensed pharmacies for prescription fulfilment and home delivery – seeking to operate functionally as a modern distribution route while complying with regulations.

(h) **Prescribing**

Prescribers play a central role in the medicinal cannabis value chain, as the access pathway to treatment is typically initiated by a qualified healthcare professional. Depending on the jurisdiction, these prescribers may include general practitioners, specialists, or in some cases, nurse practitioners.

In Australia, medicinal cannabis can be prescribed by medical practitioners (doctors) and nurse practitioners, provided they are authorised under the relevant access scheme. Prescribing usually occurs under the Special Access Scheme (**SAS**) or the Authorised Prescriber (**AP**) scheme, both of which are overseen by the TGA. The SAS allows prescribers to apply for patient-specific approvals to access unapproved medicinal cannabis products, while the AP scheme permits eligible practitioners to prescribe approved cannabis products to defined patient groups without seeking individual patient approval each time.

In many European countries, prescribing rules vary by jurisdiction but are generally evolving. In Germany, reforms introduced in April 2024 allow doctors to prescribe cannabis in certain circumstances under public health insurance without prior authorisation. In France, medicinal cannabis remains limited to specialist physicians who have completed specific training; however, the implementation of draft regulations submitted in March 2025 would introduce a permanent, regulated access framework.

Across jurisdictions, the prescriber retains a clinical oversight role – not only in initiating treatment but also in ensuring therapeutic appropriateness, regulatory compliance, and ongoing patient monitoring.

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6. Information about Cannatrek

6.1 Introduction

Cannatrek is a licensed manufacturer and distributor of medicinal cannabis products, with operations spanning GMP-certified packaging, proprietary brand, and national compliant distribution. Cannatrek operates within the medicinal cannabis supply chain sourcing bulk or finished medicinal cannabis from licensed domestic and international producers, manufacturing (packaging and labelling) products under its own brands, and distributing them to pharmacies and authorised channels across Australia.

Although Cannatrek retains cultivation-ready land and appropriate licenses, it does not currently engage in cultivation or processing activities.

The company also supports patient and prescriber engagement through two proprietary digital platforms:

(a) *Greenship*®, a B2B platform connecting pharmacies to a curated range of medicinal cannabis products; and

(b) *MyEden*®, a patient-facing digital tool offering telehealth booking, prescription management, and pharmacy delivery options.

Cannatrek is headquartered in Melbourne and employs approximately 80 staff across its operations.

6.2 Operational Model

Cannatrek's current operations focus on secondary manufacturing (packaging and labelling), GMP-compliant storage, and national distribution of medicinal cannabis supplied by third-party growers and manufacturers. Its supply chain is supported by a compliant logistics network and integrated digital platforms.

(a) **Shepparton Facility (VIC)**





Cannatrek's facility in the Greater Shepparton region has been granted Major Project Status by the Australian Government and serves as its primary operational site for:

(i) Manufacturing (Packaging and branding): Dried flower sourced from licensed third parties is packaged and labelled under Cannatrek's proprietary brands in accordance with GMP standards; and

(ii) Storage & Distribution: The site acts as Cannatrek's national logistics centre. Its vaulted storage is licensed for both raw materials and finished goods and

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is large enough to meet product demand from domestic pharmacies and other licensed channel partners.

Cannatrek operates an asset-light supply model and does not currently undertake in-house cultivation. While land and infrastructure suitable for cultivation is maintained, Cannatrek has made a deliberate decision to prioritise third-party sourcing to maintain flexibility, optimise capital efficiency and access a broader range of global genetics.

Cannatrek's cultivation licences are held in inactive status to preserve strategic optionality. Domestic cultivation would only be activated where Cannatrek can secure differentiated genetics that create distinct product opportunities and where local production can be delivered at a cost base that supports scalable, competitive pricing and sustainable margins.

This approach ensures that any future cultivation activation is commercially disciplined and aligned with the long-term portfolio and margin strategy, rather than driven solely by asset utilisation.

(b) **Supply Chain Model**

Cannatrek sources medicinal cannabis products from a network of licensed local contract growers and overseas suppliers. Cannatrek then conducts GMP-standard packaging and labelling and distributes products across Australia via:

(i) Direct B2B distribution to pharmacy and clinics;

(ii) *Greenship*®, its online pharmacy ordering platform; and

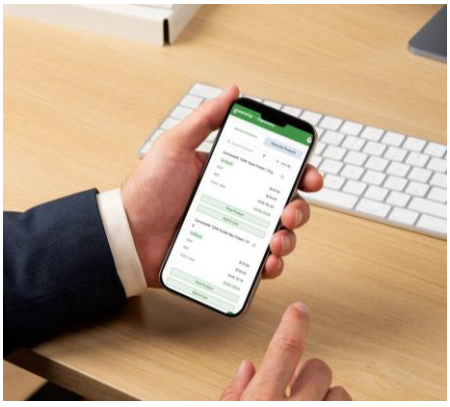
(iii) Third-party distributors, including Vitura and Montu.

(c) **Digital Infrastructure**

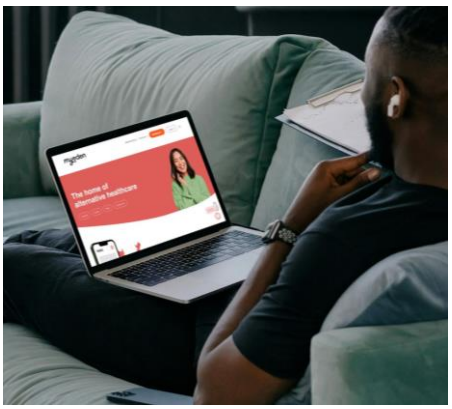
The company maintains its market presence in part through two key digital platforms:

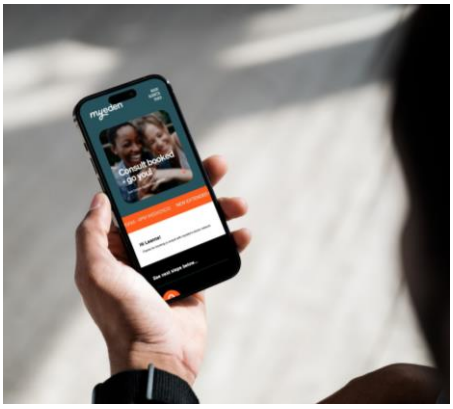
(i) *Greenship*®, a B2B eCommerce platform enabling pharmacies to browse, order, and track medicinal cannabis products from Cannatrek and select third-party suppliers.





(ii) *MyEden*®, is a B2C-facing digital health infrastructure platform that enables patients to discover practitioners, book appointments, and manage their prescriptions in a secure, compliant digital environment.





The platform provides booking, secure communications, clinical workflow tools, and pharmacy connectivity. All medical consultations, prescribing decisions, patient consent and clinical governance are undertaken by independent authorised medical practitioners operating their own private practices on the MyEden platform

Cannatrek does not provide medical services, does not direct prescribing behaviour and does not participate in clinical decision-making. MyEden functions solely as the digital infrastructure layer supporting independent clinical practices

Together, these platforms support compliant distribution, streamlined ordering, and continued connectivity with key segments of the medicinal cannabis value chain, including pharmacies, clinics, and prescribers.

6.3 Product and Distribution Overview

Cannatrek's commercial operations are centred on the manufacture (packaging and branding) and distribution of a diversified medicinal cannabis product range. Cannatrek's portfolio spans both proprietary and third-party SKUs, with products sold nationally through pharmacy and other authorised channels.

(a) Product Categories

Cannatrek's product mix includes:

(i) Dried flower – Standard inhaled format, packaged under proprietary brands;

(ii) Oil – Oral and sublingual medical formulations;

(iii) MCart – Cartridge-based vaporisable formats;

(iv) Petcann – Cannabinoid-based compounding products for veterinary use; and

(v) Edibles – Ingestible medicinal cannabis products, offered in approved formats.

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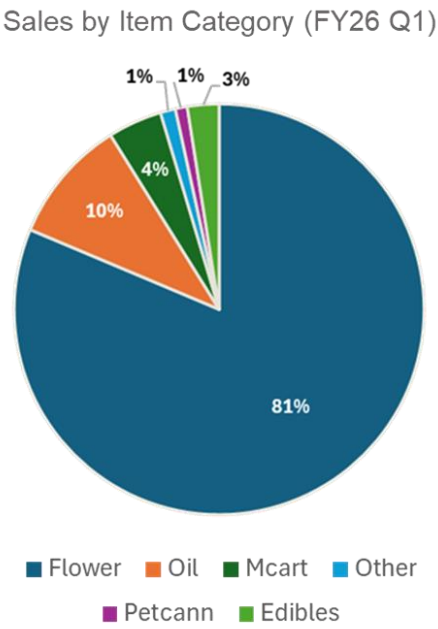
Figure 7: Product Category Mix (FY26 Q1)



(b) **Brands and Third-Party SKUS**

Cannatrek markets medicinal cannabis products under a portfolio of proprietary brand families, including:

Brand	Description
Cannatrek®	Core in-house range, including SKUs such as *Topaz* and *Amber*, primarily comprising dried flower, edibles and oil.
Cornerfield®	Value in-house range, including dried flower SKUs such as *Pink Gas, Outlaw Amnesia* and *Mazar*.
HEYDAY®	Acquired in 2025; includes products focused on minor cannabinoids and balanced CBD formulations, primarily comprising dried flower, edibles and oil.
urbanleaf®	Purpose built, high quality medicinal cannabis devices.

In addition to its proprietary portfolio, Cannatrek distributes selected third-party SKUs, sourced from licensed domestic and international suppliers, which are distributed under supplier branding.

Brand	Description
PEACENATURALS	A premium, high-THC terpene rich medicinal cannabis flower from North America under exclusive Australian distribution rights to Cannatrek.

(c) **Distribution Channels**

Sales are primarily conducted through national pharmacy networks, enabled by Cannatrek's own Greenship® platform. Additional B2B sales are made via licensed third-party distributors and prescribers, including:

(i) Burleigh Heads Cannabis – Licensed cannabis distributor;

(ii) Montu – Prescriber-led platform with affiliated clinics

(d) **Sales Volumes**

Figure 8: Quarterly Product Unit Sales

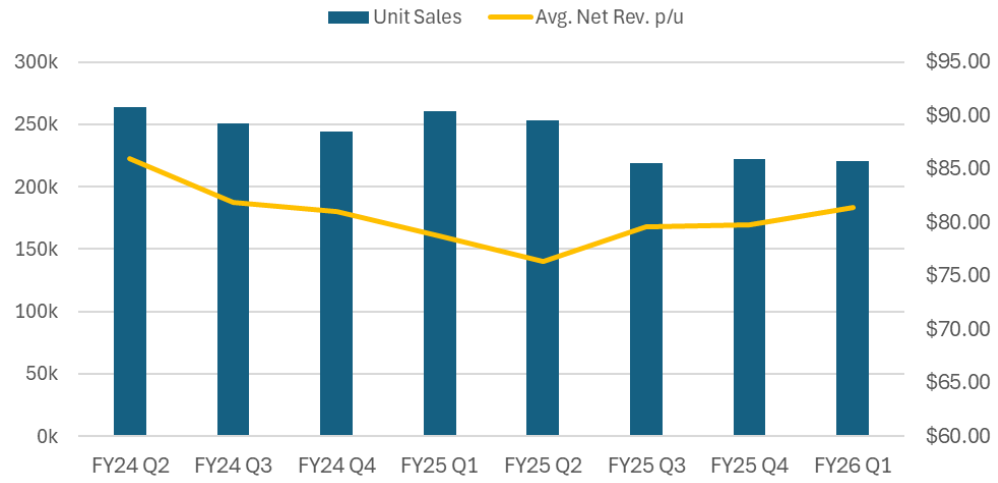


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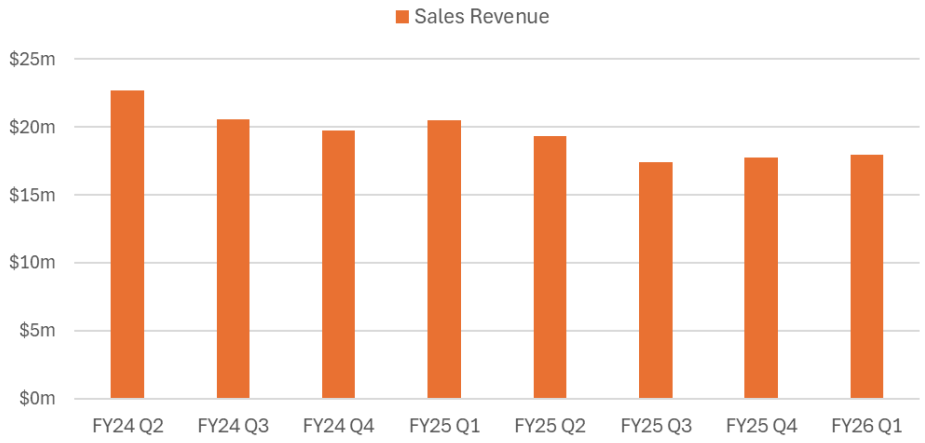
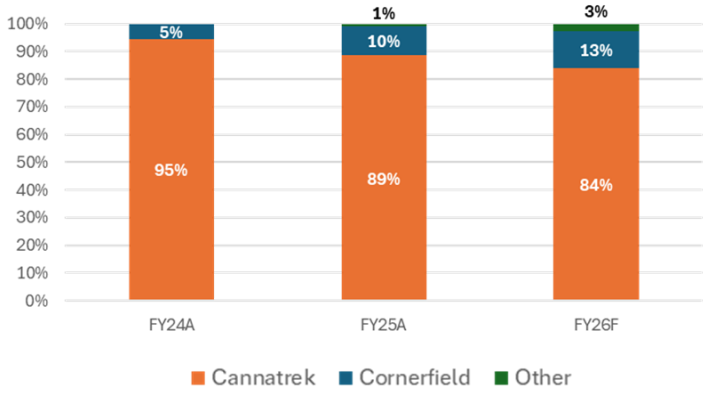
Figure 9: Quarterly Product Sales Revenue Sales



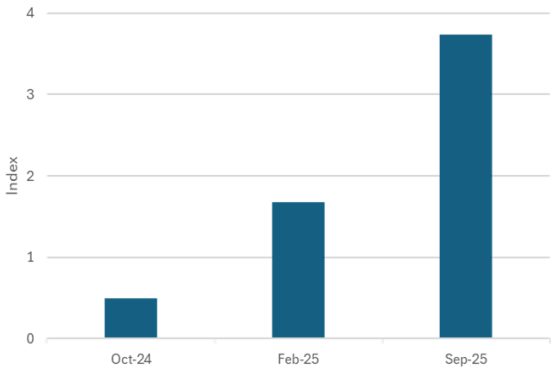
While Cannatrek remained the market leader in terms of sales value throughout FY25, the FY26 product development and category management strategy is focused on stabilising Cannatrek's market share trajectory. Sales over the last three quarters have remained stable despite patient and prescriber growth moderating amid ongoing regulatory uncertainty.

Figure 10: Flower Profile by Brand



Cannatrek remains the dominant flower brand, while the launch of the Cornerfield budget range is continuing to capture growth within the expanding budget segment.

Figure 11: Edibles (Indexed Growth)



The edibles category is showing encouraging early momentum as an emerging growth segment within the market.

6.4 Board and key management personnel

(a) Cannatrek Board

As at the date of this Scheme Booklet, the Cannatrek Board comprises the following directors:

Name	Position
Brent Dennison	Executive Chairman
Thomas Huppert	Non-Executive Director
Justin Arter	Non-Executive Director
Seth Yakatan	Non-Executive Director
Imogen Randell	Non-Executive Director
Sam Holt	Non-Executive Director

(b) Cannatrek key management personnel

As at the date of this Scheme Booklet, the Cannatrek key management personnel comprises the following members:

Name	Position
Jason Rance	Chief Executive Officer
Paula Butler	Chief Financial Officer
Dr Jim Connell	Chief Medical Officer
James Kapetanios	General Manager - Operations
George Michalopoulos	General Manager - Commercial
Phoebe Macleod	General Manager - Product & Industry Development
Chris Petrakis	General Manager - Digital Products & Technology

6.5 Securities and capital structure

(a) Cannatrek securities on issue

As at the Last Practicable Date, the capital structure of Cannatrek consisted of the following securities:

Type of security	Number on issue

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Cannatrek Shares	276,639,435
Cannatrek Options[18]	4,269,492

(b) **Substantial shareholders**

As at the Last Practicable Date, the substantial shareholders of Cannatrek were as follows:

Name[19]	No. of Cannatrek Shares	Percentage holding (excluding Cannatrek Options)	No. of Cannatrek Options	Percentage holding (including Cannatrek Options)*
Unita Corporation Pty Ltd	52,869,670	19.11%	1,054,464	19.13%
River Capital Pty Ltd	25,125,007	9.08%	-	9.03%
Yaselleraph Finance Pty Ltd	14,667,290	5.30%	-	5.27%
TOTAL	92,661,967	33.50%		33.43%

**On the basis that the Cannatrek Options are converted into Cannatrek Shares in the manner set out in section 1.5(e).*

(c) **Group Structure**

The following entities form party of the Cannatrek Group:

Name of entity	ACN	Country of Incorporation
Cannatrek Limited	056 175 369	Australia
Alef Admin Pty Ltd	664 666 228	Australia
Alef Group Pty Ltd	619 750 579	Australia
Alef IP Pty Ltd	664 666 193	Australia
Alef Operations Pty Ltd	664 666 237	Australia
Alef Services Pty Ltd	664 681 216	Australia
Balnce Health Pty Ltd	652 326 942	Australia
Cannatrek Assets Pty Ltd	664 666 166	Australia
Cannatrek Medical Pty Ltd	618 974 155	Australia
Cannatrek People Pty Ltd	669 336 494	Australia
Cannatrek Technologies Pty Ltd	615 925 114	Australia
Greenship Pty Ltd	665 371 139	Australia

[18] The Cannatrek Options will be subject to a cash-free exercise on the date the Scheme becomes Effective and, upon exercise, shall be issued 1,749,772 new Cannatrek Shares.

[19] Includes Associates.

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Heyday RX Pty Ltd	644 194 507	Australia
MyEden Pty Ltd	662 959 239	Australia
MyEden Group Pty Ltd	668 190 323	Australia
MyEden Health Platform Pty Ltd	645 119 197	Australia
Petcann Pty Ltd	615 614 974	Australia
UrbanLeaf Australia Pty Ltd	623 146 618	Australia
CannaData Pty Ltd[1]	664 681 430.	Australia

Notes
[1, This entity is partially owned by the Cannatrek Group.

6.6 Financial Information

This Section 6.6 contains financial information relating to Cannatrek for the financial years ended 30 June 2023, 2024 and 2025.

The financial information in this Section 6.6 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet. The information has been extracted and compiled from the audited financial reports of Cannatrek for the financial year ended 30 June 2023, 2024 and 2025.

(a) Basis of Interpretation

The historical financial information of Cannatrek presented is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Accordingly, Cannatrek recommends that Cannatrek Shareholders read the following in conjunction with the financial statements of Cannatrek for the respective periods including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

(b) Consolidated statement of profit and loss

The following table presents the historical consolidated statement of profit or loss for the financial year ended 30 June 2023 (**FY23**), as well as the financial years ended 30 June 2024 (**FY24**) and 2025 (**FY25**).

Profit and Loss (A$000's)	FY23	FY24	FY25
Revenue from contracts with customers	**89,607**	**82,986**	**75,499**
Direct cost of sales	(40,109)	(46,333)	(36,090)
Fair value movement of biological assets	(904)	(1,617)	497
Gross Profit	**48,594**	**35,037**	**39,906**
Employment costs	(11,740)	(17,632)	(16,164)
Depreciation, amortisation & impairment	(948)	(3,959)	(2,837)
Other operating expenses	(15,677)	(19,758)	(13,227)
(Loss)/Profit from Operations	**20,229**	**(6,312)**	**7,678**
Interest income	166	407	393
Other non-operating revenue	194	37	-
Other non-operating expenses	-	(3,844)	(2,686)
Finance expenses	(185)	(403)	(198)
Loss on disposal of assets	(6)	(14)	(535)
Profit/(Loss) before Tax	**20,398**	**(10,129)**	**4,651**
Income tax (expense)/credit	(5,833)	2,136	2,293

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Net Profit/(Loss) after tax (continuing)	**14,565**	**(7,993)**	**6,944**
Loss from discontinued operations	-	(1,231)	(3,754)
Profit/(Loss) for the Year	**14,565**	**(9,225)**	**3,191**
Other comprehensive income	-	-	-
Total Comprehensive Income/(Loss)	**14,565**	**(9,225)**	**3,191**

(c) **Consolidated statement of financial position**

The following table presents the historical consolidated statement of financial position as at 30 June 2023 (**FY23**), 30 June 2024 (**FY24**) and 30 June 2025 (**FY25**).

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Balance Sheet (A$000's)	FY23	FY24	FY25
Cash & cash equivalents	14,444	6,958	7,314
Other financial assets (term deposits)	-	5,000	5,201
Receivables	5,488	7,025	6,929
Prepayments	5,986	3,661	2,280
Inventory	34,221	15,503	11,101
Biological assets	561	127	137
Deferred tax asset	-	512	2,050
Income tax receivable	-	-	648
Assets classified as held for sale	-	-	1,052
Total Current Assets	**60,700**	**38,786**	**36,712**
Intangibles	1,233	1,745	8,506
Property, plant & equipment	21,184	20,606	16,153
Investment in associated entities	-	238	-
Right of use assets	1,291	1,628	456
Total Non-current Assets	**23,708**	**24,218**	**25,115**
Total Assets	**84,409**	**63,004**	**61,827**
Trade & other payables	12,468	8,758	6,054
Income tax payable	5,889	745	-
Accruals	645	-	-
Provisions (current)	742	1,026	667
Lease liabilities (current)	865	657	235
Borrowings (current)	280	2,913	2,675
Deferred tax liability	1,250	-	
Total Current Liabilities	**22,140**	**14,099**	**9,631**
Provisions (non-current)	259	625	278
Lease liabilities (non-current)	417	856	210
Borrowings (non-current)	2,789	-	-
Total Non-current Liabilities	**3,465**	**1,481**	**488**
Total Liabilities	**25,604**	**15,580**	**10,119**
Net Assets	**58,804**	**47,424**	**51,709**
Contributed equity	42,957	43,314	48,046
Reserves	26	59	322
Accumulated profit / (loss)	15,822	4,051	3,340
Total Equity	**58,804**	**47,424**	**51,709**

(d) **Consolidated statement of cash flows**

The following table presents the historical consolidated statement of cash flows for the financial half year ended 30 June 2023 (**FY23**), financial years ended 30 June 2024 (**FY24**) and 2025 (**FY25**).

Cash Flows (A$000's)	FY23	FY24	FY25
Receipts from customers	87,181	84,103	82,943
Interest received	166	407	393
Other income received	194	37	-
Payments to suppliers & employees	(79,053)	(75,090)	(75,123)
Income tax paid	-	(4,769)	(648)
Net cash flows from operating activities	**8,488**	**4,688**	**7,564**
Net cash inflow from business combination	-	-	99

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Proceeds from disposal of property, plant & equipment	-	-	362
Payment for acquisition of property, plant & equipment	(7,377)	(3,255)	(1,156)
Payment for acquisition of intangibles	(837)	(814)	(1,975)
Net cash flows from investing activities	**(8,214)**	**(4,069)**	**(2,671)**
Proceeds from issue of share capital	4,828	-	-
Proceeds from borrowings	980	-	-
Payments for borrowing	-	(156)	(238)
Interest finance costs	(185)	(403)	(198)
Dividend paid	-	(2,546)	(3,901)
Net cash flows from financing activities	**5,623**	**(3,106)**	**(4,337)**
Net increase / (decrease) in cash held	5,896	(2,487)	557
Opening cash brought forward	**8,548**	**14,444**	**11,958**
Closing cash carried forward	**14,444**	**11,958**	**12,514**

(e) **Consolidated statement of changes in equity**

The following table presents the historical consolidated statement of changes in equity as at 30 June 2025.

Change in Equity (A$000's)	Issued Equity	Share-based Payments Reserve	Retained Profits	Total Equity
Balance at 1 July 2024	**43,314**	**59**	**4,051**	**47,424**
Issue of shares	4,732	-	-	4,732
Share-based payments	-	263	-	263
Dividend granted and paid	-	-	(3,901)	(3,901)
Comprehensive income for the period	-	-	3,191	3,191
Balance at 30 June 2025	**48,046**	**322**	**3,340**	**51,709**

6.7 Material changes in Cannatrek's financial position (since 30 June 2025)

Within the knowledge of the Board, the financial position of Cannatrek has not materially changed since 30 June 2025, being the date of the last balance sheet laid before Cannatrek Shareholders.

Copies of Cannatrek's annual reports (including for the FY25 Report) can be obtained from:

- https://go.cannatrek.com/fy23-financial-report.pdf
- https://go.cannatrek.com/fy24-financial-report.pdf
- https://go.cannatrek.com/fy25-financial-report.pdf

6.8 Regulatory Investigations

Since November 2023, Cannatrek Limited has received 3 notices from the TGA, issued pursuant to section 45AB of the TG Act (Section 45AB Notices), the latest notice received in June 2025. There have also been numerous other communications between Cannatrek Limited and the TGA since on or around August and September 2023. The Section 45AB

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Notices required Cannatrek to provide to the TGA specific information and documents in relation to advertising activities concerning medicinal cannabis products.

The stated purpose of the Section 45AB Notices is to assist the TGA in its investigation into possible contraventions by Cannatrek of provisions of the TG Act and associated regulations relating to the advertising of therapeutic goods. As most medicinal cannabis products are supplied under the Special Access Scheme or the Authorised Prescribed scheme and are prescription only products, it is an offence to advertise such products to the general public under the TG Act. The notices primarily relate to materials published on Cannatrek's subsidiaries' social media channels in 2023 - 2024, and raise concerns as to whether certain advertisements by Cannatrek (or advertisements caused by Cannatrek to be published) included prohibited or restricted representations, made unauthorised references to substances listed in Schedule 4 of the Poisons Standard, made references to therapeutic goods not entered on the Australian Register of Therapeutic Goods, or otherwise failed to comply with the Therapeutic Goods Advertising Code. Cannatrek has provided full responses to the Section 45AB Notices and has actively sought to address potential issues raised by the TGA by correcting or removing relevant materials identified by the TGA in an effort to ensure compliance with the TG Act and associated regulations, including the Therapeutic Goods Advertising Code.

As at the date of this Scheme Booklet, no findings have been declared by the TGA against Cannatrek in relation to the matters under the current Section 45AB Notices and no proceedings have been issued arising from the information provided under those notices. Cannatrek is in dialogue with the TGA in relation to these matters. In the circumstances, the quantum of any potential penalties arising from the current investigation is not capable of being reasonably quantified, however, if any financial penalties are imposed, Cannatrek's available cash would be reduced accordingly, and such penalties may adversely affect the financial position and value of Cannatrek.

Advertising offences under the TG Act are generally prosecuted under civil penalty provisions, and as such, it is open to the TGA to address any identified breaches through infringement notices, which can be issued without formal court proceedings. Historically, the TGA has addressed advertising offences in the medicinal cannabis space by issuing multiple infringement notices for a series of offences, resulting in total penalties payable by the offending company – generally in the range of $50,000 - $400,000.

However, the TGA has also addressed offending advertising conduct by bringing civil proceedings under the TG Act, including two recent and ongoing proceedings lodged against medicinal cannabis companies for advertising offences relating to medicinal cannabis. Where the TGA brings civil proceedings for a breach of the TG Act advertising provisions, the alleged breaches and any penalty payable must be determined in court. Successful prosecutions for advertising offences under the TG Act have historically ranged from $2 million to $5.5 million (where there have been negotiated outcomes), with two material outliers in the past 15 years where the court determined there was significant and persistent offending (in these two cases the court determined penalties were $10 million - $11 million). However, given the wide range of any financial penalties available under the TG Act and the present uncertainty regarding the status and outcome of the TGA Investigation, there is a risk that, were the TGA to bring civil proceedings in respect of the matters the subject of the TGA Investigation, the potential financial penalty sought by the TGA could be materially higher than previous court determined penalties. It should also be noted that, in the event of a successful prosecution, the TGA may seek an award of costs against Cannatrek, which when combined with Cannatrek's own costs and expenses in responding to the TGA Investigation, may be material in quantum.

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Historically the TGA has sought monetary penalties for advertising offences, either by issuing infringement notices or bringing civil proceedings. Cannatrek is not aware of any past examples of the TGA taking action to revoke regulatory licences or approvals in relation to advertising offences under the TG Act.

The Board considers compliance with regulatory obligations to be of paramount importance. The Board will continue to monitor developments with respect to this matter, and, should any fines, penalties or other outcomes arising from the Section 45AB Notices arise which are material to Cannatrek's valuation or financial position, Cannatrek will provide updated disclosure to shareholders.

Cannatrek has previously been subject to penalties imposed by the TGA for alleged breaches of the TG Act. In September 2022, Cannatrek was issued 22 infringement notices totalling $293,040 by the TGA for alleged unlawful advertising of medicinal cannabis products via its website and social media platforms. At the time, the TGA issued 73 infringement notices totalling $972,360 to licensed medicinal cannabis companies (one of which was Cannatrek Limited).

6.9 Intentions regarding the continuation of Cannatrek's business

The Corporations Regulations require a statement by the Cannatrek Board of its intentions regarding Cannatrek's business. Pursuant to the terms of the Scheme Implementation Deed, if the Scheme is implemented, LGP will reconstitute the Cannatrek Board.[20]

It is for the reconstituted Cannatrek Board to determine its intentions as to:

(a) the continuation of the business of Cannatrek or how the existing business will be conducted;

(b) any major changes to be made to the business of Cannatrek; or

(c) the future employment of the present employees of Cannatrek.

Accordingly, it is not possible for the Cannatrek Board to provide such a statement. LGP's intentions regarding the Combined Group if the Scheme is implemented are set out in Section 9.2 of this Scheme Booklet.

The current Cannatrek Board otherwise intends to continue to operate the business of Cannatrek in the ordinary course, noting the risks identified in Sections 10.2 and 10.4, as well as the matters raised in Sections 6.1 to 6.5 (inclusive).

[20] See Section 9.4 for the members of the LGP Board should the Scheme be implemented

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7. Information about LGP

7.1 Introduction

This Section 7 has been prepared by LGP.

The information concerning LGP and the intentions, views and opinions contained in this Section 7 are the responsibility of LGP. Cannatrek and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

7.2 LGP business overview

LGP is an ASX listed, global medicinal cannabis and psychedelics company with vertically integrated operations across Australia and production operations in Europe. LGP has been listed on the ASX since February 2020 and was the first supplier of domestically produced medicinal cannabis in Australia.

Today, LGP supplies a broad range of cannabis-based medicines under both proprietary and white-label brands that are prescribed, distributed and dispensed through wholesale, pharmacy, and clinical networks in Australia and across multiple European markets and in the UK.

In addition to its core cannabis operations, LGP also operates a psychedelics division through its wholly owned subsidiary, Reset Mind Sciences Pty Ltd (ACN 650 593 598) (Reset Mind Sciences), which supports clinical research into novel mental health therapies.

LGP generates revenue through both the sale of medicinal cannabis products and its domestic distribution and clinic businesses, enabling value capture across the supply chain.

7.3 Operational Model

LGP operates a vertically integrated model spanning cultivation, manufacturing, distribution and clinics across Australia and Europe.

(a) Cultivation and Manufacturing

LGP owns two global production sites: a large-scale facility in Denmark and indoor cultivation site in Western Australia, and leases a combined psychedelics clinic, head office and therapeutic goods manufacturing facility located in Western Australia.

(i) Denmark Facility

LGP's Denmark facility is one of the largest GMP-licensed medicinal cannabis production sites in Europe and services LGP's European and Australian export markets. Located two hours from the German border, the site has a production capacity of ~21 tonnes GMP flower products per annum. It also hosts a dedicated genetics development program and current has a genetics database of a further 20 uncommercialised strains.

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(ii) **Western Australia indoor cultivation site**

The Australian indoor cultivation site, located in the South West of Western Australia, has an annual cultivation capacity of ~1.1 tonnes of finished GACP cannabis flower products under tightly controlled conditions. As announced on 19 February 2026, LGP has entered into an agreement to sell and lease back its Australian indoor cultivation site with Lauana Pty Ltd ATF Lauana Trust (ACN 657 531 112). Completion of the transaction remains subject to the satisfaction or waiver of certain conditions precedent. Refer to ASX announcement titled "Proposed sale of WA production facility" for further details.

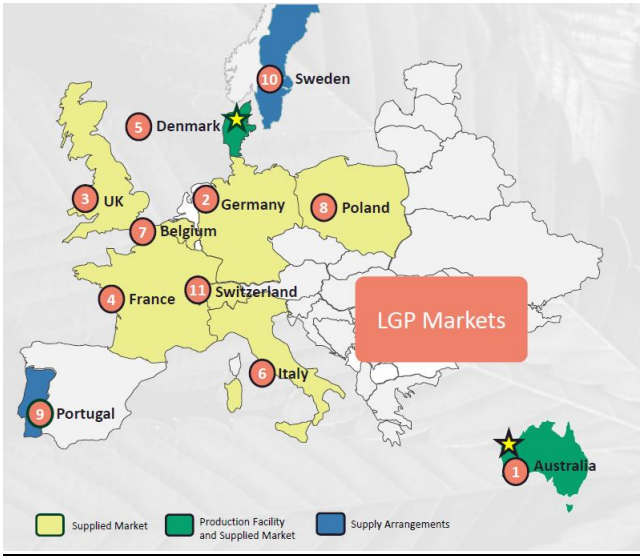
(b) **Distribution and Logistics**

LGP supplies products through a combination of direct distribution and partner-led distribution.

In Australia, LGP distributes products directly through its wholly-owned Health House distribution business acquired in early 2025 as well as through several key distribution partners, with LGP products prescribed by GPs and medical clinics including LGP's MyQuest cannabis clinic, and dispensed through a wide network of pharmacies and dispensaries.

Across Europe, LGP has supplied or distributed or has arrangements to supply or distribute its products in 10 countries via a network of licensed wholesalers and authorised distribution partners. LGP's distribution pathways are tailored to the regulatory requirements in each jurisdiction, with products supplied via licensed partners and under the appropriate market authorisations.

Figure 12: LGP distribution markets



7.4 Product and Brand overview

(a) **Product Range**

LGP supplies a broad portfolio of GMP medicinal cannabis products distributed across domestic and international markets. LGP's product range includes 33 distinct SKUs, spanning several key dosage forms, including:

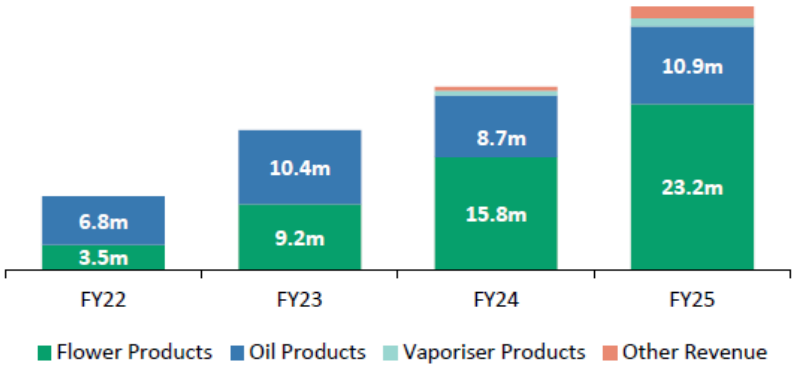
(i) Dried flower;

(ii) Oil-based formulations; and

(iii) medicinal cannabis vaporisation.

These products are offered under proprietary brands and white-label partnerships.

Figure 13: Revenue by Product Category (A$m)[21]



(b) **Brand Architecture**

LGP operates a House of Brands strategy that segments its medicinal cannabis portfolio in distinct brand families, each tailored to specific patient and prescriber needs. It's four key brands are:

(i) *LGP* – LGP's premium category brand which includes a range of flower, oil, gummy and vape products.

(ii) *CherryCo* – Value category brand focusing on high THC flower and gummy products.

(iii) *Lush Labs* – Craft cannabis flower category sourced from overseas and to be supplemented by additional supply from LGP's local WA indoor site from end Q2 CY2026.

(iv) *Indicare* – Oil and flower range provided exclusively to DVA personnel.

[21] FY24 Vaporiser $0.66m and Other Revenue $0.55m; FY25 Vaporiser $1.12 and Other Revenue $1.6m

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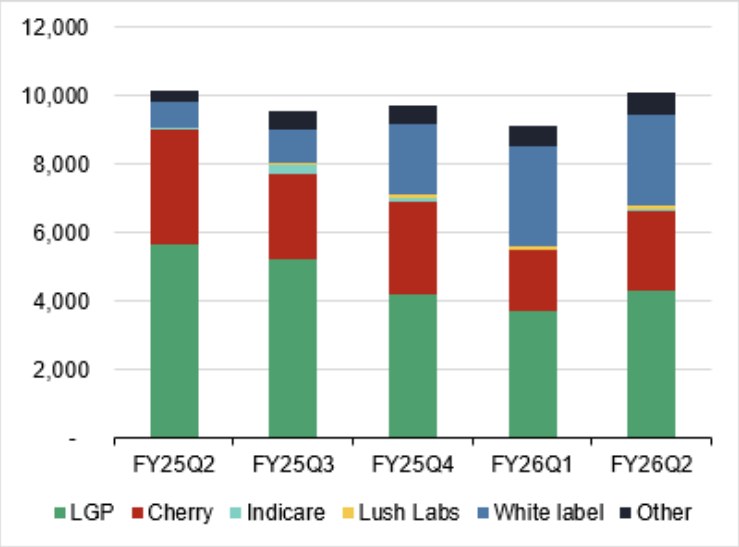
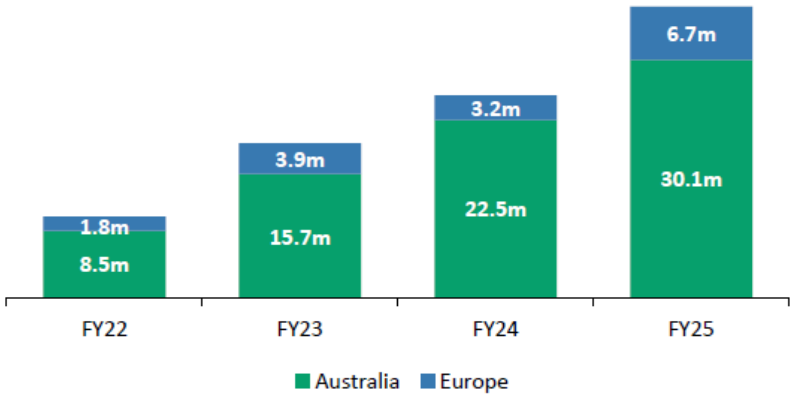
Figure 14: Unaudited Revenue by Brand[22]



7.5 European Operations

Europe remains LGP's strongest potential growth channel. In FY2025, LGP more than doubled its European revenue, driven by market expansion in Germany, the UK and France. European and UK markets are now a critical plank to LGP's strategy for long-term scale.

Figure 15: Revenue by Segment



In Germany, regulatory changes in April 2024 removed medicinal cannabis from the country's narcotics List, significantly simplifying prescriber requirements and accelerating patient uptake. LGP's proximity to Germany via its Danish facility positions it to serve wholesalers and clinics under the revised framework, with LGP also launching its first branded products under the CherryCo line in Q1 FY26.

In the United Kingdom, LGP is targeting a growing private clinic market, which now serves an estimated 60,000 – 65,000 active patients. LGP Australia has been supplying white-label products to various distributors into the UK since April 2020 and LGP Denmark since

[22] 'Other' includes Health House revenue

2023 with LGP proposing to move towards own brand supply arrangements for 2026 and beyond.

In France, LGP remains the largest commercial supplier of medicinal cannabis in connection with its participation in the national pilot program. LGP is now ramping up its product registration efforts ahead of the anticipated commercial rollout of France's medicinal cannabis program, expected to commence in CY2026.

To meet this rising demand, LGP is expanding its output at its Danish production facility. As of June 2025, LGP had commissioned 8.5 tonnes of annual capacity, with an additional 1.3 tonnes under construction.

In parallel, new legislation in Denmark, effective 1 January 2026, will permit licensed operators to establish EU GMP cannabis import, storage, and processing hubs – enabling LGP to further centralise operations and improve its ability to serve EU markets.

7.6 Board and key management personnel

(a) LGP Board

As at the date of this Scheme Booklet, the LGP Board comprises the following directors:

Name	Position
Mr Michael D Lynch-Bell	Chairman & Non-Executive Director
Dr Neale Fong	Non-Executive Director
Mr Paul Long	Managing Director
Ms Fleta Solomon	Executive Director
Mr Angus Caithness	Executive Director

Further information about the LGP's Directors can be found on LGP's website (https://www.littlegreenpharma.com/au/).

(b) LGP key management personnel

As at the date of this Scheme Booklet, LGP's key management personnel comprises the following members:

Name	Position
Mr Paul Long	Managing Director
Mr Angus Caithness	Executive Director
Ms Fleta Solomon	Executive Director

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Further information about these key management personnel can be found on LGP's website (https://investlittlegreenpharma.com/site/about/leadership-team).

7.7 Securities and capital structure

(a) LGP securities on issue

As at the Last Practicable Date, the capital structure of LGP consisted of the following securities:[23]

Ordinary shares	305,855,910
Options	7,200,000 Executive options with an exercise price of $0.138 expiring 31 July 2027 7,200,000 Executive options with an exercise price of $0.1725 expiring 31 July 2028
Performance rights	2,000,000 Executive performance rights with $0.50 share price milestone[24] 2,000,000 Executive performance rights with $0.60 share price milestone[25] 2,000,000 Executive performance rights with $0.75 share price milestone[26] 1,500,000 Executive performance rights with $0.95 share price milestone[27] 1,500,000 Executive performance rights with $1.10 share price milestone[28] 1,500,000 Executive performance rights with $1.25 share price milestone[29] 400,000 employee performance rights vesting on 1 April 2026
Retention rights	450,000 Non-Executive Director retention rights vesting on 31 March 2027 4,000,000 Executive retention rights vesting on 1 April 2026 838,545 Employee retention rights vesting on 1 April 2026 216,323 Employee retention rights vesting on 1 April 2027

(b) Little Green Parma Long Term Incentives

LGP's Executive Directors have the following long-term incentives

[23] LGP may issue 1,200,000 new securities under its employee incentive securities plan to employees, subject to LGP shareholder approval (if required). Such issuances may occur at any time and on terms to be determined by the LGP Board.
[24] 1,000,000 performance rights to be cancelled prior to Implementation Date
[25] 1,000,000 performance rights to be cancelled prior to Implementation Date
[26] 1,000,000 performance rights to be cancelled prior to Implementation Date
[27] 500,000 performance rights to be cancelled prior to Implementation Date
[28] 500,000 performance rights to be cancelled prior to Implementation Date
[29] 500,000 performance rights to be cancelled prior to Implementation Date

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Options	5,200,000 Executive options with an exercise price of $0.138 expiring 31 July 2027	Paul Long: 2,000,000 options[1] Angus Caithness: 2,000,000 options Fleta Solomon: 1,200,000 options
	5,200,000 Executive options with an exercise price of $0.1725 expiring 31 July 2028	Paul Long: 2,000,000 options[1] Angus Caithness: 2,000,000 options Fleta Solomon: 1,200,000 options
Performance rights	1,500,000 Executive performance rights with $0.50 share price milestone[30]	Paul Long: 500,000 performance rights[1] Angus Caithness: 500,000 performance rights[2] Fleta Solomon: 500,000 performance rights
	1,500,000 Executive performance rights with $0.60 share price milestone[31]	Paul Long: 500,000 performance rights[1] Angus Caithness: 500,000 performance rights[2] Fleta Solomon: 500,000 performance rights
	1,500,000 Executive performance rights with $0.75 share price milestone[32]	Paul Long: 500,000 performance rights[1] Angus Caithness: 500,000 performance rights[2] Fleta Solomon: 500,000 performance rights
	1,500,000 Executive performance rights with $0.95 share price milestone[33]	Paul Long: 500,000 performance rights[1]

[30] 1,000,000 performance rights to be cancelled prior to Implementation Date
[31] 1,000,000 performance rights to be cancelled prior to Implementation Date
[32] 1,000,000 performance rights to be cancelled prior to Implementation Date
[33] 500,000 performance rights to be cancelled prior to Implementation Date

		Angus Caithness: 500,00 performance rights[2] Fleta Solomon: 500,000 performance rights
	1,500,000 Executive performance rights with $1.10 share price milestone[34]	Paul Long: 500,000 performance rights[1] Angus Caithness: 500,000 performance rights[2] Fleta Solomon: 500,000 performance rights
	1,500,000 Executive performance rights with $1.25 share price milestone[35]	Paul Long: 500,000 performance rights[1] Angus Caithness: 500,000 performance rights[2] Fleta Solomon: 500,000 performance rights
Retention rights	3,000,000 Executive retention rights vesting on 1 April 2026	Paul Long: 1,000,000 retention rights[1] Angus Caithness: 1,000,000 retention rights Fleta Solomon: 1,000,000 retention rights

Notes
[1] Held via an entity controlled by the Director.
[2] Held via an entity controlled by the Director.

LGP's Non-Executive Directors have the following long-term incentives

Retention rights	450,000 Non-Executive Director retention rights vesting on 31 March 2027

(c) **Substantial shareholders**

As at the Last Practicable Date the substantial shareholders of LGP were as follows:

[34] 500,000 performance rights to be cancelled prior to Implementation Date
[35] 500,000 performance rights to be cancelled prior to Implementation Date

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Name[36]	Number of LGP Ordinary Shares	Percentage holding
Tiga Trading Pty Ltd (Thorney Investment Group)	59,962,402	19.62%
Ms Fleta Jennifer Solomon	21,873,216	7.16%
TOTAL	**81,835,618**	**26.77%**

(d) **Group Structure**

As at the date of this Scheme Booklet, LGP's simplified corporate structure is as set out in Annexure 1.

(e) **Recent trading price of LGP Ordinary Shares**

The closing market price of LGP Ordinary Shares on the ASX on the trading day immediately preceding:

(i) the Last Practicable Date was $0.11 (on 2 March 2026); and

(ii) the public announcement of the Transaction was $0.12 (on 13 January 2026).

The highest and lowest closing market prices of LGP Ordinary Shares on the ASX during the 3 months of trading preceding the Last Practicable Date and the respective dates of those sales, are:

(i) Highest: $0.14 on various dates during the 3 months of trading preceding the Last Practicable Date; and

(ii) Lowest: $0.105 on various dates during the 3 months of trading preceding the Last Practicable Date.

7.8 LGP's interests in Cannatrek Shares

(a) **No LGP Group Shareholding in Cannatrek**

As of the Last Practicable Date, there are no members of the LGP Group nor any of its Associates who hold any Cannatrek Shares, nor are there any Cannatrek Shareholders who hold Cannatrek Shares on behalf of, or for the benefit of, or as a nominees for, any LGP Group Member.

(b) **No dealings in Cannatrek Shares in previous four months**

Neither LGP nor any of its Associates have provided, or agreed to provide, consideration for Cannatrek Shares under a purchase or agreement during the period of four months before the Last Practicable Date except for the Scheme Consideration, which LGP has agreed to provide under the Scheme.

[36] Includes Associates.

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7.9 LGP agreements with its Directors or other related parties

LGP has granted an interest-free limited recourse loan to Mr Paul Long with repayment limited to the proceeds of sale of 1,000,000 ordinary shares in LGP held by Mr Long.

7.10 Financial information

The financial information of LGP is contained in Section 8 and includes the pro forma historical financial information for the LGP Group for FY25.

7.11 LGP Constitution

LGP Shareholders are bound by the provisions of the LGP Constitution. A summary of the material provisions (including the rights, liabilities and obligations attaching to LGP Shares) are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of LGP Shareholders. A copy of LGP's Constitution and corporate governance policies can be accessed at www.investlittlegreenpharma.com.

(a) General meetings

Annual general meetings of LGP are to be held in accordance with the Corporations Act. The Directors may convene and arrange to hold a general meeting whenever they think fit and must do so if required under the Corporations Act. TLGP may hold meetings at one or more physical venues, at physical venues using virtual meeting technology, or using virtual meeting technology only, provided that LGP members (**Members**) as a whole are given a reasonable opportunity to participate.

Notice of a general meeting must be given in accordance with the constitution, the Corporations Act and the Listing Rules. A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares and is entitled to speak at those meetings.

(b) Voting rights

Subject to the constitution and any rights or restrictions attached to any class of shares, on a show of hands, each Member present in person and each other person present as a proxy, attorney or representative has one vote. On a poll, each Member present in person has one vote for each fully paid share held, each person present as proxy, attorney or representative has one vote for each fully paid share held by the Member they represent, and each Member who has duly lodged a valid direct vote has one vote for each fully paid share held.

A resolution is taken to be carried if a simple majority of the votes cast are in favour of it. If there is an equality of votes, either on a show of hands or on a poll, the chair of the general meeting is entitled to a casting vote, in addition to any votes to which the chair is entitled as a Member or proxy, attorney or representative.

If a share is held jointly and more than one Member votes in respect of that share, only the vote of the Member whose name appears first in the register counts.

A Member is not entitled at a general meeting to cast a vote attached to a share on which a call is due and payable and has not been paid.

(c) Dividend rights

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Subject to the Corporations Act, the constitution and the terms of issue or rights of any shares with special rights to dividends, the Directors may determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by LGP to each Member entitled to that dividend. The Directors may rescind or alter any such determination or declaration before payment is made.

Subject to the rights of any persons entitled to shares with special rights as to dividend, all sums that LGP determines are to be distributed among Members as dividends are divisible so that on each occasion the same sum is paid on each fully paid share, and the sum paid on a share on which all amounts payable have not been paid is the proportion that the amount paid bears to the total of the amounts paid and payable on the share.

Interest is not payable by LGP on a dividend.

(d) **Winding-up**

If LGP is wound up, the liquidator may, with the sanction of a special resolution of LGP, divide among the Members in kind the whole or any part of the property of LGP and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Transfer of shares**

Subject to the constitution and the Listing Rules, a share in LGP is transferable as provided by the Operating Rules of an applicable CS Facility or by any other method of transfer which is required or permitted by the Corporations Act and any relevant Stock Exchange.

If permitted by the Listing Rules, the Directors may request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares from being registered on the CS Facility's sub-register or refuse to register a transfer of shares.

The Directors must request any applicable CS Facility Operator to apply a holding lock or refuse to register any transfer of shares if the Listing Rules require LGP to do so or if the transfer is in breach of the Listing Rules or a Restriction Agreement.

(f) **Issue of further shares and other securities**

The issue of shares in LGP is under the control of the Directors who may issue, allot and cancel or otherwise dispose of shares, grant options over unissued shares, reclassify or convert shares, and settle the manner in which fractions of a share are to be dealt with, subject to the Corporations Act, the Listing Rules and any special rights conferred on the holders of any shares or class of shares.

LGP may issue preference shares and issued shares may be converted into preference shares, provided that the rights are as set out in Schedule 1 of the constitution or as approved by resolution. LGP may issue preference shares which are, or at the option of LGP are, liable to be redeemed or to be converted into other shares on such conditions and in such a manner as the Directors decide. LGP may issue any combination of fully-paid, partly paid or unpaid preference shares.

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(g) **Variation of rights**

The provisions of the constitution relating to general meetings apply to every separate meeting of the holders of a class of shares except that a quorum is constituted by at least 2 persons who, between them, hold or represent one-third of the issued shares of the class (unless only one person holds all of the shares of the class, in which case that person constitutes a quorum), and any holder of shares of the class, present in person or by proxy, attorney or representative, may demand a poll.

(h) **Alteration of constitution**

The constitution may be amended by special resolution in accordance with the Corporations Act, which requires at least 75% of votes cast by Members entitled to vote on the resolution.

7.12 Registration

LGP is an Australian public, unlisted company that was registered on 27 October 2016 in Western Australia, Australia.

7.13 Tax status and financial year

LGP is and will be subject to tax at the Australian corporate tax rate. LGP's financial year ends on 31 March annually.

7.14 Legal proceedings

So far as the LGP Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which LGP is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of LGP.

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8. LGP Financial Information

8.1 Introduction

The information contained in this Section 8 has been prepared by LGP.

Cannatrek and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

This Section 8 contains financial information relating to LGP for the financial year ended 31 March 2023, 2024 and 2025 and the half year ended 30 September 2025.

The financial information in this Section 8 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only. The information has been extracted and compiled from the audited financial reports of LGP for the financial year ended 31 March 2023, 2024 and 2025 and the half year ended 30 September 2025.

On 19 February 2026, LGP announced that it had entered into a conditional agreement for the sale and leaseback of its Western Australian production facility (**WA Transaction**). Completion of the WA Transaction remains subject to the satisfaction or waiver of certain conditions precedent and has not occurred as at the date of this Scheme Booklet.

The historical financial information of LGP included in this Section 8 has been prepared in accordance with Australian Accounting Standards. As the WA Transaction was entered into after the relevant reporting dates and completion remains conditional, it has been treated as a non-adjusting subsequent event for the purposes of AASB 110 Events after the Reporting Period. Accordingly, the historical financial information has not been adjusted to reflect the WA Transaction. LGP advises that the WA Transaction assets have a carrying value of $11.5 million and LGP will receive proceeds of $7.8 million as part of the transaction while leasing the site for $0.6 million per annum.

(a) Basis of Interpretation

The historical financial information of LGP presented is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Accordingly, LGP recommends that Cannatrek Shareholders read the following in conjunction with the financial statements of LGP for the respective periods including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

(b) Consolidated statement of profit and loss

The following table presents the historical consolidated statement of profit or loss for the financial years ended 31 March 2023 (**FY23**), 31 March 2024 (**FY24**) and 31 March 2025 (**FY25**) and the half year ended 30 September 2025 (**H1FY26**).

Profit and Loss (A$000's)	FY23	FY24	FY25	H1FY26
Revenue[1]	**19,859**	**25,803**	**36,841**	**19,182**
Adjusted EBITDA	**(5,907)**	**(1,601)**	**2,893**	**2,637**
Adjusted EBIT	**(8,891)**	**(4,680)**	**(831)**	**709**
Profit / (loss) after income tax	**(9,205)**	**(8,152)**	**3,324**	**(926)**

Notes
[1] Includes interest income.

Adjusted EBITDA is calculated as earnings before interest, tax, depreciation, amortisation, share based payments, net change in fair value of biological assets, write off of inventory and research and development incentives.

(c) **Consolidated statement of financial position**

The following table presents the historical consolidated statement of financial position as at 31 March 2023 (**FY23**), 31 March 2024 (**FY24**) and 31 March 2025 (**FY25**) and the half year ended 30 September 2025 (**H1FY26**).

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Balance Sheet (A$000's)	FY23	FY24	FY25	H1FY26
Cash and cash equivalents	12,400	4,974	2,376	2,300
Trade and other receivables (current)	7,382	3,493	3,965	3,260
Biological assets (current)	1,492	1,586	1,878	2,087
Inventories	8,909	10,930	13,829	15,506
Prepayments	423	581	667	1,075
Assets held for sale	539	-	-	-
Total current assets	**31,145**	**21,564**	**22,715**	**24,228**
Trade and other receivables (non-current)	-	-	609	600
Property, plant and equipment	63,280	59,497	58,994	59,267
Intangible assets	3,639	3,463	4,219	4,003
Right-of-use assets	126	1,498	1,301	1,221
Deferred tax assets	-	-	8,116	8,116
Prepayments	386	316	127	125
Other financial assets	43	43	43	43
Total non-current assets	**67,474**	**64,817**	**73,409**	**73,375**
Total assets	**98,619**	**86,381**	**96,124**	**97,603**
Trade and other payables	3,355	1,925	4,003	4,211
Accrued expenses	-	996	993	793
Borrowings (current)	2,352	2,359	2,303	1,020
Lease liabilities (current)	95	271	179	147
Deferred payment	4,110	-	-	-
Income tax payable	-	-	240	194
Employee benefits (current)	1,069	964	1,021	1,237
Liabilities associated with assets held for sale	58	-	-	-
Total current liabilities	**11,039**	**6,515**	**8,739**	**7,602**
Borrowings (non-current)	5,284	1,137	782	2,434
Lease liabilities (non-current)	27	1,374	1,405	1,318
Employee benefits (non-current)	41	98	182	233
Total non-current liabilities	**5,352**	**2,609**	**2,369**	**3,985**
Total liabilities	**16,391**	**9,124**	**11,108**	**11,587**
Net assets	**82,228**	**77,257**	**85,016**	**86,016**
Share capital	101,183	101,932	102,228	102,615
Reserves	5,130	7,563	11,702	13,241
Accumulated losses / deficit	(24,085)	(32,238)	(28,914)	(29,840)
Total equity	**82,228**	**77,257**	**85,016**	**86,016**

(d) **Consolidated statement of cash flows**

The following table presents the historical consolidated statement of cash flows for the financial years ended 31 March 2023 (**FY23**), 31 March 2024 (**FY24**) and 31 March 2025 (**FY25**) and the half year ended 30 September 2025 (**H1FY26**).

Cash Flow Statement (A$000's)	FY23	FY24	FY25	H1FY26
Cash flows from operating activities				
Loss before income tax benefit for the year	(9,205)	(8,152)	(4,792)	(926)
Adjustments for:				
Depreciation and amortisation	2,984	3,079	3,724	1,928
Share-based payments	2,327	2,253	2,413	809
Write off of assets	-	243	846	1,299
Net change in fair value of biological assets	40	512	335	(667)

Interest received	(49)	(171)	(17)	(43)
Interest and other finance costs	928	635	384	237
	(2,975)	(1,601)	2,893	2,637
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables	(1,897)	4,593	(46)	645
Increase in inventories	(1,800)	(2,357)	(3,160)	(1,677)
Increase in prepayments	138	(157)	(52)	(408)
(Increase)/decrease in other operating assets	649	506	(1,180)	(1,141)
Increase/(decrease) in trade and other payables	(135)	(404)	1,010	347
Increase/(decrease) in employee benefits	(41)	(49)	141	267
Decrease in other operating liabilities	-	-	(156)	(200)
	(6,061)	531	(550)	470
Interest received	49	171	17	43
Interest and other finance costs paid	(928)	(635)	(384)	(237)
				(46)
Net cash from/(used in) operating activities	(6,940)	67	(917)	230
Cash flows from investing activities				
Payment for purchase of business, net of cash acquired	(9,102)	(4,169)	11	-
Payments for property, plant and equipment	(1,817)	(716)	(237)	(414)
Payments for intangible assets	(3,112)	(728)	(489)	(80)
Loans to other parties	-	-	(609)	48
Proceeds from disposal of property, plant and equipment	-	2,738	-	-
Proceeds from release of security deposits	-	71	189	2
Net cash used in investing activities	(14,031)	(2,804)	(1,135)	(444)
Cash flows from financing activities				
Proceeds from issue of shares	10,114	55	-	
Costs associated with the issue of shares	(838)	-	-	
Cash inflow from borrowings	5,812	-	-	
Repayment of leases	(83)	(92)	(119)	
Proceeds from borrowings	-	-	-	437
Repayment of borrowings	(1,971)	(4,683)	(411)	(305)
Net cash used in financing activities	13,034	(4,720)	(530)	132
Net decrease in cash and cash equivalents	(7,937)	(7,457)	(2,582)	(82)
Cash and cash equivalents at the beginning of the financial year	20,087	12,400	4,974	2,376
Effects of exchange rate changes on cash and cash equivalents	250	31	(16)	6
Cash and cash equivalents at the end of the financial year	12,400	4,974	2,376	2,300

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(e) **Consolidated statement of changes in equity**

The following table presents the historical consolidated statement of changes in equity as at 31 March 2025.

Change in Equity (A$000's)	Share capital	Reserves	Accumulated losses	Total equity
Balance at 1 April 2024	**101,932**	**7,563**	**(32,238)**	**77,257**
Profit after income tax benefit for the year	-	-	3,324	3,324
Other comprehensive income for the year, net of tax	-	2,711	-	2,711
Total comprehensive income for the year	**-**	**2,711**	**3,324**	**6,035**
Transactions with owners in their capacity as owners:				
Share-based payments	(689)	2,413	-	1,724
Transfer on issue	985	(985)	-	-
Balance at 31 March 2025	**102,228**	**11,702**	**(28,914)**	**85,016**

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9. Overview of the Combined Group

9.1 Introduction

The information contained in this Section 9 has been prepared by LGP, to the extent that it relates to historical financial information of LGP. The information concerning the Combined Group and the intentions, views and opinions contained in this Section 9 are the responsibility of Cannatrek (except to the extent that the Combined Group information is based on information provided by LGP, for which LGP takes responsibility).

Cannatrek and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that the Combined Group information is based on information provided by Cannatrek).

9.2 Overview of the Combined Group

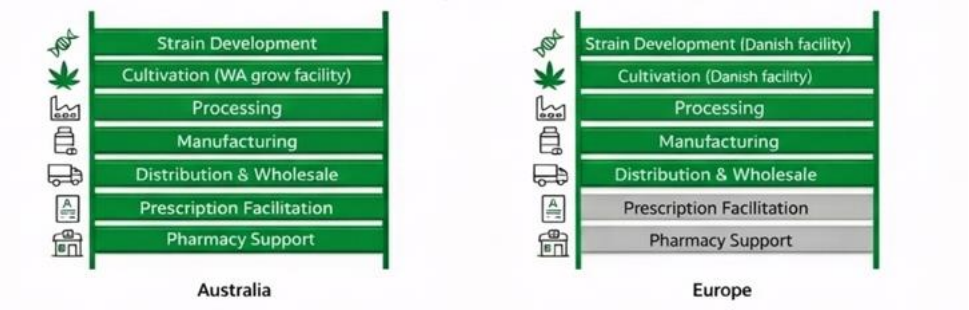
Following implementation of the Scheme, the business of Cannatrek and LGP will be combined under LGP (as the holding company of the Combined Group) to create an international, vertically integrated medicinal cannabis group with operations spanning cultivation, GMP manufacturing and packaging, distribution, and clinic and digital health channels in Australia and Europe. Pro forma revenue of the Combined Group for FY26 (for the year ending 31 March 2026) is expected to be in excess of A$100 million.

The Combined Group is expected to operate across key parts of the medicinal cannabis value chain. LGP's operations include cultivation and manufacturing capability in Denmark and Australia and an established international distribution footprint, including supply arrangements in 12 international markets. Cannatrek contributes Australian GMP-certified packaging and labelling capability, compliant storage and national distribution, supported by proprietary digital platforms.

In Australia, Cannatrek's Shepparton facility is expected to remain a core operational site for the Combined Group, providing GMP-compliant packaging, labelling, storage and national logistics. In Europe, LGP's Danish cultivation and manufacturing facility is expected to remain central to servicing European export markets. The Combined Group will have an operating footprint spanning the Australian and European medicinal cannabis markets, supporting distribution through pharmacy, wholesale and clinical channels, subject to applicable regulatory requirements.

The Combined Group's broader product and brand portfolio across proprietary and white-label offerings, is expected to support supply into a wider range of patient segments and price points

Figure 16: Combined Group value chain value position



Following implementation of the Scheme, the intention of LGP is to continue to operate Cannatrek's business largely in its current form with no material changes anticipated. LGP will undertake a review of Cannatrek' existing operations, assets and structure to identify any areas where Cannatrek's business can be enhanced or improved with the support and resources of LGP. Subject to the findings of this review and the prevailing market and commercial conditions, LGP currently intends:

- not to redeploy the fixed assets of the Cannatrek Group; and
- retain the current employees of the Cannatrek Group in their existing roles where appropriate, while recognising that future organisational changes including reallocations or restructures of personnel may occur as the Combined Group's strategies are further developed, subject to applicable laws and consultation processes.

9.3 Strategic rationale for the transaction

The combination of Cannatrek and LGP is expected to create value by leveraging complementary capabilities across the medicinal cannabis value chain, improving scale and operational efficiency in Australia, accelerating the growth of LGP's European operations, and establishing a platform for further international expansion.

Following implementation of the Scheme, the Combined Group is expected to operate an international medicinal cannabis business that is cash generative, has strong, sustainable profitability and significant growth potential to generate shareholder value. The key strategic pillars underpinning the rationale for the combination are outlined below:

a) **Scale efficiencies and synergy opportunities in the Australian market**
The Combined Group will focus on maintaining strong profitability margins and cash generation in the Australian market by leveraging the synergy opportunities created by combining two of Australia's largest medicinal cannabis operators. Identified synergy opportunities include:
   - Broader utilisation of Cannatrek's GMP manufacturing capability
   - Sourcing supply for Cannatrek's product range from LGP's cultivation, both in Australia and Denmark
   - Strengthening brand and product diversification by enhancing the combined group's ability to serve a wider range of patient needs and price points
   - Optimising costs and expenses to improve margin performance
   - Combining clinic and distribution assets where appropriate

b) **Accelerating the expansion and growth of LGP's Danish cultivation facility to serve ongoing growth in the European market**
The strength of Cannatrek's balance sheet will provide access to capital for the Combined Group, which is expected to accelerate the scaling and growth of LGP's European operations, which is anticipated to be a principal growth engine for the Combined Group in the short term. The Combined Group intends to support investment in LGP's Danish cultivation and manufacturing facility, including facility fit out and development and the working capital required to underwrite further growth.

The Combined Group will aim to improve the scale, yield and product quality of the Danish facility and, over time, improve returns on capital. This expansion is expected

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to support increasing European demand and assist in building the Combined Group's international revenue base

Europe is projected to grow to become one of the largest medicinal cannabis markets worldwide and has been forecast to become approximately 10x the size of the Australian market.[37]

c) **Platform for further international expansion**
The Combined Group, exhibiting both growth and profitability, is expected to become a platform for further international expansion. Via both organic initiatives, such as EU GMP warehousing and distribution for current supply partners, and investment and/or acquisition of synergistic opportunities that may emerge as the global industry consolidates, the Combined Group has the appetite, capability and resources to implement a broader international expansion strategy.

The Combined Group is expected to be cash generative and has unutilised debt capacity to assist in the funding of future initiatives.

Post Implementation, further work will be undertaken to refine these opportunities and to develop a post-merger integration plan designed to capture potential synergies, take full advantage of growth opportunities, and position the Combined Group to maximise value for shareholders. The realisation of the outcomes described in this Section is subject to execution risk, market conditions and the risks described in Section 10.

9.4 Board and key management personnel

It is intended that upon implementation of the Scheme, the Board will comprise of the following members, with representation being derived from three of Cannatrek's current Board and two LGP nominations

Name	Position
Brent Dennison	Chair
Seth Yakatan	Non-Executive Director
Thomas Huppert	Non-Executive Director
Michael D. Lynch-Bell	Non-Executive Director
Paul Long	Group CEO

Subject to implementation of the Scheme, it is intended that the Combined Group will be led by a combined executive team drawing on capabilities from both Cannatrek and LGP. At this stage it is intended that:

[37] Prophecy Market Insights

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- Paul Long will assume the role of Group CEO;
- Jason Rance, Cannatrek's current CEO, will be CEO of Australia operations
- Paula Butler, Cannatrek's CFO, will be Group CFO; and
- Alistair Warren, currently LGP's Company Secretary and Legal Counsel, will assume those roles for the Combined Group.

Further details regarding the Combined Group's key management personnel will be agreed at a later stage.

9.5 Combined Group Pro Forma Historical Financial Information

Based on a simple pro forma amalgamation of LGP and Cannatrek's FY25 audited financial statements, the Combined Group will have the pro forma financial position as follows[38]:

(a) Combined Group Pro Forma Historical Income Statement

Pro Forma Income Statement *(A$000's)*	**Cannatrek 30 June 2025**	**LGP 31 March 2025**	**Combined Group**
Revenue	75,499	36,841	112,340
EBITDA	**10,138**	**2,893**	**13,031**

b) Combined Group Pro Forma Historical Balance Sheet

Pro Forma Balance Sheet *(A$000's)*	**Cannatrek 30 June 2025**	**LGP 31 March 2025**	**Combined Group[39]**

[38] The financial information is based upon LGP's and Cannatrek's 2025 audited financial statements. Revenue reflects a 12-month period to 31 March 2025 for LGP and a 12-month period to 30 June 2025 for Cannatrek. LGP reports gross revenue, while Cannatrek reports net revenue (being revenue net of distribution costs). EBITDA for LGP represents Adjusted EBITDA as defined in its audited financial statements for year ended 31 March 2025. Cannatrek's EBITDA excludes net interest, foreign exchange movements, losses on sale of assets, restructuring and historical costs associated with the significant business restructure undertaken in early FY25, and losses from discontinued Operations relating to the closure of Cannatrek's cultivation site. EBITDA is presented on an aggregate basis and has not been adjusted to achieve full like-for-like comparability. The financial information is historical in nature and provided for illustrative purposes only. It should not be relied upon as indicative of LGP's future financial performance following completion of the Proposed Merger. No alignment of the respective financial year ends has been undertaken in preparing the aggregate Combined Group information; alignment of reporting periods will occur following implementation of the Proposed Merger.

[39] On 19 February 2026, LGP announced the WA Transaction (as detailed in Section 8 above). Completion of the WA Transaction remains subject to the satisfaction or waiver of certain conditions precedent and has not occurred as at the date of this Scheme Booklet. The historical financial information of LGP included in Section 8 has been prepared in accordance with Australian Accounting Standards. As the WA Transaction was entered into after the relevant reporting dates and completion remains conditional, it has been treated as a non-adjusting subsequent event for the purposes of AASB 110 Events after the Reporting Period. Accordingly, the historical financial information has not been adjusted to reflect the WA Transaction.

Similarly, the pro forma Combined Group financial information in this Section 9.5 reflects only those transactions that have occurred or are sufficiently certain to occur and have a continuing effect. As completion of the WA Transaction remains conditional and may not occur, it has not been included in the pro forma adjustments. The WA Transaction assets have a carrying value of $11.5 million and LGP will receive proceeds of $7.8 million as part of the transaction while leasing the site for $0.6 million per annum.

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Current Assets			
Cash and cash equivalents	12,296	2,376	14,672
Securities	219	-	219
Trade and other receivables	6,929	3,965	10,894
Biological assets	137	1,878	2,015
Inventory	11,101	13,829	24,930
Prepayments	2,280	667	2,947
Deferred tax asset	2,050	-	2,050
Assets held for sale	1,052	-	1,052
Total Current Assets	**36,064**	**22,715**	**58,779**
Non-current Assets			
Trade and other receivables	-	609	609
Property, plant & equipment	16,153	58,994	75,147
Intangibles	8,506	4,219	12,725
Right of use assets	456	1,301	1,757
Deferred tax	-	8,116	8,116
Prepayments	-	127	127
Other financial assets	-	43	43
Total Non-current Assets	**25,115**	**73,409**	**98,524**
TOTAL ASSETS	**61,179**	**96,124**	**157,303**
Current Liabilities			
Trade and other payables	2,855	4,003	6,858
Income tax	(648)	240	(408)
Accrued expenses	3,199	993	4,192
Employee benefits	667	1,021	1,688
Lease liabilities	235	179	414
Borrowings	2,675	2,303	4,978
Total Current Liabilities	**8,983**	**8,739**	**17,722**
Non-current Liabilities			
Borrowings	-	782	782
Lease liabilities	210	1,405	1,615
Employee benefits	33	182	215
Make good provision	245	-	245
Total Non-current Liabilities	**488**	**2,369**	**2,857**
TOTAL LIABILITIES	**9,471**	**11,108**	**20,579**
NET ASSETS	**51,708**	**85,016**	**136,724**
Equity			
Contributed equity	48,046	102,228	150,274
Reserves	322	11,702	12,024
Retained earnings	3,340	(28,914)	(25,574)
TOTAL EQUITY	**51,708**	**85,016**	**136,724**

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9.6 Share capital and other securities of the Combined Group

(a) Share Capital and other Securities

	LGP Scrip Offer		
Category	**No CVR conversion**	**Baseline Ratio CVR Conversion**	**Full CVR Conversion**
Existing Shares on issue	305,855,910	305,855,910	305,855,910
New LGP Ordinary Shares offered under Scheme	511,068,631	511,068,631	511,068,631
New LGP CV Shares offered under Scheme	-	90,012,747	202,528,681
Total number of LGP Shares on completion of the Scheme	816,924,541	906,937,288	1,019,253,222
Indicative price per New LGP Share	0.12	0.12	0.12
Indicative market capitalisation of Combined Group at the indicative price	98,030,945	108,832,475	122,334,387
LGP Long Term Incentives and Options	27,714,868	27,714,868	27,714,868

(b) Substantial Shareholders in the Combined Group

Following implementation of the Scheme it is anticipated that the substantial shareholders of LGP will be as follows:

Name[40]	**Number of LGP Ordinary Shares**	**Percentage holding**
Unita Corporation Pty Ltd <Maayan Zvi Family A/C>	97,742,425	12.0%
Tiga Trading Pty Ltd (Thorney Investments)	59,962,402	7.3%
River Capital Pty Ltd <River Capital Cannatrek A/C>	46,124,647	5.6%
TOTAL	**203,829,474**	**25.0%**

[40] Includes Associates.

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10. Risks

10.1 Introduction

The Scheme presents potential risks that Cannatrek Shareholders should consider when deciding how to vote on the Scheme.

There are a range of factors which may, either individually or in combination, affect the future operating performance, financial position, regulation, legal position, implementation of business strategy or reputation of Cannatrek and LGP.

This Section 10 outlines:

» general risks of investing (see Section 10.2);

» Industry specific risks (see Section 10.3);

» risks specific to Cannatrek and its business and operations (see Section 10.4);

» risks relating to the Scheme (see Section 10.5);

» risks specific to LGP and its business and operations (see Section 10.6); and

» risks specific to an investment in the New LGP Shares (see Section 10.7).

If the Scheme is not implemented, Cannatrek Shareholders will continue to hold Cannatrek Shares and remain exposed to the risks in Sections 10.2, 10.3 and 10.4 relating to Cannatrek's business and operations.

If the Scheme is implemented, Cannatrek Shareholders will receive New LGP Shares and will have ongoing exposure to the risks set out in Sections 10.3, 10.4 and 10.6 relating to LGP's business and operations (which includes Cannatrek and its business and operations), as well as the risks detailed in Section 10.7 relating to an investment in the New LGP Shares.

In deciding whether to vote in favour of the Scheme, Cannatrek Shareholders should read this Section 10 carefully and consider the relevant risk factors in conjunction with other information contained in this Scheme Booklet. These risk factors do not take into account the individual investment objectives, individual risk profile, portfolio strategy, taxation and financial situation, position or particular needs of Cannatrek Shareholders. Cannatrek Shareholders should seek advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers before making any decision in relation to your Cannatrek Shares.

Sections 10.2, 10.3 and 10.4 are a summary only and do not purport to be an exhaustive list of the risks that may be associated with an investment in Cannatrek now or in the future. There may be additional risks and uncertainties not currently known to Cannatrek which may have a material adverse effect on its operating and financial performance.

Whilst the Board unanimously recommends that Cannatrek Shareholders vote in favour of the Scheme[41], in the absence of a Superior Proposal and subject to the Independent

[41] You should note that, when considering this recommendation, the members of the Board will hold 22.35% of Cannatrek Shares at the Scheme Meeting. Further details on the interests of the Board are set out in Sections 1.5 and 12.1.

Expert continuing to conclude that Scheme is in the best interests of Cannatrek Shareholders, Cannatrek Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

10.2 General risks of investing

Cannatrek Shares carry no guarantee in respect of profitability, distributions, or return of capital. If the Scheme does not become Effective, the price of Cannatrek Shares and future distributions made to Cannatrek Shareholders will be influenced by a number of factors beyond the control of the Cannatrek Board and management, including:

(a) change in investor sentiment;

(b) the nature of the market in which Cannatrek operates;

(c) changes in general economic conditions (both domestically and internationally) including inflation, interest rates, exchange rates, input costs, credit markets, employment levels and consumer demand;

(d) recommendations by securities analysts;

(e) the operating and trading price performance of other comparable listed entities;

(f) changes in government fiscal, monetary and regulatory policies;

(g) pandemics, diseases, natural disasters, storms, extreme weather events or catastrophes, whether on a global, regional or local scale; and

(h) changes to accounting standards and reporting standards.

These factors may affect the Cannatrek Share price regardless of Cannatrek's underlying operating performance.

10.3 Industry Specific Risks

(a) **Medicinal cannabis industry in Australia**

The medicinal cannabis industry in Australia is still developing, so potential changes to the industry may result in risks to cannabis businesses.

Changes to the medicinal cannabis legislative regime in Australia or overseas could, in the future, adversely impact the operations of Cannatrek and/or LGP.

(b) **Changes in laws and regulations**

Cannatrek and LGP's operations are subject to various laws, regulations and guidelines in Australia and territories in which each operate, or export to, including laws and regulations relating to health and safety, conduct of operations and the production, management, transportation, storage and disposal of products and of certain material used in operations.

Compliance with these laws and regulations requires compliance with complex Commonwealth, State and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources. Any non-compliance determination could harm brand image and business operations.

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Changes to these laws or regulations could negatively affect Cannatrek and/or LGP's competitive position within the industry and the markets in which it operates, and there is no assurance that various levels of government in the jurisdictions in which they operate will not pass legislation or regulation that adversely impacts their respective businesses.

The effect of the administration, application and enforcement of the regimes established on the business in Australia and overseas, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact a company's ability to participate in the global market.

(i) **Medicinal cannabis**

In addition, since the legalisation of medicinal cannabis in Australia in 2016, the vast majority of medicinal cannabis supplies into the market have relied on unapproved therapeutic goods pathways, primarily the Special Access Scheme (SAS) and Authorised Prescriber (AP) pathways given most medicinal cannabis products are not registered on the Australian Register of Therapeutic Goods (ARTG).

There have been a number of consultations and new guidance issued by applicable regulators with respect to medicinal cannabis regulation in Australia over the past 12 months. For example, in August 2025, the Therapeutic Goods Administration (**TGA**) formally opened a consultation titled '*Reviewing the safety and regulatory oversight of unapproved medicinal cannabis products'* to explore whether existing regulatory arrangements remain appropriate. Stakeholders were invited to submit feedback by 7 October 2025 on topics including product safety, oversight of access pathways, and whether current regulatory tools are fit for purpose

The TGA is analysing submissions and preparing options for reform, with further engagement anticipated as part of policy development, with the TGA and AHPRA also ramping up enforcement against the unlawful advertising of medicinal cannabis products and increased scrutiny of prescribing practices. Possible outcomes from the review may include tighter controls on access pathways, more products being evaluated and registered, and enhanced safety monitoring. While it is expected that grandfathering periods may be established for any material changes to current rules, there is no assurance that various levels of government in the jurisdictions in which they operate will not pass legislation or regulation that adversely impacts LGP and Cannatrek's respective businesses.

(ii) **Psilocybin**

In 2023, the TGA rescheduled psilocybin as a Schedule 8 medicine for human therapeutic use, subject to the following conditions:

- It can only be prescribed for the purpose of treating treatment-resistant depression through:
    - a prescription issued by a psychiatrist who is specifically authorised to supply psilocybin under the TGA's Authorised Prescriber Scheme; or
    - use in a clinical trial that is approved by, or notified to, the Secretary under the TG Act.

- In order to be authorised to prescribe psilocybin by the TGA under the Authorised Prescriber Scheme, psychiatrists must have obtained approval to use psilocybin for treating treatment-resistant depression from a human research ethics committee that is registered with the National Health and Medical Research Council; and

- Psilocybin should only be administered in a controlled medical setting (e.g., a clinic or hospital) under direct psychiatric supervision. Patients should not be permitted to take the medicine home for unsupervised use.

Additional notification and supply requirements apply under state and territory drugs and poisons legislation, as well as customs and drug control procedures for import and manufacture.

Psilocybin remains classified as a Schedule 9 (Prohibited Substance) poison, except when it meets the above conditions to be classified as a Schedule 8 medicine.

(c) **Increase in competition**

The medicinal cannabis market in Australia and internationally is dynamic and becoming increasingly competitive. Each of Cannatrek and LGP face competition from other competitors, some of which may have longer operating histories and more financial resources and manufacturing and marketing experience. To date, the medicinal cannabis industry has been subject to mergers and acquisitions creating larger companies with greater resources and capabilities.

As new licenses or permits are granted in each jurisdiction there will be increased competition.

Competitive conditions in the medical cannabis industry and market are still relatively unknown and may have unique circumstances that differ from other existing industries and markets and that cause Cannatrek and/or LGP's efforts to further its business to be unsuccessful or to have undesired consequences for Cannatrek and/or LGP. As a result, a company may not be successful in its efforts retain patients or to develop new medical cannabis products and produce and distribute these medical cannabis products to the markets in which the company operates or to which we export in time to be effectively commercialised, which, in turn, could have a material adverse effect on the company’s business, financial condition, results of operations and prospects.

Increased international competition, including competition from suppliers in other countries who may be able to produce at lower cost, and limitations placed on Cannatrek and LGP by Australian or other regulations, may result in lower prices for cannabis products and reduced demand for Cannatrek and/or LGP's medicinal cannabis globally. In addition, countries may impose price ceilings or maximums on the wholesale or retail prices of medicinal cannabis starting materials or products, including on the import, export or sell or supply of such goods, within their jurisdiction. These factors may render products non-competitive or unprofitable within these particular jurisdictions and may require a ceasing of supply or operations within that jurisdiction.

There can be no assurances that the competitive environment will not change adversely due to actions of government regulations, competitors or changes in customer preferences.

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(d) **Public sentiment and actions of others; moral hazard**

The success of Cannatrek and/or LGP is also dependent on public sentiment towards medicinal cannabis. Unforeseen issues, accidents or events involving medicinal cannabis, even products not produced by Cannatrek and/or LGP, which, for example, lead to injury or death could adversely impact Cannatrek and/or LGP's future earnings and growth prospects.

There is also a risk that the actions of other producers or of other companies and service providers in the medical cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact Cannatrek and/or LGP's reputation. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share negative opinions and views in regards to Cannatrek and/or LGP's activities and the medical cannabis industry in general, whether true or not. A company does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputational issues may result in decreased investor confidence and present an impediment to Cannatrek and/or LGP's overall ability to advance its business strategy and realise its growth prospects.

Third parties with whom Cannatrek and/or LGP does business, or with whom they may seek to do business in the future, may perceive that they are exposed to reputational risk as a result of Cannatrek and/or LGP's business activities relating to cannabis, which could hinder Cannatrek and/or LGP's ability to establish or maintain business relationships. These perceptions relating to the cannabis industry may interfere with Cannatrek and/or LGP's relationship with service providers in Australia, and other countries, particularly in the financial services industry.

(e) **Market Acceptance Risk**

Cannatrek's and LGP's future financial performance depends on continued growth and acceptance of medicinal cannabis products by patients, prescribers, pharmacies and regulators in Australia and in the international markets in which Cannatrek and LGP supply products. Market acceptance may be affected by a range of factors, including clinical prescribing practices, patient preferences, price and reimbursement settings, product availability, competitive dynamics, regulatory frameworks and public perception of medicinal cannabis and controlled substances.

There is a risk that market demand may not develop as expected, that prescribing or patient adoption may slow, or that changes in market conditions may adversely affect sales volumes, pricing and margins. Any failure to achieve or maintain market acceptance could materially and adversely affect Cannatrek and LGP's operations, financial performance and prospects.

10.4 Cannatrek specific risks

In addition to the various general risk factors set out in Section 10.2, there are a number of risks specific to the Cannatrek Group and industry in which it operates, which could materially and adversely affect its operations, business and financial performance.

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Many of these risks will only be relevant to Cannatrek Shareholders if they retain their Cannatrek Shares in circumstances where the Scheme is not implemented.

(a) **Financial risks**

(i) **Additional funding**

Cannatrek will rely on access to debt and equity financing from time to time. The ability to secure financing, or financing on acceptable terms, may be materially adversely affected by factors outside Cannatrek's control, including prevailing macroeconomic and capital market conditions and credit availability. Financing may be unavailable, or the cost of financing may significantly increase. Any inability to obtain additional funding on acceptable terms, or at all, could have a material adverse effect on Cannatrek's financial position and operations. If additional funding is raised through the issue of additional Cannatrek securities, the investment of Cannatrek Shareholders who do not participate may be materially diluted.

(ii) **Economic risks**

Cannatrek's financial performance and the value of Cannatrek Shares (and, if the Scheme is implemented, the value of the New LGP Shares) may fluctuate due to a number of factors. These factors may include, but are not limited to, general economic conditions including interest rates, inflation rates, exchange rates, investor sentiment, Australian and international economic conditions and outlook, geopolitical instability, changes in legislation or regulation, and the nature of the markets in which Cannatrek operates.

(iii) **Pricing risks**

Cannatrek operates in a competitive and evolving medicinal cannabis market. Competitive dynamics, including increased product availability, entry of new domestic and international suppliers, changes in prescribing behaviour and patient preferences, and the actions of competitors (including discounting), may create pricing pressure. Cannatrek may be required to reduce prices, increase rebates or discounting, or incur higher costs in order to maintain market share, which could reduce margins and profitability.

Cannatrek also sources certain products and inputs from third-party suppliers. If supplier pricing increases, Cannatrek may not be able to fully pass those increases on to customers due to competitive pressure, prescriber and patient preferences, and broader market conditions. Sustained pricing pressure or margin compression could materially and adversely affect Cannatrek's financial performance.

(iv) **Foreign Exchange Risk**

Cannatrek may have exposure to movements in foreign exchange rates, including as a result of sourcing medicinal cannabis products and inputs from overseas suppliers and making payments denominated in foreign currencies. Fluctuations in exchange rates may affect Cannatrek's cost of goods sold, operating margins, financial position and cash flows. Cannatrek may not be able to effectively manage this foreign currency exposure, and may not be able to hedge against all foreign exchange risks. Adverse

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movements in foreign exchange rates could materially and adversely affect Cannatrek's financial performance.

(b) **Product and operations risks**

(i) **Product quality**

Cannatrek's performance depends on maintaining consistent product quality, including compliance with applicable GMP requirements and relevant medicinal cannabis regulatory standards. Cannatrek sources bulk and/or finished medicinal cannabis products from licensed domestic and international suppliers. There is a risk of quality failures, including contamination, inconsistent potency, incorrect formulation, packaging or labelling errors, or non-compliance with required specifications.

Quality failures may result in product recalls, product withdrawal, reputational damage, loss of pharmacy and prescriber confidence, regulatory action, increased compliance costs, and potential product liability claims. These risks may be heightened where quality issues arise in upstream suppliers or during handling, storage and distribution. Any of these matters could materially and adversely affect Cannatrek's business, operations and financial performance.

(ii) **Licensing risk**

Cannatrek relies on licences, permits and regulatory approvals to manufacture (including package and label), store and distribute medicinal cannabis products. These approvals are subject to ongoing compliance obligations and may be suspended, cancelled or not renewed. Any suspension, cancellation or failure to renew a material licence or approval could materially disrupt Cannatrek's operations and have a material adverse effect on Cannatrek's financial performance.

(iii) **Infrastructure and asset risk**

Cannatrek relies on key infrastructure and assets, including its Shepparton facility, which supports GMP-compliant packaging and labelling, licensed storage and national distribution. Any failure of, damage to, or disruption affecting this infrastructure (including fire, equipment failure, natural disasters, power outage, security incident or system outage) could disrupt operations, result in inventory loss and increased costs, and could materially and adversely affect Cannatrek's financial performance.

(iv) **Commercial relationships**

Cannatrek relies on relationships with suppliers, distributors, pharmacies, clinics and logistics providers. If any key commercial relationship is disrupted, renegotiated on less favourable terms or terminated, Cannatrek may face reduced product availability, higher costs, reduced sales volumes or disruption to distribution channels. This could materially and adversely affect Cannatrek's operations and financial performance.

(v) **Key personnel risk**

The loss of key management personnel, or the inability to recruit or retain suitable replacement or additional personnel, may adversely impact

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Cannatrek's operations, sales and margins, reduce overall profitability and have an adverse effect on Cannatrek's future financial performance.

(vi) **Reputational risk**

Reputational damage could negatively affect demand for Cannatrek's products and services. Reputation could also impact on relationships with suppliers, pharmacies, prescribers, clinics and other distribution partners and could reduce trust among investors. Cannatrek's reputation may be adversely affected by a range of factors, including product quality or recall issues, regulatory investigations or enforcement action, security incidents, data breaches, or adverse media coverage relating to the medicinal cannabis industry or controlled substances generally. Any such reputational damage could materially and adversely affect Cannatrek's operations, financial performance and prospects.

(c) **Legal, regulatory and compliance risk**

Cannatrek may be subject to litigation, claims or disputes from time to time, including contractual disputes, employment matters, regulatory proceedings (such as those described under Section 6.8) or product-related claims. Such matters may result in financial loss, increased costs, reputational damage and diversion of management resources, and could materially and adversely affect Cannatrek's business and financial performance.

(d) **Other risks**

(i) **Environmental, social and governance risks (ESG)**

ESG expectations and disclosure requirements are evolving. If Cannatrek does not meet stakeholder or regulatory expectations in relation to ESG matters, including governance, workforce practices, supply chain standards and environmental impacts, Cannatrek may experience reputational harm, increased compliance costs or regulatory scrutiny, which could materially and adversely affect its business and financial performance

(ii) **Unknown risks**

Shareholders should note that this description focuses on the potentially key risks and does not purport to list every risk that Cannatrek may have now or in the future. Cannatrek operates in a highly regulated and evolving industry and may be subject to risks and uncertainties that are not currently known or considered material at this time.

10.5 Risk relating to the Scheme

(a) **Risks relating to implementing the Scheme**

Completion of the Scheme is subject to a number of Conditions Precedent. There can be no certainty, nor can Cannatrek or LGP provide any assurance, that these Conditions Precedent will be satisfied or waived (where applicable), or when that will occur. In addition, there are a number of other Conditions Precedent to the Scheme which are outside the control of Cannatrek and LGP, including, but not limited to:

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(i) approval of the Scheme by the Requisite Majority of Cannatrek Shareholders;

(ii) approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date; and

(iii) requisite regulatory and third party approvals and consents by 8:00am on the Second Court Date,

(refer to section 12.5(a) of this Scheme Booklet for further details).

In addition to the Conditions Precedent, each of Cannatrek and LGP has the right to terminate the Scheme Implementation Deed in certain circumstances described in section 12.5(g). Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either Cannatrek or LGP before the implementation of the Scheme.

There is also a risk that LGP does not pay the Scheme Consideration in accordance with their obligations under the Scheme Implementation Deed and the Deed Poll, in which case, the Scheme will not be implemented.

(b) **Implications for Cannatrek and Cannatrek Shareholders if Scheme is not implemented**

If for any reason the Conditions Precedent to the Scheme are not satisfied or (if permitted) waived or the Scheme Implementation Deed is terminated and the Scheme is not implemented, Cannatrek Shareholders will not receive the Scheme Consideration and Cannatrek will continue, in the absence of a Superior Proposal, to operate as a standalone entity.

There can be no assurance that a Superior Proposal will be received from a third party now or in the future.

(c) **Rights, obligations and break fee under the Scheme Implementation Deed**

In addition, under the Scheme Implementation Deed:

(i) Cannatrek is required to pay a break fee of $335,000 (excluding GST) to LGP if the Scheme does not proceed in certain circumstances (see Section 12.5(e)); and

(ii) LGP is required to pay a break fee of $335,000 (excluding GST) to Cannatrek if the Scheme does not proceed in certain circumstances (see Section 12.5(f)).

(d) **Transactions and other costs**

If the Scheme is implemented, Cannatrek expects to pay an aggregate of approximately $2,150,000 (excluding GST) in transaction costs in connection with the Scheme. These transaction costs are primarily payable to Cannatrek's financial, legal, tax and accounting advisors, the Independent Expert and the Cannatrek Share Registry.

If the Scheme is implemented, LGP expects to pay an aggregate of approximately $1,000,000 (excluding GST) in transaction costs in connection with the Scheme.

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These transaction costs are primarily payable to LGP's financial, legal, tax and accounting advisors and the LGP Share Registry.

If the Scheme is not implemented, Cannatrek's transactions costs will be borne by Cannatrek alone, subject to any LGP Break Fee that is able to be recovered from LGP.

(e) **Tax implications**

If the Scheme is implemented, there may be tax consequences for Cannatrek Shareholders which may include tax being payable on any gain on the disposal of Cannatrek Shares.

For further details regarding general Australian tax consequences of the Scheme, refer to Section 11. The tax consequences will depend on the personal circumstances of each Cannatrek Shareholder. Cannatrek Shareholders should seek independent professional tax advice in this regard.

It is not proposed to obtain any ruling from the Australian Taxation Office in relation to the Scheme. As a result, there may be uncertainties as to the tax treatment of the Scheme.

10.6 LGP specific risks

This Section 10.6 describes some of the potential material risks associated with an investment in LGP and the industries that the LGP Group will operate in following implementation of the Scheme. Similar to Cannatrek, LGP is subject to a number of risks, both specific to its business activities and of a general nature. These risks may either individually or in combination materially adversely impact the future operating and financial performance of the LGP Group, the investment returns and the value of the New LGP Shares.

The occurrence or consequences of some of the risks described here are partially or completely outside of the control of LGP, the LGP Board and LGP's management team. Cannatrek Shareholders should note that this Section 10.6 does not purport to list every risk that may be associated with LGP's business or the industry in which it operates, or an investment in the New LGP Shares, now or in the future. The selection of risks has been based on LGP's assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the LGP Board as at the date of this Scheme Booklet, but there is no guarantee or assurance that the risks will not change or that other risks will not emerge. There can be no guarantee that LGP will achieve its stated objectives, or that any forward-looking statement contained in this Scheme Booklet will be achieved or realised. Cannatrek Shareholders should note that past performance may not be a reliable indicator of future performance.

Cannatrek Shareholders should satisfy themselves that they have a sufficient understanding of the risks involved in making an investment in LGP and whether it is a suitable investment for them, having regard to their investment objectives, financial circumstances and taxation position. Cannatrek Shareholders should seek advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers before deciding whether to invest in LGP.

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(a) **Assumed liability risk**

If the Transaction proceeds, Shareholders will share a proportional risk of any contingent liabilities associated with the past operations of LGP. This includes exposure to possible taxation, regulatory and legal claims in respect of, amongst other things, business practices, contractual arrangements, product and public liability and employee health and safety issues. Cannatrek undertook a due diligence review regarding these potential exposures prior to signing the Scheme Implementation Deed. Certain warranties and indemnities were obtained under the Scheme Implementation Deed. In addition, certain warranties and indemnities were obtained by LGP from Cannatrek, recognising that as a consequence of the Transaction, the LGP Shareholders are accepting an indirect exposure to ~39.5% of any similar contingent liabilities of Cannatrek. Further, to the extent that liabilities arise from items included in the calculation of the Contingent Amount under the terms of the CV Shares, the ultimate ownership of LGP will be altered by virtue of the CV Share conversion mechanism.

(b) **Maintaining and expanding medicinal cannabis licences and regulatory risk**

The successful execution of the LGP's medicinal cannabis business objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions and obtaining all other required regulatory approvals for the import of starting materials and the production, sale, import and export of its medicinal cannabis products.

LGP's ability to execute its business model and undertake its growth strategy is dependent on LGP's ability to maintain its medicinal cannabis licences and permits as issued by the Office of Drug Control under the *Narcotic Drugs Act 1967* (Cth) as well as its State Poisons Indent wholesale and wholesale licences and permits issued by the Department of Health, Western Australia (**WA State Health**) to LGP and its distribution subsidiary, Health House, as well as its medicinal cannabis and narcotics licences and GMP manufacturing licence issued in respect of its Danish operations issued by the Danish Medicines Agency.

If, for whatever reason, it is determined that LGP has not complied with, or is in breach of, applicable laws and regulatory requirements in Australia (or other jurisdictions), or has otherwise breached the terms of its licences and/or permits, there is a risk that LGP's licences and permits may be revoked and LGP may be subject to significant fines and penalties.

(c) **Fit and proper person**

To obtain the necessary licences required to operate in the medical cannabis industry, the Office of Drug Control (**ODC**) must first establish the integrity of the person applying for a licence or any person who has the ability to significantly influence the finances or operations of the licence holder. This is known as the "fit and proper person" test. In respect of an applicant who is a company, this test is applied to the Directors and officers of the company and any shareholder or person who is able to exercise a significant influence over the management or operation of the company's business.

If, for whatever reason, the ODC does not accept any person who currently or in the future has the ability to significantly influence the finances or operations of LGP as a "fit and proper person", there is a risk that the ODC may seek to revoke LGP's existing licences and permits.

If there is a change in the Board or shareholding of LGP and that change results in a new Director or person having a significant influence over the management or operation of LGP's business and that person does not pass the "fit and proper person" test, the ODC may determine that LGP is not a "fit and proper person" to hold the relevant licences or permits, and any licences granted to LGP could be revoked.

If such circumstances cause the revocation of any existing licences, there will be a materially adverse impact on LGP's proposed activities and operations and consequently, LGP's financial performance and prospects of its business.

(d) **Danish facility expansion and facilities risk**

LGP's future growth is dependent, in part, on the successful development, expansion and optimisation of its Danish cultivation and manufacturing facilities, and associated European operations. Any facility expansion, commissioning, scale-up or optimisation activities may be subject to delays, cost overruns, commissioning challenges, availability of contractors and skilled labour, and the need to maintain regulatory approvals and compliance requirements.

There is a risk that any expanded capacity may not be completed on time or within budget, or may not achieve expected yield, quality, efficiency or operating performance. Any failure to successfully deliver or optimise facility expansion or ramp-up may adversely affect LGP's ability to meet demand and execute its growth strategy, and may materially and adversely affect LGP's operations, financial performance and prospects.

As announced to ASX on 19 February 2026, LGP has entered into a conditional agreement for the sale and leaseback of its production processing facility in Western Australia. Completion of that transaction remains subject to the satisfaction or waiver of multiple conditions precedent, many of which are outside LGP's control and some of which require further negotiation over commercial matters with third parties that may not be resolved and if so may result in termination of the sale. While it is currently contemplated that LGP would continue to utilise the facility for approximately 3.5 years under a lease arrangement following completion, there can be no assurance that the proposed sale will complete on the anticipated terms, or that the lease arrangement will operate as expected.

If the proposed sale completes, the Combined Group would no longer own that facility and would instead be reliant on contractual arrangements for continued access. Any failure to complete the transaction on acceptable terms, any disruption to the lease arrangement, or any operational constraints arising from the change in ownership may adversely affect the Combined Group's manufacturing capacity, cost base, operational flexibility and ability to meet demand.

(e) **Reliance on key relationships**

LGP relies on key commercial relationships with suppliers, distributors, cultivators, pharmacies and clinics, including local and international distribution partners, its local cultivation service provider, and counterparties supporting product registration and market access in overseas jurisdictions. Disruption, termination or deterioration of these relationships (or renegotiation on less favourable terms) may reduce product availability, increase costs, restrict access to distribution channels and

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adversely affect sales volumes, which could materially and adversely affect LGP's business and financial performance.

(f) **Key inputs**

The LGP business is dependent on a number of key inputs, such as electricity, water and other utilities, as well as cultivation materials and inputs, equipment, parts and components related to on-going operations. Any significant interruption, price increase or negative change in the availability or economics of the supply chain for key inputs and, in particular, rising or volatile energy costs could curtail production. In addition, operations would be significantly affected by a prolonged power outage. LGP's ability to compete and cultivate cannabis is also dependent on it having access, at a reasonable cost and in a timely manner, to inputs, materials, equipment, parts and components. No assurances can be given that LGP will be successful in maintaining its equipment, facilities and supply chain.

Any significant interruption or negative changes in the availability or economics of the supply chain for the inputs could materially impact the business, financial condition and operating result of LGP.

(g) **Agricultural and force majeure risks**

LGP's operations are exposed to agricultural risks and force majeure events, including adverse weather, pests and disease, crop failure, contamination, supply chain disruption, equipment failure, fire, power outages, industrial action, pandemics including COVID or similar pathogens, and other unforeseen events beyond LGP's control. These events could disrupt cultivation, manufacturing or distribution, reduce yields or product quality, increase costs and adversely affect LGP's ability to meet demand, which could materially and adversely affect LGP's financial performance and prospects.

(h) **Expansion and scaling risks**

LGP's strategy includes expanding sales and distribution in European and other international markets. Entry into certain markets depends on regulatory approval processes, which may involve extended lead times and uncertainty, and that market-specific regulatory frameworks and political uncertainty may affect the timing and scope of commercial rollout in certain jurisdictions (including France, Poland, Italy and Spain).

There is a risk that LGP may be unable to enter, expand or maintain access to target markets, or that demand, pricing conditions or competitive dynamics may not develop as expected. Shipment timing and third-party testing and release processes may delay receipts from customers, which may affect cash flow timing and working capital.

Any failure to successfully execute LGP's international expansion and scaling strategy may materially and adversely affect LGP's operations, financial performance and prospects.

(i) **Dislocation from rapid business growth or acquisitions**

There is a risk that LGP grows too rapidly due to organise or acquisitional growth, leading to increased inhouse systems failure, occupational health & safety risk, recruitment and employment retention concerns, and team culture degradation risk.

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Any failure to successfully execute LGP's acquisition or growth strategy may materially and adversely affect LGP's operations, financial performance and prospects.

(j) **War or international conflict**

There is an ongoing risk of further war in Ukraine, wider Europe or Middle East, leading to increased input prices or market disruption including risk of inflation or hyperinflation in EU resulting in wage and input pressure, reduced consumption due to rising prices. There is a risk that war in Europe or Middle East could materially and adversely affected LGP's operations, and financial performance.

(k) **Export and import and first-mover risk**

LGP and its supply chain partners are also subject to a variety of complex and often unsettled or inadequate, uncertain or incomplete laws, regulations, and guidelines, authorisations and pharmaceutical quality requirements in both Australia and the other countries that may be subject to differing interpretation or application, including the proposed new medicinal cannabis 'ad hoc' supply pathway into France.

In addition, many of the processes and requirements for the successful export and import of a medicinal cannabis product or cannabis starting material in one or more forms into France will be applied and implemented for the first time, including in relation to flower and product sampling requirements, flower and product testing and analytical requirements, labelling, origin and source verification, pharmacovigilance, product stability testing processes and requirements, classification and form of product requirements, ingredient and product specification limit requirements and permitted deviations for different products, product packaging and transportation requirements, the application of relevant pharmaceutical quality requirements, the application of International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) guidelines, the application of Pharmaceutical Inspection Co-operation Scheme (PICs) requirements, and the application of local laws, judicial decisions and requirements of France including specific requirements in relation to cannabis products.

Non-compliance risk may be exacerbated for first movers who may be unaware of these or be unable to comply with conflicting or evolving interpretations or laws, and LGP cannot guarantee its pharmaceutical and compliance management systems will be adequate to understand all cannabis regulations or prevent or discover breaches of laws and regulations and to identify, evaluate and take appropriate countermeasures against relevant risks in a timely manner or at all.

One or more of these factors may result in delays or rejection of imports or export quantities or result in LGP being unable to import from or export to the relevant jurisdictions which could result in significant loss or damage to LGP.

(l) **Contractual risks**

LGP relies on a range of commercial contracts with suppliers, cultivation and contract manufacturing counterparties, product suppliers, wholesalers, distributors, logistics providers, pharmacies, prescribers, clinics and research partners, and international wholesalers and distribution partners. LGP is also party to a licence

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and arrangements for the cultivation of products under LGP's medicinal cannabis licence from its Western Australian facility.

As announced to ASX on 19 February 2026, LGP has entered into a binding but conditional agreement for the sale and leaseback of its production processing facility in Western Australia. Completion of that transaction remains subject to the satisfaction or waiver of multiple conditions precedent, many of which are outside LGP's control and some of which require further negotiation over commercial matters with third parties that may not be resolved and if so, may result in termination of the sale. If the proposed sale completes, LGP is expected to continue to utilise the facility for approximately 3.5 years under a lease arrangement. In that event, the Combined Group would be reliant on contractual arrangements for continued access to, and use of, that facility. There is a risk that the proposed transaction may not complete on the anticipated terms, that the lease arrangement may not operate as expected, may be terminated, not renewed or varied on less favourable terms, or that disputes may arise with the purchaser/landlord. Any such event could disrupt manufacturing and processing activities, reduce operational flexibility, increase costs or otherwise adversely affect the Combined Group's operations, financial performance and prospects.

Compliance by LGP's counterparties with applicable laws and regulatory requirements in Australia (and other relevant jurisdictions), and with the terms of LGP's licences and permits, is an important factor in maintaining the validity of those licences and permits. Non-compliance with such laws, regulatory requirements or licence and permit conditions could result in suspension or revocation of LGP's licences and permits, and may expose LGP to fines, penalties or other regulatory action. LGP is enhancing a number of its contractual arrangements to strengthen oversight of counterparty regulatory compliance and to reduce the potential risks such non-compliance could pose to LGP's licences, permits and operations going forward.

More broadly, there is also a risk that counterparties may fail to perform, go bankrupt or insolvent, that contracts may be terminated or amended on materially adverse terms, not renewed or renegotiated on less favourable terms, or disputes may arise, which could disrupt supply, delay distribution, reduce revenue or increase costs. LGP is also subject to certain minimum purchase commitments to maintain exclusivity of supply of certain inputs or products which if LGP fail to achieve or purchase, may result in LGP losing exclusivity over such input or product. Any material contractual dispute, breach, termination or adverse renegotiation could materially and adversely affect LGP's operations, financial performance and prospects.

LGP is presently party to, or negotiating, various distribution arrangements for the resale and distribution of its products into various territories with distributors. If these distributors cease to be able to meet their commitments and obligations to LGP, including due to bankruptcy or insolvency, inability to obtain import or irradiation permits LGP products, loss of key licences, unwillingness to accept LGP products following facility audits, loss of certifications or permits or due to any other reason, this could have a material adverse effect on LGP's business, financial condition, and prospects. In addition, LGP or its distributors or any downstream handlers of LGP's products (including transporters, other wholesalers and pharmacies) may handle or alter the products in a way that damages, impairs or contaminates LGP products or otherwise causes loss or damage to third parties, including patients. These third parties may claim directly against LGP for such loss or damage and LGP may not be able to recover such losses from its distributor

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counterparties or suffer reputational loss or damage, or both. In addition, the Company's shipping or handling agents could fail to deliver or be delayed from delivering shipments on time or at all, resulting in breach claims for failure to deliver by purchasers or distributors. Such outcomes could have a material adverse effect on the Company's business, financial condition, and prospects.

(m) **Intellectual property**

LGP has developed and will continue to develop intellectual property and has developed and will continue to develop its own know-how and proprietary knowledge and rely on a combination of confidentiality and licence agreements to protect this know-how and intellectual property rights. However, various events outside of LGP's control could pose a threat to its intellectual property rights, as well as to its products.

There is also a risk that other individuals or companies may claim to have an interest in intellectual property used by the business. Intellectual property or trade secrets may be challenged by other parties and defending such actions may adversely impact LGP's earnings.

LGP may be unable to register or otherwise protect new intellectual property it develops in the future, or which is developed on behalf by contractors. In addition, competitors may be able to work around any of the intellectual property rights or know-how used by LGP, or independently develop technologies or delivery systems that are not protected by the LGP's intellectual property rights. LGP's competitors may then be able to offer identical or very similar products that are otherwise competitive against those provided by LGP, which could adversely affect LGP's business.

LGP does not own certain intellectual property used in the business and relies on licences from third parties to access and use that intellectual property. If any licence is terminated, not renewed, or amended on adverse terms, or if a licensor fails to perform its obligations, LGP may lose access to this intellectual property, which could materially adversely affect its business.

(n) **Reliance on key personnel**

LGP is largely dependent on the performance of its management team and certain highly qualified employees and LGP's continuing ability to attract and retain such employees.

LGP is also dependent on its ability to recruit and retain suitably qualified personnel. Qualified individuals are in high demand, and LGP may incur significant costs to attract and retain them. The loss of the services of any such personnel, or an inability to attract other suitably qualified persons when needed, could prevent LGP from executing on the business plan and strategy, and LGP may be unable to find adequate replacements on a timely basis, or at all.

The unplanned loss of the services of any of LGP's Directors or members of senior management could materially adversely affect the business until a suitable successor can be found. Moreover, finding a suitable successor may be made more difficult by the regulatory requirement that Directors must satisfy the "fit and proper persons" test under the *Narcotic Drugs Act 1967*. In addition, a number of the Company's highly qualified personnel may not be readily substituted through the hiring of external personnel, and the loss of any of key personnel could also have

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a material adverse effect on the business unless and until LGP finds a qualified successor. There are also a limited number of persons with the requisite competencies to serve in these positions, and LGP cannot provide any assurance that LGP would be able to locate or employ such highly qualified personnel in a timely manner, on terms acceptable to LGP or at all. The inability to attract and retain key and other highly qualified personnel could have a material adverse effect on the business, financial condition, results of operations and prospects.

(o) **Product testing and trials**

LGP's products are subject to strict quality assurance and regulatory requirements, including testing and batch release processes for supply into domestic and international markets. There is a risk that testing outcomes may not meet required specifications, that batches may be delayed, quarantined or rejected, or that product release may be disrupted due to contamination, non-conforming results or delays at third-party laboratories. Any material testing, release or quality issue could disrupt supply, increase costs, lead to product recalls or regulatory action, and materially and adversely affect LGP's operations, financial performance and reputation.

(p) **Risks associated with clinical trials**

LGP supports clinical research and evidence generation in relation to medicinal cannabis products and, through its subsidiary Reset Mind Sciences, participates in research and clinical trial activities. Clinical research and clinical trials are inherently uncertain and may be delayed, suspended or discontinued due to recruitment challenges, adverse events, regulatory or ethics requirements, funding constraints, or failure to achieve intended clinical endpoints or demonstrate safety or efficacy. Unfavourable outcomes could result in increased costs, reputational harm, and materially and adversely affect LGP's prospects and financial performance.

(q) **Product liability and uninsured risks**

There is a risk that the products sold by LGP may not have been produced or manufactured in accordance with all applicable laws or pharmaceutical requirements or could cause serious or unexpected side effects, including risk or injury to consumers in both the short term and the longer term, including the risk of developing schizophrenia, bi-polar disorder and other psychoses and side effects. Previously unknown adverse reactions resulting from consumption of cannabis products alone or in combination with other medications or substances could also occur.

Although LGP has procedures in place for testing finished cannabis products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid product recalls, regulatory action or lawsuits. Should any of LGP's products be associated with safety risks such as misuse or abuse, inadvertent mislabelling, tampering by unauthorised third parties or product contamination or spoilage, a number of materially adverse outcomes could impact on LGP.

Any of the above adverse outcomes include the risk that regulatory authorities may revoke approvals that have been granted to LGP, impose more onerous facility standards or product labelling requirements or force the Company to conduct a product recall. LGP could also be subject to regulatory action or be sued and held liable for any harm caused to customers in those circumstances.

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A product liability claim or regulatory action against LGP could result in increased costs and could adversely affect its reputation and goodwill with LGP's patients, distributors and consumers generally. There can be no assurance that LGP will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could result in LGP becoming subject to significant liabilities that are uninsured and also could adversely affect commercial arrangements with third parties. There is also a risk that the insurer could disclaim coverage on some claims or the insurance is not comprehensive enough for large claims or that insurers could reduce or cease coverage for medicinal cannabis products more generally.

(r) **Reputational risk**

Reputational damage could negatively affect demand for LGP's products and services. Reputation could also impact on relationships with suppliers, pharmacies, prescribers, clinics and other distribution partners and could reduce trust among investors. LGP's reputation may be adversely affected by a range of factors, including product quality or recall issues, regulatory investigations or enforcement action, security incidents, data breaches, or adverse media coverage relating to the medicinal cannabis industry or controlled substances generally. Any such reputational damage could materially and adversely affect LGP's operations, financial performance and prospects.

(s) **Access to capital**

LGP will rely on access to debt and equity financing from time to time. The ability to secure financing, or financing on acceptable terms, may be materially adversely affected by factors outside LGP's control, including prevailing macroeconomic and capital market conditions and credit availability. Financing may be unavailable, or the cost of financing may significantly increase. Any inability to obtain additional funding on acceptable terms, or at all, could have a material adverse effect on LGP's financial position and operations. If additional funding is raised through the issue of additional LGP securities, the investment of LGP Shareholders who do not participate may be materially diluted.

(t) **Marketing and Distribution Risk**

LGP's financial performance depends on its ability to effectively market and distribute its products through pharmacy, wholesale, clinical and international distribution channels. LGP may be exposed to risks relating to channel concentration, distributor performance, changes in clinic or pharmacy prescribing behaviour, and the ability to secure and maintain distribution arrangements in domestic and international markets.

LGP is also subject to restrictions on how medicinal cannabis products can be promoted and marketed, and failure to comply with applicable advertising and promotion laws could result in regulatory action or reputational harm. If LGP is unable to effectively market or distribute its products, or distribution channels are disrupted or become less effective, LGP's sales volumes, pricing and margins may be adversely affected, which could materially and adversely affect LGP's business, financial performance and prospects.

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(u) **Fraud and Security Risk**

LGP may be exposed to fraud, theft, diversion or other misconduct by employees, contractors or third parties, and, as a regulated operator handling controlled substances, must maintain effective physical security and inventory controls. Any fraud or security incident could result in financial loss, operational disruption, regulatory consequences and reputational harm, which could materially and adversely affect LGP's business, financial performance and prospects.

(v) **Research and development**

LGP undertakes research and development activities, predominantly relating to the supply of products for clinical studies. R&D activities are inherently uncertain and may involve delays, cost overruns, technical challenges or failure to achieve intended outcomes. Any failure to successfully execute R&D initiatives or commercialise outcomes could result in wasted expenditure, lost opportunities and reduced competitiveness, which could materially and adversely affect LGP's business, financial performance and prospects.

(w) **Systems, privacy and IP breach risk**

LGP relies on IT systems and third-party service providers to support operations, reporting, inventory management, distribution and compliance. LGP may be exposed to system failures, cyber incidents, unauthorised access, data breaches or privacy incidents, including in relation to confidential business information or personal information. LGP may also be exposed to risks associated with misuse, infringement or loss of intellectual property rights. Any such incident could result in operational disruption, regulatory action, increased costs, loss of competitive advantage and reputational harm, which could materially and adversely affect LGP's business, financial performance and prospects.

(x) **Regulation and litigation**

LGP may be the subject of complaints or litigation by customers, suppliers, employees, government agencies or other third parties. Such matters may have an adverse effect on the Combined Group's reputation, divert its financial and management resources from more beneficial uses, or have a material adverse effect on its future financial performance.

(y) **Economic risks**

LGP's financial performance and the value of LGP Shares (and, if the Scheme is implemented, the value of the New LGP Shares) may fluctuate due to a number of factors. These factors may include, but are not limited to, general economic conditions including interest rates, inflation rates, exchange rates, investor sentiment, Australian and international economic conditions and outlook, geopolitical instability, changes in legislation or regulation, and the nature of the markets in which LGP operates.

(z) **Pricing risks**

LGP operates in a competitive and evolving medicinal cannabis market. Competitive dynamics, including increased product availability, entry of new domestic and international suppliers, changes in prescribing behaviour and patient preferences, and the actions of competitors (including discounting), may create

pricing pressure. LGP may be required to reduce prices, increase rebates or discounting, or incur higher costs in order to maintain market share, which could reduce margins and profitability.

LGP also sources certain products and inputs from third-party suppliers. If supplier pricing increases, LGP may not be able to fully pass those increases on to customers due to competitive pressure, prescriber and patient preferences, and broader market conditions. Sustained pricing pressure or margin compression could materially and adversely affect LGP's financial performance.

(aa) **Foreign Exchange Risk**

LGP may have exposure to movements in foreign exchange rates, including as a result of sourcing medicinal cannabis products and inputs from overseas suppliers and making payments denominated in foreign currencies. Fluctuations in exchange rates may affect LGP's cost of goods sold, operating margins, financial position and cash flows. LGP may not be able to effectively manage this foreign currency exposure, and may not be able to hedge against all foreign exchange risks. Adverse movements in foreign exchange rates could materially and adversely affect LGP's financial performance.

(bb) **Risks faced by LGP and Cannatrek prior to implementation**

The business and operations of LGP and Cannatrek may be adversely affected by, among other factors, economic downturns, political instability, changes in applicable laws, volatility in the financial markets and unfavourable regulatory decisions. Any one or more of these factors, among other things, could negatively affect the operations and financial performance of LGP and Cannatrek, which could in turn adversely affect the future operational and financial results of the Combined Group.

(cc) **Integration risk**

The success of the Combined Group will depend, amongst other things, on the ability to integrate the respective businesses of LGP and Cannatrek. Successful integration will depend on a range of factors, including organisational and cultural compatibility and operational integration. While LGP expects to successfully integrate with Cannatrek's operations, integration may take longer than expected (so that integration is achieved over a longer than expected time period), or that integration may cost more than anticipated. Potential factors influencing a successful integration include:

(i) disruption to the ongoing operations of both businesses;

(ii) higher than anticipated integration costs;

(iii) unforeseen costs relating to integration of operational systems, IT systems and financial and accounting systems of both businesses; and

(iv) unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the Scheme.

If the integration is not achieved in an effective manner, the full benefits of the combination of the businesses may be achieved only in part, or not at all. This could adversely impact the Combined Group's financial performance and position, and the future prospects of the Combined Group.

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(dd) **Transaction costs**

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by LGP in relation to the Scheme. Those transaction costs have either already been paid or will be payable by LGP regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

If the Scheme is implemented, LGP expects to pay an aggregate of approximately $1,000,000 (excluding GST) in transaction costs in connection with the Scheme. These transaction costs are primarily payable to LGP's financial, legal, tax, broker and accounting advisors and the LGP Share Registry.

If the Scheme is not implemented, LGP's transactions costs will be borne by LGP alone, subject to any Cannatrek Break Fee that is able to be recovered from Cannatrek.

10.7 Risks investing in New LGP Shares

Cannatrek Shareholder should carefully read this Scheme Booklet in its entirety and specifically consider these risks.

Cannatrek Shareholders (other than Ineligible Shareholders and Unmarketable Parcel Shareholders) will receive LGP Scrip Offer (**Rollover Shareholders**) and should therefore consider a number of risks that can be broadly classified as risks specific to an investment in New LGP Shares post implementation of the Scheme and general risks relating to investing in quoted and unquoted securities. These risks may, individually or in combination, have a material adverse effect on the LGP Group's future financial performance, financial position, cash flows distributions and/or the value of an ability to dispose of New LGP Shares.

Cannatrek Shareholders should note that this Section 10.6 is not an exhaustive list of the risks associated with an investment in New LGP Shares and should be read in conjunction with the risk associated with LGP, as set out in Section 10.6.

Many of these risks are outside the control of LGP and either cannot be mitigated or can only be partially mitigated. You should also carefully consider these factors in the light of your personal circumstances and seek professional advice from independent and appropriately qualified financial, legal, stockbroking, taxation or other professional advisers before deciding. There can be no guarantee that LGP will achieve its stated objectives, or that any forward-looking statement contained in this Scheme Booklet will be achieved or realised.

You should read the Scheme Booklet in its entirety and specifically consider the factors contained within this Section 10.6. The risk factors that apply to an investment in LGP post implementation of the Scheme are materially different from those that apply to your existing investment in Cannatrek. Despite the operating history of Cannatrek, an investment in LGP post implementation of the Scheme should be considered a highly speculative investment.

(a) **Operational implementation risk**

The combination of two businesses such as LGP and Cannatrek carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations.

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The success of the Transaction and, in particular, the ability to realise the synergy benefits of the Transaction outlined in Section 9.3, will be dependent upon the effective and timely combination of the LGP and Cannatrek businesses. There is a risk that the synergies may be less than expected or may not materialise at all. While Cannatrek has undertaken analysis in this area, expected synergies cannot be confirmed until the Merger is approved and fully implemented. There is a risk that the Combined Group's future profitability and prospects could be adversely affected if integration is not completed efficiently and effectively, with minimal disruption to the businesses.

Although LGP and Cannatrek have progressed some of their integration planning, there remains a risk that unforeseen events may arise resulting in the synergies to be delayed, not be obtained, or cost more to achieve than originally expected. These risks include:

- possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner;
- disruption to the ongoing operations of both businesses;
- higher than anticipated integration costs;
- unforeseen costs relating to the integration of some of the IT platforms, management information systems and financial and accounting systems of both businesses; and
- unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the Merger.

(b) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

There is no guarantee that an active trading market in the LGP Ordinary Shares will exist or that the price of the LGP Ordinary Shares will increase. The prices at which the LGP Ordinary Shares trade may be above or below the indicative price under the Scheme, and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained.

These factors may materially affect the market price of the LGP Ordinary Shares, regardless of LGP's operational performance following completion of the Scheme.

(c) **Share market**

Share market conditions may affect the value of LGP's quoted securities regardless of its operating performance. The market price of the LGP Ordinary Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

There is currently no public market through which Cannatrek Shares may be sold. There can be no guarantee that an active market in LGP Ordinary Shares will exist or that the price of LGP Ordinary Shares will increase. There may be relatively few buyers or sellers of LGP Ordinary Shares on ASX at any given time. There is a risk that this increases the volatility of the market price of LGP Ordinary Shares and the prevailing market price at which shareholders are able to sell their LGP Ordinary Shares. This may result in a market price that is less than the indicative price at which the Scheme is implemented.

(d) **LGP CV Shares**

The LGP Scrip Offer comprises of the proposed issue of New LGP Ordinary Shares and New LGP CV Shares. LGP will not seek quotation of the New LGP CV Shares, and subject to their terms, holders of New LGP CV Shares will not be able to trade in the New LGP CV Shares until they convert into LGP Ordinary Shares.

The terms of New LGP CV Shares stipulate that each New LGP CV Share will convert into an LGP Ordinary Shares based on the difference between the Cannatrek Liability (if any) and the LGP Liability (if any).

On conversion, the converted shares will rank equally with the existing LGP Ordinary Shares on issue at the time. However, there is a risk that some or all of the New LGP CV Shares would not convert into LGP Ordinary Shares unless the LGP Liability materially exceeds the Cannatrek Liability. It should be noted that in circumstances, where there is no Cannatrek Liability or LGP Liability, or where the liability is materially the same, the Conversion Ratio will be around 0.44444x (for more information, please refer to section 4.3(c) and the full Terms of Issue that apply to New LGP CV Shares as set out in Annexure 6). .

(e) **No guarantee of dividends**

Whilst each New LGP Ordinary Share ranks equally with the existing LGP Ordinary Shares for payment of dividends, the declaration and payment of any dividends will be at the sole discretion of the LGP Board.

The LGP Board's determination in respect of any dividend will have regard to matters including the working capital and other capital requirements of the LGP Group as well as any restrictions imposed by the debt financing arrangements of LGP Group from time to time.

To the extent LGP pays any dividends in the future, the level of franking on any dividends on New LGP Shares will be affected by the level of LGP's available franking credits and distributable profits. LGP's level of franking credits may be affected by a wide range of factors, including its business performance, the jurisdictions in which Cannatrek makes profits and pays tax and any other franked dividends it may receive (if any). LGP's distributable profits may also be affected by

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a wide range of factors including its level of earnings. The level of franking on any dividend may vary over time and dividends may be partially, fully or not franked.

(f) **Different regulatory requirements**

LGP is subject to the ASX Listing Rules and the Corporations Act, including continuous disclosure and periodic reporting obligations, which differ from those applicable to Cannatrek as an unlisted public company. Public disclosures, analyst coverage and market sentiment may cause the market price of LGP Ordinary Shares to fluctuate significantly, regardless of LGP's operating performance, which could materially affect the value of New LGP Shares.

(g) **Minority shareholding**

If the Merger proceeds, Cannatrek Shareholders will be issued Shares representing ~60.5% of the post-Completion share capital of LGP. However, no single Cannatrek Shareholder (together with its associates) will obtain control of the majority of voting shares in LGP or the ability to appoint the majority of the LGP Board.

(h) **General economic conditions**

The general economic climate may affect the performance of LGP. These factors include the general level of international and domestic economic activity, inflation, unemployment rates, business sentiment, and interest rates as well as:

(i) general economic conditions;

(ii) changes in Government policies, taxation and other laws;

(iii) the strength of the equity and share markets in Australia and throughout the world;

(iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(v) industrial disputes in Australia and overseas;

(vi) changes in investor sentiment toward particular market sectors; and

(vii) natural disasters, social upheaval or war.

These factors are beyond the control of LGP and their impact cannot be predicted.

(i) **Further dilution**

LGP may require additional capital in the future and may raise funds through the issue of additional equity or convertible securities. Any such issue may dilute the ownership interest of holders of New LGP Shares and may adversely affect the market price of LGP Ordinary Shares, particularly if securities are issued at a discount. LGP may also be unable to raise capital on acceptable terms or at all, which could materially and adversely affect its financial performance and prospects.

(j) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of LGP. Such changes may include:

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(i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(ii) increases in expenses (including the cost of goods and services used by LGP);

(iii) new or increased government taxes, duties or changes in taxation laws; and

(iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the LGP's trading and financial performance.

(k) **Broader general risks**

There are also a number of broader general risks which may impact LGP's performance. These include:

(i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and

(ii) higher than budgeted costs associated with the provision of service offerings.

(l) **Currency risk**

LGP may operate in multiple international jurisdictions, which exposes LGP to multiple currencies and their future currency fluctuations, which may affect future profitability of LGP.

(m) **Taxation risk**

The acquisition and disposal of New LGP Shares may have tax consequences which will depend on the personal circumstances of each Cannatrek Shareholder All Cannatrek Shareholders are urged to obtain independent professional financial and taxation advice regarding the financial, tax and other consequences of acquiring and holding New LGP Shares under the Scheme.

(n) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact LGP's financial statements, results or condition.

(o) **Other risks**

The above risks should not be taken as a complete list of the risks associated with an investment in New LGP Shares. The risks outlined above and other risks specifically referred to may in the future materially adversely affect the value of New LGP Shares and the financial performance of LGP. No assurance or guarantee or future performance or profitability of LGP or the value of New LGP Shares is given.

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11. Tax implications of the Scheme

11.1 Introduction

This Section 11 summarises certain Australian tax implications that may be applicable to Scheme Shareholders in relation to the Scheme if it is implemented. This Section 11 is a summary only, and does not provide a complete analysis of the potential tax implications of the Scheme (including implications in jurisdictions outside of Australia or for persons other than Scheme Shareholders falling within the scope of this general summary). It is only a general guide only.

This Section 11 does not constitute tax advice. It should not be relied upon as a substitute for advice from an appropriate independent professional taxation adviser having regard to your individual circumstances. Scheme Shareholders are advised to seek their own independent professional advice on the tax implications of the Scheme based on their own personal circumstances.

This summary relates only to Scheme Shareholders who are solely residents of Australia for Australian income tax purposes and who hold their Scheme Shares directly in Cannatrek and on capital account for Australian income tax purposes. This summary does **not** consider the consequences for Scheme Shareholders who:

(a) hold their Scheme Shares as a revenue asset (i.e., trading entities or entities who acquired their Scheme Shares for the purposes of resale at a profit) or as trading stock for Australian income tax purposes;

(b) acquired their Scheme Shares through, or in connection with, an employee share scheme;

(c) other than as specifically covered in section 11.3, are non-residents or temporary residents for the purposes of Australian income tax law or who carry on a business through a permanent establishment outside of Australia to which the Scheme Shares are attributable;

(d) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt entities, and entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their Scheme Shares; or

(e) are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Scheme Shares.

This summary is general in nature and is based on Australian income tax, GST and duty legislation and published practice in force as at the date of this Scheme Booklet. It does not take into account any financial objectives, tax positions or investment needs of any Scheme Shareholders and should not be construed as being investment, legal or tax advice to any particular Scheme Shareholder.

As the taxation implications of the Scheme will depend upon a Scheme Shareholder's particular circumstances, Scheme Shareholders should seek and rely upon their own independent tax advice before concluding on the particular taxation treatment that will apply to them.

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Neither Cannatrek nor any of its officers or advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Scheme.

11.2 Australian resident Scheme Shareholders

(a) **Disposal of Scheme Shares**

The disposal by a Scheme Shareholder of Scheme Shares to LGP under the Scheme in return for the Scheme Consideration will give rise to a CGT event.

Subject to the availability of scrip-for-scrip rollover relief (as discussed below), Scheme Shareholders will make a capital gain on the disposal of each of their Scheme Shares to the extent that the capital proceeds received in respect of each Scheme Share (as discussed below) are more than the Scheme Shareholder's cost base in each Scheme Share (as discussed below). Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds in respect of each of their Scheme Shares (as discussed below) are less than their reduced cost base for those Scheme Shares (as discussed below).

The assessable income of a Scheme Shareholder for the income year in which the CGT event in respect of the Scheme Shares happens will include any net capital gain, being the aggregate of any capital gains from CGT events that happen in that income year, reduced by any current year or prior year capital losses, and reduced by any CGT discount (as discussed below).

(b) **Capital proceeds**

The capital proceeds for the CGT event comprising the disposal of the Scheme Shares should be equal to the market value of the Scheme Consideration per Scheme Share received by Scheme Shareholders on the Implementation Date, being the market value of the New LGP Shares on that Implementation Date.

(c) **Cost base and reduced cost base**

The cost base of each Scheme Share held by a Scheme Shareholder will generally comprise the consideration paid or given (or deemed to be taken or given) to acquire the Scheme Shares, plus certain incidental costs incurred by a Scheme Shareholder for which an income tax deduction is not available (reduced by any prior returns of capital made by Cannatrek). The reduced cost base of a Scheme Share held by a Scheme Shareholder will be similar to the cost base of a Scheme Share, but excluding certain amounts.

(d) **CGT discount**

The CGT discount may be available to those Scheme Shareholders who are individuals, trustees of trusts or complying superannuation funds and who acquired their Scheme Shares for CGT purposes at least 12 months before (and excluding) the Implementation Date.

Broadly, the CGT discount rules enable eligible Scheme Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trustees of trusts and approximately 33.33% for complying superannuation funds.

The CGT discount is not available to Scheme Shareholders that are companies.

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(e) **Availability of scrip-for-scrip roll-over for the LGP Scrip Offer**

A Scheme Shareholder is expected to be eligible to apply for scrip-for-scrip roll-over relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth) where:

(i) the Scheme Shareholder acquired their Scheme Shares on or after 20 September 1985;

(ii) the Scheme Shareholder would otherwise make a capital gain from the CGT event happening in relation to their Scheme Shares;

(iii) the Scheme Shareholder chooses to obtain the roll-over prior to lodging their Australian income tax return for the income year in which the CGT event happens; and

(iv) LGP does not make a choice under section 124-795 of the *Income Tax Assessment Act 1997* (Cth) that roll-over relief is not available (as discussed below).

No scrip-for-scrip rollover relief is available if the Scheme Shareholder would make a capital loss from the CGT event happening in relation to the Scheme Shares.

However, no class ruling will be sought from the Commissioner of Taxation to confirm the availability of roll-over relief for Scheme Shareholders.

Scheme Shareholders who wish to apply roll-over relief are encouraged to seek their own independent tax advice to confirm the availability of scrip-for-scrip roll-over relief, with regard to their own specific circumstances.in

LGP is not expected to make a choice under section 124-795(4) of the *Income Tax Assessment Act 1997* (Cth) to deny scrip for scrip roll-over relief for any Scheme Shareholder.

(f) **Implications of Choosing Scrip for Scrip Roll-Over Relief**

Where scrip-for-scrip rollover is available:

(i) any capital gains that the Scheme Shareholder makes from CGT event happening on the disposal of their Scheme Shares are disregarded;

(ii) the first element of the cost base and reduced cost base of the New LGP Shares received as Scheme Consideration by the Scheme Shareholder should be equal to the cost base and reduced cost base respectively of their original Scheme Shares, and should be reasonable attributed between the New LGP Ordinary Shares received and the New LGP CV Shares received; and

(iii) the Scheme Shareholder will (for CGT discount purposes in respect the New LGP Shares) be deemed to have acquired the New LGP Shares at the time their Scheme Shares were originally acquired.

A Scheme Shareholder will evidence their choice of having chosen scrip for scrip roll-over relief by the way they prepare their income tax return for the income year in which the CGT event happens (i.e., by excluding the disregarded capital gain

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from assessable income). There is no need to lodge a separate notice with the ATO or make a formal election.

(g) **Implications of Not Choosing Scrip for Scrip Roll-Over Relief**

Where scrip for scrip roll-over relief is not available, implications will be as set out in 11.2(a) above.

11.3 Non-resident shareholders

For a Scheme Shareholder who:

(a) is not a resident of Australia for Australian tax purposes and has not previously been an Australian tax resident; and

(b) does not hold their Scheme Shares in carrying on a business through a permanent establishment in Australia

(**Non-Resident Scheme Shareholder**), the disposal of Scheme Shares should generally only result in Australian income tax implications if the Scheme Shares are 'indirect Australian real property interests' (within the meaning of section 855-25 of the *Income Tax Assessment Act 1997* (Cth)):

(c) that Scheme Shareholder together with its associates (within the meaning of section 318 of the *Income Tax Assessment Act 1936* (Cth) held 10% or more of the Scheme Shares at the time of the CGT event (as discussed above) or for any continuous 12 month period within 2 years preceding the CGT event (referred to as a 'non-portfolio interest'); and

(d) more than 50% of Cannatrek' value is due to direct or indirect interests in taxable Australian real property (as defined in Division 855 of the *Income Tax Assessment Act 1997* (Cth) and generally referring to real property owned or leased by the Cannatrek Group, referred to as the 'principal assets test').

Where that is the case, Non-resident Shareholders are not expected to be entitled to CGT roll-over relief in respect of their Scheme Shares, as the Scheme Shares should not be taxable Australian property (within the meaning of section 855-15 of the *Income Tax Assessment Act 1997* (Cth).

If that is not the case, Non-Resident Scheme Shareholders should obtain independent advice as to the tax implications of the disposal of the Scheme Shares, and whether any protection will be available under a relevant double tax treaty between a relevant jurisdiction and Australia.

Scheme Shareholders that are subject to tax in a jurisdiction outside Australia may also be subject to tax consequences in that jurisdiction in respect of the Scheme that are not covered by this summary. Such shareholders should seek and rely upon their own independent tax advice in relation to the taxation implications of the Scheme in any jurisdictions that are relevant to them.

11.4 Foreign Resident Capital Gains Withholding (FRCGW)

The FRCGW regime may impose a non-final 15% 'withholding' obligation (calculated by reference to the Scheme Consideration) on LGP if:

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(a) LGP knows, or reasonably believes that a Scheme Shareholder is a foreign resident or has an address outside of Australia (**Apparent Foreign Shareholder**); and

(b) the Scheme Shares are an 'indirect Australian real property interest' (as discussed above).

Apparent Foreign Shareholders who LGP reasonably believes may have, together with their associates, a 10% or greater interest in Cannatrek, may be provided with a foreign resident capital gains withholding – vendor declaration form (**Declaration Form**). This will enable LGP to determine if it has an obligation to withhold and pay a FRCGW amount to the Commissioner of Taxation for these Scheme Shareholders.

11.5 Goods and services tax (GST)

Scheme Shareholders should not be liable to GST in respect of a disposal of those Scheme Shares.

Where a Scheme Shareholder is registered or required to be registered for GST, the supply of the Scheme Shares should be an input taxed financial supply and not subject to GST. Where a Scheme Shareholder is not registered for GST, the transactions should be outside the scope of GST.

For those Scheme Shareholders that are registered for or required to be registered for GST, they should obtain independent GST advice in relation to whether there is an ability to claim any input tax credits for the costs (such as legal or professional fees) associated with the disposal of Scheme Shares and/or acquisition of the New LGP Shares.

11.6 Duty

The disposal of Scheme Shares should not have any Australian State or Territory duty implications for Scheme Shareholders on the basis LGP has agreed to pay any duty (if any) on the disposal of the Scheme Shares.

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12. Additional information

12.1 Interests of Cannatrek Directors in Cannatrek

As at the Last Practicable Date, the number of Cannatrek Shares held by or on behalf of each of the Cannatrek Directors is as follows:

Director	Member of the Board	No. of Cannatrek Shares held	Percentage holding (excluding Cannatrek Options)	No. of Cannatrek Options held	Percentage holding (including Cannatrek Options) [3]
Thomas Huppert	Non-Executive Director	52,869,670 [1]	19.11%	1,054,464	19.13%
Seth Yakatan	Non-Executive Director	3,076,922	1.11%	-	1.11%
Sam Holt	Non-Executive Director	2,798,911[2]	1.01%	-	1.01%
Brent Dennison	Executive Chairman	2,747,252	0.99%	-	0.99%
Justin Arter	Non-Executive Director	329,670	0.12%	-	0.12%
Imogen Randell	Non-Executive Director	-	0.00%	-	0.00%
TOTAL		**61,822,425**	**22.35%**	**1,054,464**	**22.34%**

Notes

[1] Includes shares held personally and via entities controlled by the Director.

[2] Held via entities controlled by the Director.

*[3] *On the basis that the Cannatrek Options are converted into Cannatrek Shares in the manner set out in section 1.5(e).*

All Cannatrek Directors who hold Cannatrek Shares, including the members of the Board, will be entitled to vote at the Scheme Meeting and, if the Scheme is implemented, will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

The members of the Board collectively hold or control approximately 22.35% of Cannatrek Shares as at the Last Practicable Date and it is anticipated that they will collectively hold or control 22.35% of Cannatrek Shares at the Scheme Meeting.

Each member of the Board intends to vote or procure the voting of their Cannatrek Shares in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders.

No Cannatrek Director acquired or disposed of a Relevant Interest in any Cannatrek Shares during the 6 months before the date of this Scheme Booklet.

12.2 Interest of the Cannatrek key management personnel in Cannatrek

As at the Last Practicable Date, the number of Cannatrek Shares held by or on behalf of the Cannatrek key management personnel is as follows:

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Personnel	Position	No. of Cannatrek Shares held	No, of Cannatrek Options held
Phoebe Macleod	GM Product & Industry Development	3,607,910[1]	-
Dr Jim Connell	Chief Medical Officer	3,509,019[2]	-
Paula Butler	Chief Financial Officer	1,373,626	-
Jason Rance	Chief Executive Officer	-	650,000
James Kapetanios	General Manager - Operations	-	370,370
George Michalopoulos	General Manager - Commercial	-	259,259
Chris Petrakis	General Manager - Digital Products & Technology	-	-
	TOTAL	**8,490,555**	**1,279,629**

Notes
[1] Includes shares held by an associate of the key management person
[2] Held via entities controlled by key management.

The Cannatrek key management personnel who hold Cannatrek Shares will be entitled to vote at the Scheme Meeting and intend to vote or procure the voting of their Cannatrek Shares in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and the Independent Expert continuing to conclude that the Scheme is in the best interests of Cannatrek Shareholders. If the Scheme is implemented, the Cannatrek key management personnel will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

12.3 Cannatrek employee incentive arrangements

(a) Overview of arrangements

Cannatrek's Equity Incentive Plan references an Employee Share Option Plan, which is prepared on relatively standard terms. The Board of Cannatrek has discretion in relation to the grant of options, including vesting terms and conditions.

(b) Cannatrek Options

Intended treatment of Cannatrek Options in connection with the Scheme

Each of the Cannatrek Optionholders and Cannatrek have agreed that each Cannatrek Option will be subject to a cash-free exercise upon the Scheme becomes Effective.

Accordingly, it is expected that a further 1,749,772 of Cannatrek Shares will be issued in Cannatrek following the date of this Scheme Booklet. Please refer to Section 1.5(e) for further details of the treatment of Cannatrek Options.

If the Scheme does not proceed, the Equity Incentive Plan and the Cannatrek Option will continue on their current terms.

12.4 Benefits and agreements

(a) Interests of Cannatrek Directors in LGP

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No member of the Board has any interest in securities of any LGP Group Member.

(b) **Interests of Board in contracts with LGP Group**

No member of the Board has any interest in any contract entered into by any LGP Group Member or any Related Bodies Corporate of the LGP Group.

(c) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Cannatrek (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Cannatrek (or any of its Related Bodies Corporate) in connection with the Scheme.

(d) **Agreements connected with or conditional on the Scheme**

There are no agreements or arrangements made between any member of Board and any other person in connection with, or conditional on, the outcome of the Scheme.

(e) **Benefits under the Scheme or from LGP**

None of the members of Board have agreed to receive, or is entitled to receive, any benefit from LGP, or any LGP Group Member or any Related Bodies Corporate of the LGP Group, which is conditional on, or is related to, the Scheme.

(f) **Deeds of indemnity, insurance and access**

Pursuant to the Cannatrek Constitution, Cannatrek must indemnify and insure its current and former officers, against any liability incurred by that person in such capacity, including legal costs.

Each member of the Cannatrek Board has entered into a Deed of Insurance, Indemnity and Access with Cannatrek, which:

(i) indemnifies the director against all losses and liabilities incurred by the director as an officer of Cannatrek and provides for legal costs in defending a claim to be covered by Cannatrek;

(ii) requires Cannatrek to maintain a policy of insurance insuring directors against liability as a director and officer of Cannatrek, for the duration of their appointment as officeholder and for 7 years after ceasing such appointment; and

(iii) provides directors with access to board papers for the duration of their appointment as an officeholder and for 7 years after ceasing such appointment.

12.5 Summary of Scheme Implementation Deed

On 14 January 2026, Cannatrek and LGP entered into a Scheme Implementation Deed under which Cannatrek agreed to propose the Scheme. The Scheme Implementation Deed contains terms that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Cannatrek' obligation to conduct its business in a certain way during the Scheme process.

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A summary of the key elements of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was lodged by LGP with ASX on 14 January 2026 and can be obtained from https://www.asx.com.au.

(a) **Conditions Precedent**

Implementation of the Scheme is subject to the following Conditions Precedent which must be satisfied or (if permitted) waived before the Scheme can be implemented:

(i) **ASIC and ASX relief:** ASIC and ASX each issue or provide such consents, waivers and approvals or do such other acts that are necessary to implement the Scheme, and none of those consents, waivers or approvals have been withdrawn, revoked or adversely amended before 8:00am on the Second Court Date.

(ii) **Regulatory Approvals:** all material Regulatory Approvals which LGP and Cannatrek (acting reasonably) agree are necessary or desirable to implement the Scheme or the Transaction are obtained and those approvals have not been withdrawn, revoked or adversely amended before 8:00am on the Second Court Date;

(iii) **Cannatrek Shareholder approval**: Cannatrek Shareholders approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act (except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Corporations Act) at the Scheme Meeting;

(iv) **Independent Expert's Report:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Cannatrek Shareholders before the time when the Scheme Booklet is registered with ASIC and does not change or adversely qualify its conclusion or withdraw its Independent Expert's Report before 8:00am on the Second Court Date;

(v) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;

(vi) **No restraints:** No applicable law shall have been enacted and no Order shall be in effect as at 8:00am on the Second Court Date (or the intended date for the Second Court Date, but for such Order) that prevents, makes illegal or prohibits the implementation of the Scheme or requires the divestiture by LGP of any Cannatrek Shares;

(vii) **No Cannatrek Material Adverse Change:** No Cannatrek Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date;

(viii) **No Cannatrek Prescribed Occurrence:** No Cannatrek Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date;

(ix) **Cannatrek Options:** By 8.00am on the Second Court Date, each holder of Cannatrek Options has either:

(A) exercised the vested Cannatrek Options held by them in accordance with their existing terms; or

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(B) entered into an Option Cancellation or Exercise Deed,

so that all Cannatrek Options will have either lapsed, been exercised or cancelled in accordance with the Scheme Implementation Deed;

(x) **Cannatrek Loan Funded Shares:** By 8.00am on the Second Court Date, the loan agreement for the Remaining Loan Balance relating to each holder's Cannatrek Loan Funded Shares is amended to apply to the holder New LGP Shares effective from the Implementation Date in accordance with the Scheme Implementation Deed.

(xi) **Cannatrek Financing:** Such approvals or consents in relation to the Cannatrek Financing, which are necessary with respect to the continuation of the Cannatrek Financing on implementation of the Scheme or the Transaction, are obtained.

(xii) **LGP Financing:** Such approvals or consents in relation to the LGP Financing, which are necessary with respect to the continuation of the LGP Financing on implementation of the Scheme or the Transaction, are obtained.

(xiii) **ASX Listing Rule 6.1 confirmation:** ASX confirming the terms of the New LGP CV Shares are, in ASX's opinion, appropriate and equitable for the purposes of ASX Listing Rule 6.1.

(xiv) **Net Cash:** by 8.00am on the Second Court Date, the Cannatrek Group will have Net Cash and Receivables (in aggregate) of no less than $19,000,000.

(xv) **No LGP Material Adverse Change:** No LGP Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(xvi) **No LGP Prescribed Occurrence**: No LGP Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

(xvii) **LGP Shareholder approval**: LGP Shareholders approve the LGP Resolutions by the requisite majorities at the LGP Shareholder Meeting.

(xviii) **Cannatrek Key Person Escrow:** LGP and each Cannatrek Key Person duly executing a Voluntary Escrow Deed in respect of each Cannatrek Key Person's New LGP Ordinary Shares.

(xix) **LGP Key Shareholder Escrow:** LGP and each LGP Key Shareholder duly executing a Voluntary Escrow Deed in respect of each LGP Key Shareholder's LGP Ordinary Shares.

(xx) **Other approvals:** Such approvals or consents in relation to leases, licences or permits held by an LGP Group Member, which LGP and Cannatrek agree in writing are required as a result of implementation of the Scheme or Transaction, are obtained.

Full details of the Conditions Precedent and the ability of each of Cannatrek and LGP to rely on the various Conditions Precedent and the provisions relating to satisfaction or waiver of these Conditions Precedent are set out in clause 3.1 of the Scheme Implementation Deed.

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As at the Last Practicable Date, Cannatrek is not aware of any reason why the Conditions Precedent will not be satisfied.

(b) **Business restrictions**

The Scheme Implementation Deed requires that each of the LGP Group and the Cannatrek Group must conduct their respective business and operations in the ordinary course and a manner substantially consistent (subject to any applicable laws and regulations) with past practice. In addition, subject to some exceptions, each must not undertake or agree to undertake certain activities unless, generally speaking, required or permitted by the Scheme Implementation Deed, required by any applicable law or regulation, or by an order, or agreed to in writing by the other party.

(c) **Exclusivity**

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of LGP, which are in line with market practice. Those arrangements include:

(i) **No talk**: Cannatrek must not participate in any negotiations or discussions with any person in relation to, or that may lead to, a Competing Proposal or provide information to facilitate due diligence enquiries for that purpose;

(ii) **No shop**: Cannatrek must not solicit or invite any Competing Proposal or any enquiries, proposals, discussions or negotiations in relation to, or that may lead to, a Competing Proposal;

(iii) **Notification**: if Cannatrek is approached in relation to a Competing Proposal, or a proposed or potential Competing Proposal, Cannatrek must notify LGP within two Business Days' of becoming aware of such matter. The notice must include a summary of the material terms and conditions of the Competing Proposal (if any) and the identity of the Third Party making or proposing the Competing Proposal; and

(iv) **Matching right**: Cannatrek is prohibited from entering into an agreement, arrangement or understanding in respect of any actual, proposed or potential Competing Proposal unless Cannatrek has first:

(A) acting in good faith, determined (after taking advice) that the Competing Proposal does or is likely to constitute a Superior Proposal and failing to consider it would result in a breach of the fiduciary duties of the Cannatrek Directors;

(B) provided LGP with the material details of the actual, proposed or potential Competing Proposal;

(C) given LGP at least 5 Business Days following receipt of notification of a Competing Proposal to provide a matching or Superior Proposal to the terms of the Competing Proposal; and

(D) LGP has not provided to Cannatrek a LGP Counterproposal within 5 Business Days.

Cannatrek is not required to comply with the no talk, notification and no due diligence provisions in the Scheme Implementation Deed if the Board determines, after consultation with its advisers, that complying with those provisions would

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reasonably be likely to constitute a breach of the fiduciary or statutory duties owed by the Cannatrek Directors, provided it has first complied with the matching right process.

If LGP provides a LGP Counterproposal to Cannatrek by the expiry of the 5 Business Day period and the Board considers provide a superior outcome for Cannatrek Shareholders then the parties use their best endeavours to agree the amendments to the Scheme Implementation Deed, the Scheme and the Deed Poll (as applicable). If the Board's determination is that LGP Counterproposal would not provide an equivalent or more favourable outcome to Cannatrek Shareholders reasons for the decision must be promptly provided LGP who will have a further 2 Business Days to vary its counterproposal.

Similar exclusivity arrangements are set out in the Scheme Implementation Deed in favour of Cannatrek, which are in line with market practice.

These exclusivity arrangements are set out in full in clauses 12 and 13 of the Scheme Implementation Deed.

(d) **Warranties**

The Scheme Implementation Deed contains customary warranties given by each of Cannatrek and LGP to each other.

These warranties are set out in Schedule 1 (LGP Representations and Warranties) and Schedule 3 (Cannatrek Representations and Warranties) of the Scheme Implementation Deed.

(e) **Cannatrek Break Fee**

In accordance with Australian market practice, Cannatrek has agreed to pay LGP a cash reimbursement fee of $335,000 (**Cannatrek Break Fee**), being approximately 1% of the equity value of Cannatrek[42], in certain circumstances. Those circumstances include:

(i) **Change of recommendation or recommendation of Competing Proposal:** during the Exclusivity Period, any member of the Board withdraws or adversely changes or adversely modifies its recommendation of the Scheme or supports or endorses a Competing Proposal, other than as a result of:

(A) the Independent Expert opining that the Scheme is not in the best interests of Scheme Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including a Superior Proposal));

(B) the failure to recommend occurs because of a requirement or request by a court or a Government Agency that one or more members of the Board abstain or withdraw from making a recommendation that Cannatrek Shareholders vote in favour of the Scheme as a result of that member of the Board's interest in the Scheme;

[42] Based on the total Scheme Consideration provided under the Scheme.

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(C) Cannatrek being entitled to terminate the Scheme Implementation Deed for a material breach by LGP; or

(D) automatic termination of the Scheme Implementation Deed due to Scheme Shareholders not passing the Scheme Resolution.

(ii) **Change of control of Cannatrek**: during the Exclusivity Period, a Competing Proposal is announced by a Third Party, and within six months of the date of such announcement, the Third Party or an Associate of the Third Party:

(A) completes in all material respects the transaction referred to in such a Competing Proposal; or

(B) has a Relevant Interest in more than 50% of the Cannatrek Shares under a transaction that is or has become wholly unconditional or otherwise comes to control (within the meaning of section 50AA of the Corporations Act) Cannatrek;

(iii) **Termination of the Scheme Implementation Deed:** LGP validly terminates the Scheme Implementation Deed due to:

(A) a material breach by Cannatrek of its obligations under that deed (excluding any representation or warranty given by Cannatrek proving to be incorrect); or

(B) a representation and warranty given by Cannatrek is not true and correct, where that breach of representation and warranty is material in the context of the transaction as a whole,

(C) Cannatrek being unable to provide a certificate confirming each Cannatrek Representation and Warranty is true and correct on the Business Day immediately preceding the Second Court Date,

in accordance with the Scheme Implementation Deed.

The Board considers that the Cannatrek Break Fee is reasonable and appropriate in amount, structure and effect. The fee is not payable if the Scheme does not proceed merely because Cannatrek Shareholders do not vote in favour of the Scheme in sufficient numbers to satisfy the relevant requirements.

For full details of the Cannatrek Break Fee, see clause 14 of the Scheme Implementation Deed.

(f) **LGP Break Fee**

LGP has agreed to pay Cannatrek a reciprocal cash reimbursement fee of $335,000 (**LGP Break Fee**) in certain circumstances including if a majority of LGP Directors withdraws or adversely changes or adversely modifies their recommendation of the LGP Resolutions or supports or endorses a Competing Proposal or Cannatrek validly terminates the Scheme Implementation Deed due to a material breach by LGP of its obligations under that deed,

For full details of the LGP Break Fee, and the circumstances in which LGP will need to pay the cash reimbursement fee of $335,000, see clause 15 of the Scheme Implementation Deed.

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(g) **Termination**

Either party may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date:

(i) if agreed to by both parties;

(ii) in certain circumstances where:

(A) there is a breach or non-satisfaction of a Condition Precedent which is not waived;

(B) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the relevant time or date specified in the Scheme Implementation Deed; or

(C) it becomes more likely than not that a Condition Precedent will not be satisfied by the End Date,

and within 5 Business Days of a notice of such circumstances, LGP and Cannatrek are not able to reach an agreement on:

(D) an alternate means or method for the Scheme to proceed;

(E) an extension to the relevant time or date to satisfy the relevant Condition Precedent;

(F) a change to the First Court Date or Second Court Date; or

(G) an extension of the End Date;

(iii) where the other party is in material breach of the Scheme Implementation Deed (other than a breach of a representation or warranty) and has given notice to the other setting out the relevant circumstances of such breach and the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 8:00am on the Second Court Date) after the time the notice is given;

(iv) where a representation and warranty given by the other party is not true and correct, where that breach of representation and warranty is material in the context of the transaction as a whole, and has given notice to the party other setting out the relevant circumstances of such breach and the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 8:00am on the Second Court Date) after the time the notice is given;

(v) in certain circumstances if the other party is unable to provide a certificate confirming each representation and warranty to be given by that party under the Scheme Implementation Deed is true and correct on the Business Day immediately preceding the Second Court Date;

(vi) if Cannatrek Shareholders do not approve the Scheme at the Scheme Meeting by the Requisite Majorities; or

(vii) if the Scheme is not Effective by the End Date (currently 14 July 2026).

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Cannatrek is entitled to terminate the Scheme Implementation Deed at any time prior to 8:00am on the Second Court Date where:

(viii) a majority of the Cannatrek Board has withdrawn their recommendation that Cannatrek Shareholders vote in favour of the Scheme at the Scheme Meeting, and, if required to pay Cannatrek Break Fee as a result of such withdrawal, Cannatrek has paid LGP the Cannatrek Break Fee; or

(ix) a majority of LGP Directors have withdrawn, adversely changed or adversely modified its recommendation or have made a public statement supporting or endorsing a Competing Proposal.

LGP may also terminate the Scheme Implementation Deed at any time prior to 8:00am on the Second Court Date if:

(x) a majority of the LGP Directors withdraw their recommendation that LGP Shareholders vote in favour of the LGP Resolutions, and, if required to pay the LGP Break Fee as a result of such withdrawal, LGP has paid Cannatrek the LGP Break Fee; or

(xi) a majority of the Cannatrek Board has withdrawn, adversely changed or adversely modified its recommendation or have made a public statement supporting or endorsing a Competing Proposal.

(h) **Permitted Dividend**

Under the Scheme Implementation Deed, subject to:

(i) the Net Cash of Cannatrek being greater than the Cannatrek Cash Floor (i.e. being greater than $13,000,000) as at the Implementation Date; and

(ii) the Scheme becoming Effective,

Cannatrek is permitted to declare and pay a Permitted Dividend to Cannatrek Shareholders.

As at the date of this Scheme Booklet, Cannatrek has determined that **no Permitted Dividend will be declared.**

12.6 Consents, disclosures and fees

(a) **Consents**

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

(i) LGP in respect of the LGP Information only; and

(ii) RSM as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

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The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

(iii) Intrinsic Partners as corporate adviser to Cannatrek;

(iv) K&L Gates as legal adviser to Cannatrek;

(v) Boardroom as the Cannatrek Share Registry; and

(vi) Computershare as the LGP Share Registry.

(b) **Disclosures and responsibility**

Further, each person named in Section 12.6(a):

(i) has not authorised or caused the issue of this Scheme Booklet;

(ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:

(A) LGP in respect of the LGP Information only; and

(B) RSM, in relation to its Independent Expert's Report; and

(iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 12.6(b).

(c) **Fees**

The persons named in this Scheme Booklet as performing a function in a professional or advisory capacity in connection with the Scheme and the preparation of the Scheme Booklet on behalf of Cannatrek are Intrinsic Partners as corporate adviser, K&L Gates as Australian legal adviser, RSM as the Independent Expert and Boardroom as the Cannatrek Share Registry.

The fees set out in this Section 12.6(c) only relate to fees payable by Cannatrek in connection with the Scheme. Such fees for professional services are estimated to be $2,150,000 (excluding GST).

In aggregate, if the Scheme is implemented, Cannatrek expects to pay approximately $2,150,000 million (excluding GST) in transaction costs. In aggregate, if the Scheme is not implemented, Cannatrek expects to pay approximately $1,420,000 (excluding GST) in transaction costs.

12.7 No unacceptable circumstances

The Board believes that the Scheme does not involve any circumstances in relation to the affairs of Cannatrek that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of Section 657A of the Corporations Act.

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12.8 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any member of Board, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Cannatrek Shareholders.

12.9 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Cannatrek becomes aware that:

(a) a material statement in this Scheme Booklet is false or misleading;

(b) there is a material omission from this Scheme Booklet;

(c) a significant change affecting a matter in this Scheme Booklet has occurred; or

(d) a significant new matter has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Cannatrek will prepare a supplementary document to this Scheme Booklet.

The form which the supplementary document may take, and whether a copy will be sent to each Cannatrek Shareholder, will depend on the nature and timing of the new or changed circumstances.

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13. Glossary and interpretation

13.1 Glossary

In this Scheme Booklet:

ACCC means the Australian Competition and Consumer Commission.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as in section 12 of the Corporations Act and as if subsection 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed and as if the 'designated body' is Cannatrek.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as 'the ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

Authorisation means an approval, authorisation, consent, declaration, exemption, notarisation, licence, quota, permit or waiver, however described, and any condition attaching to it; and in the context of anything that could be prohibited or restricted by applicable law if a Government Agency acts in any way within a specified period, the expiry of the period without that action;

Board means the Cannatrek Board.

Business Day means any day that is each of the following:

(a) a Business Day within the meaning given in the ASX Listing Rules; and

(b) a day that banks are open for business in Melbourne, Australia.

Cannatrek means Cannatrek Limited ACN 056 175 369.

Cannatrek Board means the board of directors of Cannatrek.

Cannatrek Break Fee has the meaning given in section 12.5(e).

Cannatrek Cash Floor means $13,000,000.

Cannatrek Constitution means the constitution of Cannatrek as in force as at the date of this document.

Cannatrek Director means a director of Cannatrek from time to time.

Cannatrek Disclosure Materials means:

(a) all documentation contained in the electronic data room for Cannatrek, as evidenced by the data room index agreed in writing between the parties on the date of the Scheme Implementation Deed;

(b) the written responses by or on behalf of the Cannatrek Group or its Representatives (and any documents provided together with those responses) to the questions raised by LGP Group or its Representatives, including any attachments to such responses; and

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(c) the letter identified as 'Cannatrek Disclosure Letter' provided by Cannatrek to LGP and countersigned by LGP on or prior to the date of the Scheme Implementation Deed and any document identified in that letter as having been disclosed to LGP subject to such document having been Fairly Disclosed in the materials described in paragraphs (a) and (b) above.

Cannatrek Financing means the facility agreement between the Cannatrek Group and the Commonwealth Bank of Australia (ACN 123 123 124) dated 20 June 2022 as amended under a facility amendment agreement between the parties dated 24 September 2025.

Cannatrek Group means Cannatrek and each of its Subsidiaries. A reference to a **member of the Cannatrek Group** is a reference to Cannatrek or any such Subsidiary.

Cannatrek Information means the information contained in this Scheme Booklet, other than the LGP Information and the information contained in Annexure 2.

Cannatrek Key Person means new Directors of LGP appointed pursuant to clause 5.5(a) of the Scheme Implementation Deed and any holder of Cannatrek Shares with a relevant interest greater than 1.5% as at the Effective Date.

Cannatrek Loan Funded Shares means the Cannatrek Shares on issue which are subject to a limited recourse loan between the holder and Cannatrek, as set out in Schedule 6 of the Scheme Implementation Deed.

Cannatrek Material Adverse Change means any event, occurrence or matter (whether occurring before, on or after the date of the Scheme Implementation Deed) which is or would (either individually or when aggregated together with any other events, matters or circumstances of a similar type or nature) reasonably be expected to diminish the value of the total consolidated net assets of the Cannatrek Group as compared to the total consolidated net assets of Cannatrek in Cannatrek's consolidated financial statements for the year ended 30 June 2025 by at least $2,500,000, determined after:

(a) taking into account any changes, occurrences or matters which have occurred after the execution of the Scheme Implementation Deed which have a positive effect on the value of total consolidated net assets of Cannatrek; and

(b) excluding the impact of any changes, occurrences or matters to the extent that any loss incurred by the Cannatrek Group in connection with that change, occurrence or matter is recovered under an insurance policy of any member of the Cannatrek Group,

other than any event, matter or circumstance:

(c) arising from the announcement of, or entry into, or performance of obligations under, the Scheme Implementation Deed or consummation of the transactions contemplated thereby;

(d) which LGP has previously approved or requested in writing, including any consequences reasonably foreseeable as a result of such matters; or

(e) Fairly Disclosed in the Cannatrek Disclosure Materials.

Cannatrek Options means any options to acquire Cannatrek Shares issued to participants under the Equity Incentive Plan.

Cannatrek Prescribed Occurrence means any of the following events:

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(a) (**conversion**) Cannatrek converts all or any of its shares into a larger or smaller number of shares;

(b) (**reduction of share capital**) Cannatrek resolves to reduce its share capital in any way, or to combine, split or redeem or repurchase directly or indirectly any of its shares;

(c) (**buy-back**) Cannatrek:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(d) (**issuing or granting shares or options**) any member of the Cannatrek Group issues shares, or grants a performance right or an option over its shares, or agrees to make such an issue or grant such a performance right or option, other than an issue of Cannatrek Shares upon the exercise or vesting of the Cannatrek Options which are on issue as at the date of the Scheme Implementation Deed;

(e) (**encumbrances**):

(i) other than in the ordinary course of business and consistent with past practice, Cannatrek or any member of the Cannatrek Group creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property; or

(ii) Cannatrek, or a Related Entity whose assets represent 10% or more of the total consolidated assets of the Cannatrek Group, grants, or agrees to grant, an Encumbrance in the whole, or a substantial part of, its business or property;

(f) (**securities or other instruments**) any member of the Cannatrek Group issues or agrees to issue, convertible notes or any other instrument or security convertible into shares or securities in, or of any member of the Cannatrek Group, other than an issue to another member of the Cannatrek Group;`

(g) (**distribution**) any member of the Cannatrek Group:

(i) agrees to pay, declares, determines, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital (whether in cash or in specie); or

(ii) announces, declares or determines to pay any dividend to its members or announces or makes any other distribution (whether in cash or in specie) to its members, other than the Permitted Dividend.

(h) (**disposals**) any member of the Cannatrek Group disposes, or agrees to dispose, of the whole or a substantial part of its business or property (other than to another member of the Cannatrek Group);

(i) (**insolvency, winding up or administration**) any member of the Cannatrek Group:

(i) resolves to be wound up;

(ii) has a liquidator or provisional liquidator appointed;

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(iii) has a court make an order for the winding up of that member;

(iv) has an administrator appointed under section 436A, 436B or 436C of the Corporations Act;

(v) executes a deed of company arrangement; or

(vi) has a receiver, or a receiver and manager, appointed in relation to the whole, or a substantial part, of its property,

(j) (**acquisition or disposal of business**) any member of the Cannatrek Group:

(i) acquires or disposes of (or agrees to acquire or dispose of) any existing or new business, the value of which exceeds $600,000 individually or in the aggregate;

(ii) commencing business activities not already carried out as at the date of the Scheme Implementation Deed, whether by way of acquisition or otherwise other than in the ordinary course of business;

(k) (**material contracts**) any member of the Cannatrek Group:

(i) enters into any contracts or commitments or any series of related contracts or commitments (other than under paragraph (ii) below) requiring expenditure or payments by the Cannatrek Group in excess of $600,000, other than any payment required by law;

(ii) enters into any agreement or contract which, if completed, would result in a member of the Cannatrek Group incurring capital expenditure of more than $600,000 (individually or in the aggregate);

(iii) waives or adversely varies in a material respect any material rights under any other contract to which it is party and which is material to the Cannatrek Group as a whole; or

(iv) waives any material third party default under any material contract to which it is party where the financial impact of the waiver on the Cannatrek Group will be in excess of $600,000 (individually or in the aggregate);

(l) (**financing**) any member of the Cannatrek Group enters into any financing agreement which is not in place as at the date of the Scheme Implementation Deed, or borrows any monies from a Third Party excluding existing amounts drawn under any other facilities in place as at the date of the Scheme Implementation Deed or for the purposes of insurance premium funding;

(m) (**employees**) any Cannatrek Group Member:

(i) enters into (other than for the purposes of replacing an existing agreement or arrangement on a materially consistent basis) or materially alters, varies or amends any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors or senior executives, including:

(A) paying or agreeing to pay, any bonus, retention bonus, benefit or similar to any such person in connection with the Scheme or Transaction; or

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(B) accelerating or otherwise materially increasing compensation or benefits for any such person,

in each case other than pursuant to contractual arrangements in effect on the date of the Scheme Implementation Deed, ordinary course increases in compensation or benefits consistent with past practice, or Cannatrek's policies and guidelines in effect on the date of the Scheme Implementation Deed and which are contained in the Cannatrek Disclosure Material;

(ii) agrees to increase in any material respect the remuneration of, makes or offers to make any bonus payment, retention payment or termination payment to, or otherwise materially change the terms and conditions of employment of any Cannatrek Director or any employee of any Cannatrek Group Member, other than in respect of an annual salary review, bonuses, terminations, redundancies and filling of vacancies in the ordinary course of business or pursuant to any contract already in existence as at the date of the Scheme Implementation Deed and Fairly Disclosed in the Cannatrek Disclosure Material;

(iii) agrees to issue any rights to any person under any employee incentive plan, accelerate the rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan or introduce a new employee incentive plan; or

(iv) makes or agrees to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement;

(n) (**accounting policies**) any member of the Cannatrek Group changes any accounting policy applied by it to report its financial position other than any change in policy required by a change in law or accounting standards;

(o) (**litigation**) any member of the Cannatrek Group commences or settles any legal proceeding, claim, investigation or arbitration where the claimed or settlement amount is in excess of $600,000 (individually or in the aggregate), other than with the prior written consent of LGP or as claimant in respect of the collection of debts arising in the ordinary course of the Cannatrek Group's business;

(p) (**tax claims**) Any member of the Cannatrek Group settles or agree to compromise any material tax claims, liabilities or disputes or making any election in relation to tax, where the financial impact on the Cannatrek Group of such settlement, compromise, concession or election will be in excess of $600,000 (individually or in the aggregate);

(q) (**constitution**) any member of the Cannatrek Group adopts a new constitution or modify or repeal its constitution or a provision of it;

(r) (**dealings in securities**) Any member of the Cannatrek Group:

(i) acquires or disposes of any shares or other securities in any body corporate or any units in any trust;

(ii) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any material undertaking, entity, asset or business (or such interest in an undertaking, entity, asset or business) held by another person;

(s) (**Authorisations**) any member of the Cannatrek Group:

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(i) varies or waives its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the Cannatrek Group) any material Cannatrek Authorisation or a number of Cannatrek Authorisations which, when taken together, are material to the conduct of the business of the Cannatrek Group as a whole;

(ii) fails to comply in all material respects with all applicable law in respect of its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any material Cannatrek Authorisation;

(iii) disposes of, or agrees to dispose of, any Cannatrek Authorisations necessary for it to conduct its activities as they are conducted as at the date of the Scheme Implementation Deed;

(t) (**indebtedness**) any member of the Cannatrek Group:

(i) forgives any loans given in favour of any other person;

(ii) gives any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a Cannatrek Group Member;

(u) (**related party transactions**) any member of the Cannatrek Group enters into, or resolves to enter into, a transaction (including an agreement for Cannatrek to forego or extinguish any rights) with any related party of Cannatrek (other than a related party which is a Cannatrek Group Member), as defined in section 228 of the Corporations Act;

(v) (**advisers**) any member of the Cannatrek Group amends or agrees to amend in any material respect any arrangement with its advisers in place at the date of the Scheme Implementation Deed or enters into arrangements with any new advisers;

(w) (**other actions**) any member of the Cannatrek Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above;

other than an occurrence:

(x) required or expressly permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;

(y) Fairly Disclosed in the Cannatrek Disclosure Materials;

(z) in connection with the treatment of the Cannatrek Options in accordance with clause 4.7 of the Scheme Implementation Deed;

(aa) in connection with the treatment of the Cannatrek Loan Funded Shares in accordance with clause 4.8 of the Scheme Implementation Deed;;

(bb) resulting, directly or indirectly, from the actions (or omissions to act) of LGP or a LGP Group Member, other than in circumstances where Cannatrek is in material breach of the Scheme Implementation Deed unless such material breach resulted, directly or indirectly, from the actions (or omissions to act) of LGP or a LGP Group Member;

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(cc) reasonably required by any applicable law or regulation or by an Order; or

(dd) with the written consent of LGP (such consent not to be unreasonably withheld or delayed);

Cannatrek Share means a fully paid ordinary share in the capital of Cannatrek.

Cannatrek Shareholder means a person who is registered as the holder of one or more Cannatrek Shares in the Cannatrek Share Register from time to time.

Cannatrek Share Register means the register of members of Cannatrek maintained in accordance with the Corporations Act.

Cannatrek Share Registry means Boardroom Pty Limited.

CGT means Australian capital gains tax.

Combined Group LGP and its Subsidiaries, following the Implementation Date (including the Cannatrek Group).

Competing Proposal means any offer, proposal, agreement or transaction (whether existing before, on or after date of the Scheme Implementation Deed) that, if entered into or completed substantially in accordance with its terms, would result in any Third Party acquiring (directly or indirectly):

(a) Voting Power in or otherwise having a right to acquire a legal, beneficial or economic interest in, or control of, more than 20% of the securities in any member of the Cannatrek Group or LGP Group (as applicable);

(b) Control of any member of the Cannatrek Group or LGP Group (as applicable);

(c) becoming the holder of, or otherwise having a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all or a material part of the business or assets of any member of the Cannatrek Group or LGP Group (as applicable);

(d) Voting Power in more than 20% of Cannatrek Shares or LGP Shares (as applicable); or

(e) require Cannatrek or LGP (as applicable) to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Condition Precedent means a condition precedent contained in clause 3.1 of the Scheme Implementation Deed, as summarised at Section 12.5(a).

Control means with respect to any person (other than an individual) the possession, directly or indirectly, of the power to direct or cause the direction of the management or

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policies of such person whether through the ownership of voting securities, by agreement or otherwise.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia (Victorian Registry).

Deed Poll means the deed poll executed on 18 February 2026 by LGP in favour of the Scheme Shareholders, a copy of which is set out in Annexure 4.

EBITDA in respect of a period is the consolidated earnings before interest, income tax expenses, depreciation and amortisation determined by reference to the relevant financial statements of the relevant party.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date with respect to the Scheme, means the date on which the Scheme becomes Effective.

Encumbrance means:

(a) any:

(i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or

(ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

(b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset;

(c) a PPSA Security Interest; or

(d) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in paragraph (a), (b) or (c).

End Date means 14 July 2026 or such other date as may be agreed in writing between Cannatrek and LGP.

Equity Incentive Plan means the Cannatrek Employee Option Plan Rules 2025, adopted with effect from 1 June 2025.

EU Prospectus Regulation means *Regulation (EU) 2017/1129* of the European Parliament and the Council of the European Union.

Excluded Shareholder means any Cannatrek Shareholder who holds any Cannatrek Shares on behalf of, or for the benefit of, or as nominees for, any LGP Group Member, in each case as at the Scheme Record Date. As at the Last Practicable Date there are no Excluded Shareholders.

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Exclusivity Period means the period from and including the date of the Scheme Implementation Deed to the earlier of:

(a) the termination of the Scheme Implementation Deed in accordance with its terms;

(b) the Effective Date; and

(c) the End Date.

Fairly Disclosed means:

(d) in relation to a matter disclosed to LGP or a LGP Group Member (or any Representative of the LGP Group), to such matter being disclosed in sufficient detail so as to enable a reasonable person experienced in businesses similar to the business conducted by Cannatrek, or transactions similar to the Transaction, to identify the nature, substance and scope of the relevant matter, event or circumstance (including, in each case that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed); or

(e) in relation to a matter disclosed to Cannatrek or a member of the Cannatrek Group (or any Representative of the Cannatrek Group), to such matter being disclosed in sufficient detail so as to enable a reasonable person experienced in businesses similar to the business conducted by LGP, or transactions similar to the Transaction, to identify the nature, substance and scope of the relevant matter, event or circumstance (including, in each case that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).

Financial Indebtedness means any debt or monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any (without double counting):

(a) debit balances (after application of any cash pooling and account set off arrangements) at banks or financial institutions;

(b) advance, loan, bill, bond, debenture, note or similar instrument;

(c) drawing, acceptance, endorsement, collecting or discounting arrangement;

(d) guarantee; or

(e) finance or capital raised to the extent required in accordance with Australian Accounting Standards to be treated as borrowing.

Government Agency means any Australian or foreign government or governmental, semi-governmental or judicial entity or authority tribunal, agency or entity. It also includes any government minister (and their delegate), any self-regulatory organisation established under statute or any securities exchange and, for the avoidance of doubt, includes TGA, ODC, ASIC, ASX, ACCC and equivalent bodies in jurisdictions outside Australia.

GST means goods and services tax imposed in Australia under the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the same meaning as in the GST Act.

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Health House means Health House International Pty Ltd (ACN 149 197 651).

Implementation Date with respect to the Scheme, means the fifth Business Day after the Scheme Record Date or such other date after the Scheme Record Date agreed to in writing between LGP and Cannatrek.

Independent Expert means RSM Corporate Australia Pty Ltd.

Independent Expert's Report means the report from the Independent Expert commissioned by Cannatrek dated 24 February 2026 set out in Annexure 2.

Ineligible Foreign Shareholder means a Cannatrek Shareholder:

(a) who (as at the Scheme Record Date) is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia, New Zealand, USA, Canada, Singapore, Netherlands and the United Kingdom; or

(b) whose address shown in the Cannatrek Share Register (as at the Scheme Record Date) is a place outside Australia, New Zealand, USA, Canada, Singapore, Netherlands and the United Kingdom, or who is acting on behalf of such a person,

unless LGP and Cannatrek agree that it is lawful (by the laws of the relevant place) and not unduly onerous or unduly impracticable to issue that Cannatrek Shareholder with New LGP Shares on implementation of the Scheme.

Ineligible Shareholder means an:

(a) Ineligible Foreign Shareholder; or

(b) Unmarketable Parcel Shareholder.

Last Practicable Date means 3 March 2026.

LGP means Little Green Pharma Ltd ACN 615 586 215.

LGP Board means the board of directors of LGP.

LGP Break Fee has the meaning given in section 12.5(f).

LGP Constitution means the constitution of LGP in force as at the date of this document.

LGP Convertible Securities means a performance right, option or a share right in the capital of LGP.

LGP Counterproposal means a matching or superior proposal by LGP to the terms of any actual, proposed or potential Competing Proposal, LGP in accordance with clause 12.5(a)(ii)(C) of the Scheme Implementation Deed.

LGP CV Share means a convertible and redeemable preference share in the capital of LGP.

LGP Director means a director of LGP from time to time.

LGP Disclosure Materials means:

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(a) all documentation contained in the electronic data room for LGP, as evidenced by the data room index agreed in writing between the parties on the date of the Scheme Implementation Deed; and

(b) the written responses by or on behalf of the LGP Group or its Representatives (and any documents provided together with those responses) to the questions raised by the Cannatrek Group or its Representatives, including any attachments to such responses, before the date of the Scheme Implementation Deed; and

(c) the letter identified as 'LGP Disclosure Letter' provided by LGP to Cannatrek and countersigned by Cannatrek on or prior to the date of the Scheme Implementation Deed and any document identified in that letter as having been disclosed to Cannatrek subject to such document having been Fairly Disclosed in in the materials described in paragraphs (a) and (b) above.

LGP Financing means the loan agreement between the LGP Group and the National Australian Bank Limited (ACN 004 044 937) dated 17 February 2022 as amended from time to time.

LGP Group means LGP and LGP and its Related Entities (but excluding members of the Cannatrek Group) and **LGP Group Member** means any of them.

LGP Information means any information contained in:

(a) Section 7 (Information about LGP), including Annexure 1;

(b) Section 8 (LGP Financial Information);

(c) Section 9 (Overview of the Combined Group), to the extent that it relates to the historical financial information of LGP;

(d) Section 10.6 (LGP specific risks);

(e) Section 10.7 (Risks investing in New LGP Shares); and

(f) Section 2 (Frequently asked questions), to the extent that the question is with respect to information in any of the Sections in paragraphs (a) to (e) above.

LGP Key Shareholder means each of Tiga Trading Pty Ltd (ACN 118 961 210), Jasforce Pty Ltd (ACN 017 167 713) and Paul Long.

LGP Long Term Incentives any rights to LGP Shares issued to select LGP employees and officers under the LGP Rights Plan.

LGP Material Adverse Change means any event, occurrence or matter (whether occurring before, on or after the date of the Scheme Implementation Deed) which is or would (either individually or when aggregated together with any other events, matters or circumstances of a similar type or nature) reasonably be expected to diminish the value of the total consolidated net assets of the LGP Group as compared to the total consolidated net assets of LGP in LGP's consolidated financial statements for the year ended 31 March 2025 by at least $2,500,000, determined after:

(a) taking into account any changes, occurrences or matters which have occurred after the execution of the Scheme Implementation Deed which have a positive effect on the value of total consolidated net assets of LGP; and

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(b) excluding the impact of any changes, occurrences or matters to the extent that any loss incurred by the LGP Group in connection with that change, occurrence or matter is recovered under an insurance policy of any LGP Group Member,

other than any event, matter or circumstance:

(c) arising from the announcement of, or entry into, or performance of obligations under, the Scheme Implementation Deed or consummation of the transactions contemplated thereby;

(d) which Cannatrek has previously approved or requested in writing, including any consequences reasonably foreseeable as a result of such matters; or

(e) Fairly Disclosed in the LGP Disclosure Materials.

LGP Ordinary Share means a fully paid ordinary share in the capital of LGP.

LGP Prescribed Occurrence means any of the following events:

(f) (**conversion**) LGP converts all or any of its shares into a larger or smaller number of shares;

(g) (**reduction of share capital**) LGP resolves to reduce its share capital in any way, or to combine, split or redeem or repurchase directly or indirectly any of its shares;

(h) (**buy-back**) LGP:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(i) (**issuing or granting shares or options**) any member of the LGP Group issues shares, or grants a performance right or an option over its shares, or agrees to make such an issue or grant such a performance right or option, other than an issue of LGP Shares upon the exercise or vesting of the LGP Options which are on issue as at the date of the Scheme Implementation Deed;

(j) (**encumbrances**):

(i) other than in the ordinary course of business and consistent with past practice, LGP or any member of the LGP Group creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property; or

(ii) LGP, or a Related Entity whose assets represent 10% or more of the total consolidated assets of the LGP Group, grants, or agrees to grant, an Encumbrance in the whole, or a substantial part of, its business or property;

(k) (**securities or other instruments**) any member of the LGP Group issues or agrees to issue, convertible notes or any other instrument or security convertible into shares or securities in, or of any member of the LGP Group, other than an issue to another member of the LGP Group;`

(l) (**distribution**) any member of the LGP Group:

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(i) agrees to pay, declares, determines, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital (whether in cash or in specie); or

(ii) announces, declares or determines to pay any dividend to its members or announces or makes any other distribution (whether in cash or in specie) to its members.

(m) (**disposals**) any member of the LGP Group disposes, or agrees to dispose, of the whole or a substantial part of its business or property (other than to another member of the LGP Group);

(n) (**insolvency, winding up or administration**) any member of the LGP Group:

(i) resolves to be wound up;

(ii) has a liquidator or provisional liquidator appointed;

(iii) has a court make an order for the winding up of that member;

(iv) has an administrator appointed under section 436A, 436B or 436C of the Corporations Act;

(v) executes a deed of company arrangement; or

(vi) has a receiver, or a receiver and manager, appointed in relation to the whole, or a substantial part, of its property,

(o) (**acquisition or disposal of business**) any member of the LGP Group:

(i) acquires or disposes of (or agrees to acquire or dispose of) any existing or new business, the value of which exceeds $400,000 individually or in the aggregate;

(ii) commencing business activities not already carried out as at the date of the Scheme Implementation Deed, whether by way of acquisition or otherwise other than in the ordinary course of business;

(p) (**material contracts**) any member of the LGP Group:

(i) enters into any contracts or commitments or any series of related contracts or commitments (other than under paragraph (ii) below) requiring expenditure or payments by the LGP Group in excess of $400,000, other than any payment required by law;

(ii) enters into any agreement or contract which, if completed, would result in a member of the LGP Group incurring capital expenditure of more than $400,000 (individually or in the aggregate);

(iii) waives or adversely varies in a material respect any material rights under any other contract to which it is party and which is material to the LGP Group as a whole; or

(iv) waives any material third party default under any material contract to which it is party where the financial impact of the waiver on the LGP Group will be in excess of $400,000 (individually or in the aggregate);

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(q) (**financing**) any member of the LGP Group enters into any financing agreement which is not in place as at the date of the Scheme Implementation Deed, or borrows any monies from a Third Party excluding existing amounts drawn under any other facilities in place as at the date of the Scheme Implementation Deed or for the purposes of insurance premium funding;

(r) (**employees**) any LGP Group Member:

(i) enters into (other than for the purposes of replacing an existing agreement or arrangement on a materially consistent basis) or materially alters, varies or amends any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors or senior executives, including:

(A) paying or agreeing to pay, any bonus, retention bonus, benefit or similar to any such person in connection with the Scheme or Transaction; or

(B) accelerating or otherwise materially increasing compensation or benefits for any such person,

in each case other than pursuant to contractual arrangements in effect on the date of the Scheme Implementation Deed, ordinary course increases in compensation or benefits consistent with past practice, or LGP's policies and guidelines in effect on the date of the Scheme Implementation Deed and which are contained in the LGP Disclosure Material;

(ii) agrees to increase in any material respect the remuneration of, makes or offers to make any bonus payment, retention payment or termination payment to, or otherwise materially change the terms and conditions of employment of any LGP Director or any employee of any LGP Group Member, other than in respect of an annual salary review, bonuses, terminations, redundancies and filling of vacancies in the ordinary course of business or pursuant to any contract already in existence as at the date of the Scheme Implementation Deed and Fairly Disclosed in the LGP Disclosure Material;

(iii) agrees to issue any rights to any person under any employee incentive plan, accelerate the rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan or introduce a new employee incentive plan; or

(iv) makes or agrees to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement;

(s) (**accounting policies**) any member of the LGP Group changes any accounting policy applied by it to report its financial position other than any change in policy required by a change in law or accounting standards;

(t) (**litigation**) any member of the LGP Group commences or settles any legal proceeding, claim, investigation or arbitration where the claimed or settlement amount is in excess of $400,000 (individually or in the aggregate), other than with the prior written consent of Cannatrek or as claimant in respect of the collection of debts arising in the ordinary course of the LGP Group's business;

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(u) (**tax claims**) Any member of the LGP Group settles or agree to compromise any material tax claims, liabilities or disputes or making any election in relation to tax, where the financial impact on the LGP Group of such settlement, compromise, concession or election will be in excess of $400,000 (individually or in the aggregate);

(v) (**constitution**) any member of the LGP Group adopts a new constitution or modify or repeal its constitution or a provision of it;

(w) (**dealings in securities**) Any member of the LGP Group:

(i) acquires or disposes of any shares or other securities in any body corporate or any units in any trust;

(ii) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any material undertaking, entity, asset or business (or such interest in an undertaking, entity, asset or business) held by another person;

(x) (**Authorisations**) any member of the LGP Group:

(i) varies or waives its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the LGP Group) any material LGP Authorisation or a number of LGP Authorisations which, when taken together, are material to the conduct of the business of the LGP Group as a whole;

(ii) fails to comply in all material respects with all applicable law in respect of its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any material LGP Authorisation;

(iii) disposes of, or agrees to dispose of, any LGP Authorisations necessary for it to conduct its activities as they are conducted as at the date of the Scheme Implementation Deed;

(y) (**indebtedness**) any member of the LGP Group:

(i) forgives any loans given in favour of any other person;

(ii) gives any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a LGP Group Member;

(z) (**related party transactions**) any member of the LGP Group enters into, or resolves to enter into, a transaction (including an agreement for LGP to forego or extinguish any rights) with any related party of LGP (other than a related party which is a LGP Group Member), as defined in section 228 of the Corporations Act;

(aa) (**advisers**) any member of the LGP Group amends or agrees to amend in any material respect any arrangement with its advisers in place at the date of the Scheme Implementation Deed or enters into arrangements with any new advisers;

(bb) (**other actions**) any member of the LGP Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above;

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other than an occurrence:

(cc) required or expressly permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;

(dd) Fairly Disclosed in the LGP Disclosure Materials;

(ee) resulting, directly or indirectly, from the actions (or omissions to act) of Cannatrek or a Cannatrek Group Member, other than in circumstances where LGP is in material breach of the Scheme Implementation Deed unless such material breach resulted, directly or indirectly, from the actions (or omissions to act) of Cannatrek or a Cannatrek Group Member;

(ff) reasonably required by any applicable law or regulation or by an Order;

(gg) with the written consent of Cannatrek (such consent not to be unreasonably withheld or delayed);

(hh) resulting in an issue of securities in LGP pursuant to the conversion and/or exercise of any

(ii) LGP Convertible Securities on issue as at the date of the Scheme Implementation Deed.

LGP Resolutions means:

(a) the ordinary resolution of LGP Shareholders under ASX Listing Rule 7.1 in respect of the issuance of New LGP Ordinary Shares in connection with the Scheme; and

(b) the ordinary resolution of LGP Shareholders under ASX Listing Rule 7.1 in respect of the issuance of New LGP CV Shares in connection with the Scheme; and

(c) one or more ordinary resolutions of LGP Shareholders for the purposes of ASX Listing Rules 7.2 (Exception 13), 10.11 and/or 10.14 and section 200B and Chapter 2E of the Corporations Act in respect of certain arrangements between LGP and its directors and officers as agreed between LGP and Cannatrek; and

(d) if required by ASX, the ordinary resolution of LGP Shareholders under ASX Listing Rule 11.1.2 in respect of the significant change to the nature and scale of LGP's activities.

LGP Rights Plan has the meaning given in Section 7.7(b).

LGP Scrip Consideration means the amount of New LGP Shares to be issued by LGP in accordance with clause 4.4(b) of the Scheme Implementation Deed.

LGP Scrip Offer means New LGP Shares to be issued by LGP in accordance with clause 4.4(b) of the Scheme Implementation Deed.

LGP Shareholder means a person who is registered as the holder of one or more shares in the LGP Share Register from time to time.

LGP Share Register means the register of members of LGP maintained in accordance with the Corporations Act.

LGP Share Registry means Computershare Investor Services Pty Limited.

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Marketable Parcel means a minimum of 2,270 Cannatrek Shares.

New LGP Shares means New LGP Ordinary Shares and New LGP CV Shares to be issued as Scheme Consideration.

New LGP CV Share means a new LGP CV Share to be issued as part of the Scheme Consideration.

New LGP Ordinary Share means a new LGP Ordinary Shares to be issued as part of the Scheme Consideration.

Notice of Meeting means the notice of meeting relating to the Scheme Meeting which is contained in Annexure 5.

ODC means the Office of Drug Control of the Australian Government Department of Health, Disability and Ageing;

Option Cancellation or Exercise Deed means a deed between Cannatrek and a holder of Cannatrek Options under which, subject to the Scheme becoming Effective, each Cannatrek Option held by that holder is cancelled in consideration for either payment of cash consideration or the issue of Cannatrek Shares by Cannatrek to the holder.

Order means any decree, judgment, injunction, direction, writ or other order, whether temporary, preliminary or permanent, made or given by an Australian court of competent jurisdiction or by another Australian Government Agency.

Net Cash means, in relation to Cannatrek, the aggregate amount of:

(a) cash, cash equivalents and short term interest bearing deposits (where the terms 'cash' and 'cash equivalents' are as defined in the Australian Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board); less

(b) Financial Indebtedness.

Permitted Dividend means a dividend which may be declared and paid by Cannatrek to Cannatrek Shareholders in accordance with clause 6.7 of the Scheme Implementation Deed, of an amount no greater than Net Cash less the Cannatrek Cash Floor.

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPSA Security Interest means a security interest as defined in the PPSA.

Proxy Form means the proxy form which accompanies this Scheme Booklet.

Regulatory Approval means a clearance, waiver, ruling, approval, relief, confirmation, exemption, consent or declaration of a Government Agency in respect of the Scheme, or the Transaction or any aspect of it or another applicable law, which LGP and Cannatrek agree, acting reasonably, is necessary or desirable to implement the Scheme or the Transaction.

Related Body Corporate has the meaning given in the Corporations Act, provided that the term 'subsidiary' has the meaning given to 'Subsidiary' in the Scheme Implementation Deed.

Related Entity means, in relation to an entity (the **first entity**):

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(a) a Subsidiary of the first entity;

(b) an entity of which the first entity is a Subsidiary; or

(c) a Subsidiary of another entity of which the first entity is also a Subsidiary.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Remaining Loan Balance means the remaining loan balance owed by a holder of Cannatrek Loan Funded Shares to Cannatrek under a limited recourse loan in respect of the holder's Cannatrek Loan Funded Shares.

Representatives means, in relation to LGP or Cannatrek:

(a) each other member of the LGP Group or the Cannatrek Group (as applicable);

(b) an officer or employee of a member of the LGP Group or the Cannatrek Group (as applicable); or

(c) an adviser to a member of the LGP Group or the Cannatrek Group (as applicable).

Restriction Agreement means a restriction agreement in a form prescribed by the ASX Listing Rules or otherwise approved by a stock exchange.

Requisite Majorities has the meaning given in Section 4.13.

Sale Agent means a nominee appointed by LGP.

Scheme or **Scheme of Arrangement** means the scheme of arrangement under Part 5.1 of the Corporations Act between Cannatrek and the Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Annexure 3, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Cannatrek and LGP.

Scheme Booklet means this document, including any annexures.

Scheme Consideration means the consideration to be provided to each Scheme Shareholder, as outlined at Section 4.3, for the transfer of each Scheme Share to LGP.

Scheme Implementation Deed means the scheme implementation deed between Cannatrek and LGP dated 14 January 2026. A summary is set out in Section 12.5 and a full copy was lodged by LGP with ASX on 14 January 2026 and can be obtained from https://www.asx.com.au.

Scheme Meeting means the meeting of Cannatrek Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme, and includes any meeting convened following an adjournment or postponement of that meeting.

Scheme Record Date means 7:00pm (Melbourne time) on the second Business Day after the Effective Date or such other time and date after the Effective Date agreed to in writing between Cannatrek and LGP.

Scheme Resolution means the resolution to approve the Scheme to be considered by Cannatrek Shareholders at the Scheme Meeting, as set out in the Notice of Meeting in Annexure 5.

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Scheme Share means a Cannatrek Share on issue as at the Scheme Record Date.

Scheme Shareholder means a person registered in the Cannatrek Share Register as the holder of one or more Scheme Shares as at the Scheme Record Date (other than an Excluded Shareholder).

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

Section means a section of the Scheme Booklet.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is controlled by that entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

(a) a body corporate or a trust will also be taken to be a Subsidiary of an entity if it is controlled by that entity (as defined in section 50AA of the Corporations Act);

(b) a trust, partnership or fund may be a Subsidiary, for the purpose of which a unit, partnership interest or other beneficial interest in the trust, partnership or fund will be regarded as a share (ignoring the operation of section 48(2) of the Corporations Act); and

(c) an entity may be a Subsidiary of a trust, partnership or fund if it would have been a Subsidiary if that trust, partnership or fund were a body corporate.

Superior Proposal means a bona fide actual, proposed or potential Cannatrek Competing Proposal which the Cannatrek Board, acting in good faith and to satisfy what the Cannatrek Board reasonably considers to be its fiduciary or statutory duties, after receiving written advice from its Advisers, determines is reasonably capable of being completed in accordance with its terms, and would be reasonably likely to, if completed in accordance with its terms, be more favourable to Cannatrek Shareholders than the Transaction, taking into account all aspects of the actual, proposed or potential Cannatrek Competing Proposal, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations and any conditions precedent).

TGA means the Therapeutic Goods Administration, a division of the Department of Health, Disability and Ageing.

TG Act means the *Therapeutic Goods Act 1989 (Cth)*.

Third Party means any person, other than LGP or Cannatrek (as applicable0, any of its Related Entities or a consortium, partnership, limited partnership, syndicate or other group in which LGP or Cannatrek (as applicable) or any of its Related Entities is participating or proposes to participate.

Transaction means the acquisition of the Scheme Shares by LGP through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.

Unmarketable Parcel Shareholder a Cannatrek Shareholder who does not hold a Marketable Parcel as at the Scheme Record Date.

Voluntary Escrow Deed means a voluntary escrow deed between LGP and each Cannatrek Key Person or LGP Key Shareholder (as applicable).

Voting Power has the meaning given in section 610 of the Corporations Act.

Voting Scheme Record Date means 7:00pm (Melbourne time) on the second Business Day after the Effective Date or such other time and date after the Effective Date agreed to between LGP and Cannatrek, which is currently expected to be 24 April 2026.

13.2 Interpretation

In this Scheme Booklet:

(a) words of any gender include all genders;

(b) words importing the singular include the plural and vice versa;

(c) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(d) a reference to a Section or annexure, is a reference to a Section of or annexure of, to this Scheme Booklet as relevant;

(e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;

(f) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(g) a reference to time is a reference to Melbourne, Victoria time as the context requires. In particular where a reference is to a time in respect of the Court or Scheme Meeting, such reference will be in respect of Melbourne, Victoria time;

(h) a reference to dollars, $, A$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia;

(i) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and

(j) the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kin

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Annexure 1 – LGP Group Structure Diagram



Annexure 2– Independent Expert's Report

[Attached]

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Cannatrek Limited

Financial Services Guide and Independent Expert's Report

24 February 2026

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Financial Services Guide

24 February 2026

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("**RSM**" or "**we**" or "**us**" or "**our**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("**AFSL**"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Cannatrek Limited ("**Cannatrek**" or "**the Company**") will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Financial Services Guide

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA is an independent dispute resolution Scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

For discussion only

24 February 2026

The Shareholders/Directors
Cannatrek Limited
PO Box 21
Balaclava VIC 3183

By email

Level 27, 120 Collins Street
Melbourne
VIC 3000
Australia
T +61 (03) 9286 8000
rsm.com.au

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Dear Shareholders/Directors,

Independent Expert's Report

Introduction

On 14 January 2026, Cannatrek Limited ("**Cannatrek**" or the "**Company**") entered into a Scheme Implementation Deed ("**SID**") with Little Green Pharma Limited ("**LGP**") in relation to a proposal by LGP to merge with Cannatrek via a scheme of arrangement (the "**Scheme**") under Section 411 of the Corporations Act 2001 (Cth) ("**Corporations Act**" or the "**Act**").

Under the terms of the Scheme, to acquire 278,389,207 Cannatrek Shares[1] on issue immediately prior to the Scheme, LGP will issue:

- 511,068,667 New LGP Ordinary Shares; and
- 202,528,611 New LGP CV Shares, being contingent value preference shares in the capital of LGP ("**CV Shares**", "**LGP CV Shares**" or "**New LGP CV Shares**"),

collectively, "**New LGP Shares**".

As a result of the larger size of the Merged Group, the Merged Group is expected to benefit from management and corporate synergies, as well as opportunities to improve overall group post harvesting processes and streamline costs.

LGP's strategy to continue its expansion into the European market also represents an opportunity to expand into a growing market, which may provider better opportunities to increase Shareholder returns noting that the Australian market remains highly competitive.

The Merged Group board of directors is expected to include:

- Brent Dennison – Chair;
- Seth Yakatan – Non-Executive Director;
- Avraham Huppert - Non-Executive Director;
- Michael D. Lynch-Bell - Non-Executive Director; and
- Paul Long – Group CEO,

with representations being derived from three of Cannatrek's current Board and two LGP nominations. The change in the Board composition post the approval of the Scheme may provide further opportunities to pool increased skills and experience.

If the Scheme is implemented, the Company will become a wholly owned subsidiary of LGP ("**Merged Group**"), with Cannatrek Shareholders ("**Shareholders**") holding an initial 62.6% (60.3% on a fully diluted basis) equity interest in the Merged Group based on the number of LGP ordinary shares on issue and ignoring the potential conversion of LGP CV Shares into LGP Ordinary Shares.

[1] 278,389,207 Cannatrek Shares comprises 276,639,435 Cannatrek Shares on issue at the date of this report, together with 1,749,772 new Cannatrek Shares to be issued upon the convening of the Scheme Meeting by the Court as a result of the vesting and exercise of 4,269,492 Cannatrek Options.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

The Scheme is subject to the Court convening a meeting of Shareholders where they will consider a resolution seeking approval of the Scheme ("**Scheme Meeting**"). The Scheme Meeting is to be held on or about 10 April 2026 and, under the Act, it will be approved by the Shareholders if the resolution is passed by a majority of the Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Cannatrek Shareholders who hold Cannatrek Shares as at the Scheme record date, irrespective of whether or not they voted for the Scheme, and LGP will acquire 100% of Cannatrek's Shares held by Shareholders.

Purpose of the report

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("**RSM**"), being independent and qualified for the purpose, express an opinion as to whether the Scheme is in the best interests of Shareholders.

Accordingly, we have prepared this independent expert's report ("**IER**" or "**Report**") for the purpose of stating, in our opinion, whether or not the Scheme is in the best interests of Shareholders and to set out the reasons for this opinion. Our Report is to be included in the Scheme Booklet and Notice of Meeting and Explanatory Memorandum to be sent to Shareholders in respect of the Scheme Meeting.

This Report represents general financial product advice only and has been prepared without taking into consideration the circumstances of individual Cannatrek Shareholders. The ultimate decision whether to accept the Scheme should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position, and expectations as to value and future market conditions. If in doubt about the Scheme or matters dealt with in this Report, Shareholders should seek independent professional advice

Summary of opinion

In our opinion, and for the reasons set out in Section 10 of this report, the Scheme is **fair and reasonable** for Shareholders of Cannatrek, and as such, that the Scheme is **in the best interest of Shareholders**. A summary of our reasons and the approach we have taken in assessing our opinion is set out in this Section of our Report.

We have formed this opinion for the reasons set out below.

Approach

In assessing whether the Scheme is "in the best interests" of Shareholders, we have considered Australian Securities and Investment Commission ("**ASIC**") Regulatory Guide 111 – Content of expert reports ("**RG 111**"), which provides specific guidance as to how an expert is to appraise a scheme of arrangement.

Schemes of arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid (with certain exceptions).

RG 111.31 states that the comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale.

This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'.

Whilst not explicitly stated in RG111, the inference is that where no control is being given by target shareholders to an acquirer (as in a merger of equals) then an equivalent approach is reasonable and the target shareholders would not be expecting to receive a control premium as the acquirer is not obtaining control of the merged entity and the target shareholders are not losing the potential to obtain a control premium through a future control transaction.

Our assessment of the Scheme is that it represents a "reverse takeover transaction" for Cannatrek, whereby Cannatrek Shareholders will hold the majority of the LGP shares on issue immediately following the implementation of the Scheme, with Shareholders collectively acquiring a 62.6% (60.3% on a fully diluted basis) interest in LGP shares immediately after the Scheme with the potential for this shareholding to increase further up to 70.0% (68.0% on a fully diluted basis) based on the future conversion of LGP CV Shares into LGP Ordinary Shares.

Therefore, we have concluded that Shareholders are not ceding control under the terms of the Scheme and not losing the potential to obtain a control premium through a future control transaction and, similar to a merger of equals, we consider that an equivalent analysis approach is appropriate.

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Therefore, consistent with the guidance set out in RG 111 as discussed above, in assessing whether or not we consider the Scheme to be "in the best interests" of Shareholders, we have considered whether the Scheme is fair to the Shareholders by assessing and comparing:

- the Fair Value of a Cannatrek Share on a non-controlling basis prior to the Scheme; with
- the Fair Value of the consideration offered per Cannatrek Share on a non-controlling basis immediately after the Scheme ("**Scheme Consideration**").

Our assessment of the Fair Value of a Cannatrek Share has been prepared on the following basis:

"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".

As set out in further detail Sections 1.2 and 2.3, the conversion of LGP CV Shares into New LGP Ordinary Shares is contingent on the future assessment of the Contingent Amount[2], with the conversion of CV Shares acting as a mechanism to:

- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 70.0% (68.0% on a fully diluted basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to between 66.3% (64.1% on a fully diluted basis) and 70.0% (68.0% on a fully diluted basis) (calculated on a straight line basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $2 million and less than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 66.3% (64.1% on a fully diluted basis) upon the conversion of the CV Shares if the difference between the Cannatrek and LGP Contingent Liability amounts is less than $2 million (in either direction);
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) to between 62.6% (60.3% on a fully diluted basis) and 66.3% (64.1% on a fully diluted basis) (calculated on a straight line basis) if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $2 million and less than $8 million; and
- if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $8 million, Cannatrek Shareholders' collective interest in the Merged Group immediately after the Scheme remains unchanged at 62.6% (60.3% on a fully diluted basis).

As no contingent liabilities have been quantified as at the date of this Report, no adjustments have been made for contingent liabilities in our valuation of either Cannatrek or LGP.

For the purposes of our fairness assessment, to be consistent with our valuation, we have assumed a base scenario ("**Scenario 1**"), whereby the difference between the Cannatrek and LGP Contingent Liability amounts are within $2 million (representing the current position), and therefore, Cannatrek Shareholders' collective interest in the Merged Group will be 66.3% (64.1% on a fully diluted basis) immediately following the Scheme.

However, given there is uncertainty as to what contingent liabilities may crystallise within Cannatrek and the ultimate number of LGP CV Shares that may convert to New Ordinary Shares, as part of our fairness assessment, we have also assumed a second scenario ("**Scenario 2**"), whereby Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $8 million, and therefore, Cannatrek Shareholders' collective interest in the Merged Group will remain unchanged at 62.6% (60.3% on a fully diluted basis) assuming no CV Shares convert to New Ordinary LGP Shares, with all other valuation factors remaining unchanged.

Scenario 2 demonstrates the minimum shareholding Cannatrek Shareholders will collectively hold in the Merged Group (i.e. a worst case scenario).

In accordance with RG 111, we have considered whether the Scheme is "reasonable" to Cannatrek Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to Cannatrek Shareholders, in their decision as to whether or not to approve the Scheme, including the implications and risks related to the conversion of LGP CV Shares into LGP Ordinary Shares.

[2] As defined in the SID and Section 1 of this Report

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Fairness opinion

In assessing whether we consider the Scheme to be fair to the Shareholders, we have valued a Cannatrek Share prior to the implementation of the Scheme and compared it to the Scheme Consideration to determine whether a Shareholder would be better or worse off should the Scheme be approved. The Scheme Consideration offered represents the value of the equivalent ownership interest per Cannatrek Share in the Merged Group.

Our assessment is set out in the table below.

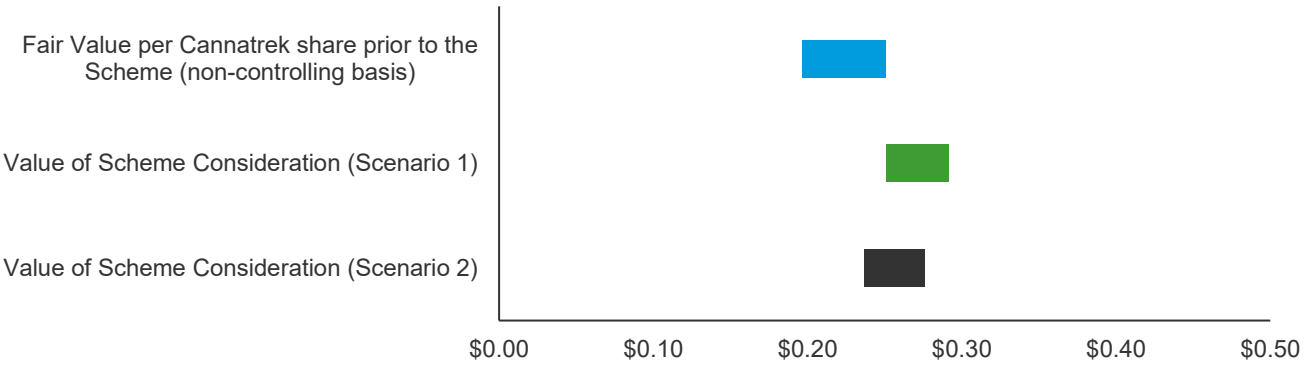
Table 1 Valuation Summary

	Low	High	Midpoint
Fair Value per Cannatrek share prior to the Scheme (non-controlling basis)	**$0.196**	**$0.251**	**$0.223**
Fair Value of Scheme Consideration (Scenario 1)	**$0.251**	**$0.292**	**$0.272**
Fair Value of Scheme Consideration (Scenario 2)	**$0.237**	**$0.276**	**$0.257**

Source: RSM analysis

The above comparison is presented graphically below.

Figure 1 Valuation Summary



Source: RSM analysis

We have utilised the capitalisation of future maintainable earnings ("**CFME**") methodology as our primary methodology in our assessment of the Fair Value of a Cannatrek Share prior to the Scheme, on the basis of which we have concluded that the assessed Fair Value of a Cannatrek Share prior to the Scheme (on a non-controlling basis), is in the range of $0.196 to $0.251, with a preferred midpoint value of $0.223.

As part of our assessment of the Fair Value of the Scheme Consideration, we have assessed the Fair Value of a share in LGP using the following methodologies:

- primary methodology – Net Assets on a Going Concern basis ("**Net Assets**");
- secondary methodology – Quoted Market Price of Listed Securities ("**QMP**").

As set out in Section 7 of this Report, the valuation range assessed using the Net Assets basis (being $0.172 to $0.178 with a preferred valuation of $0.175), was higher than the valuation assessed using the QMP methodology (being $0.122 to $0.130, with a preferred valuation of $0.126).

We consider the significantly lower values assessed under the QMP methodology to be due primarily to:

- inherent discounts applied by the market correlating to high levels of competition and the associated downward pressure on profitability in Australia, as well as the risks associated with expanding operations in Germany and other parts of Europe; and
- the overall low liquidity of LGP's volume of traded shares.

LGP's net asset position of $86.0m as at 30 September 2025 included property, plant and equipment of $59.3m primarily comprising land and buildings associated with LGP's production and processing facility in Denmark. LGP's operations are focused on its expansion into the European market and LGP recently released its 30 September 2025 interim financial statements which did not

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report any impairment of assets, Accordingly, having regard to the low liquidity of trading in LGP shares, we consider that the valuation of LGP utilising the Net Assets methodology is a more reliable indicator of the Fair Value of an LGP share assuming the Scheme proceeds.

On 19 February 2026, LGP announced that it had signed an agreement ("**Contract**") to sell and leaseback its production facility in South-West Western Australia, comprising a c. 13 tpa GACP indoor cultivation facility and GMP-compliant facility (together, "**Site**") with a sale price of $7.8m. As set out in further detail in Section 7, based on the terms of the Contract, we assessed the market value of the sale assets relating to the Site as set out in LGP's consolidated reviewed balance sheet as at 30 September 2025 were overstated by $2.4m and adjusted for this overstatement in our valuation of LGP using the Net Assets basis.

Therefore, we have assessed the Fair Value of an LGP share prior to the Scheme (on a non-controlling basis) to be in the range of $0.172 to $0.178, with a preferred value of $0.175.

In our assessment of the Fair Value of the Scheme Consideration under Scenario 1, as detailed in Section 2 of this Report, we have assumed that Cannatrek Shareholders will effectively receive 2.15914[3] New LGP Ordinary Shares for every 1 Cannatrek Share on issue ("**Merger Ratio 1**"). Accordingly, we have multiplied our assessed fair value of a share in the Merged Group with Merger Ratio 1 in our calculation of the Fair Value of the Scheme Consideration.

In our assessment of the Fair Value of the Scheme Consideration under Scenario 2, as detailed in Section 2 of this Report, we have assumed that Cannatrek Shareholders will receive 1.83581[4] New LGP Ordinary Shares for every 1 Cannatrek Share on issue ("**Merger Ratio 2**"). Accordingly, we have multiplied our assessed fair value of a share in the Merged Group with Merger Ratio 2 in our calculation of the Fair Value of the Scheme Consideration under Scenario 2.

On the basis that the Fair Value of the Consideration offered per Cannatrek Share under both Scenarios 1 and 2 is greater than the Fair Value of a Cannatrek Share prior to the Scheme (on a non-controlling basis), and in the absence of any other relevant information, in our opinion, we consider the Scheme is **fair** to Shareholders.

We also note that under our sensitivity analysis, the Scheme would also have been assessed as fair if we had utilised the QMP methodology to value a share in LGP prior to the Scheme for both Scenario 1 and Scenario 2.

Shareholders should also be aware that our assessment of the Fair Value per LGP share (on a Merged Group basis) post the Scheme does not necessarily reflect the price at which LGP shares will trade if the Scheme completes. The price at which LGP shares will ultimately trade at depends on a range of factors including the liquidity of LGP shares, macroeconomic conditions, the underlying performance of the Merged Group and the supply and demand of LGP shares.

Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid.

As such, we have also considered the following factors in relation to the reasonableness aspect of the Scheme:

- the future prospects of the Company if the Scheme does not proceed;
- the potential advantages and disadvantages of the Scheme for the Shareholders; and
- alternative proposals and likelihood of an alternative takeover Scheme.

Future prospects of Cannatrek if the Scheme does not proceed

If the Scheme is not approved, Cannatrek will continue to operate as a public unlisted company and continue to pursue its current strategy to increase sales volume via the launch of new products and maintain profitability levels amidst increasing competition.

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[3] Calculated based on 511,068,667 New LGP Shares being initially issued together with 90,012,716 LGP CV Shares converting into LGP Shares on the basis that the difference between the Cannatrek and LGP Contingent Liability amounts is less than $2 million.
[4] Calculated solely based on 511,068,667 New LGP Shares issued and no conversion of LGP CV Shares on the basis that Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by $8 million or greater.

Advantages of approving the Scheme

Cannatrek's directors have unanimously recommended that Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).

The key advantages of the Scheme are outlined below.

Table 2 Advantages of the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to Shareholders
Diversification	The Merged Group will hold a more diversified portfolio of medicinal cannabis products as well as provide a platform for further expansion of sales into Germany and other European markets. This will result in some diversification of the risk inherent within Cannatrek which currently generates a large portion of revenue from a small number of key brands.
Expected synergies and increased pool of Board Experience	As a result of the larger size of the Merged Group, the Merged Group is expected to benefit from management and corporate synergies, as well as opportunities to improve overall group post harvesting processes and streamline costs. LGP's strategy to continue its expansion into the European market also represents an opportunity to expand into a growing market, which may provider better opportunities to increase Shareholder returns noting that the Australian market remains highly competitive. The Merged Group board of directors is expected to include Brent Dennison – Chair; Seth Yakatan – Non-Executive Director; Avraham Huppert - Non-Executive Director; Michael D. Lynch-Bell - Non-Executive Director; and Paul Long – Group CEO, with representations being derived from three of Cannatrek's current Board and two LGP nominations. The change in the Board composition post the approval of the Scheme may provide further opportunities to pool increased skills and experience.
Increased liquidity	Approval of the Scheme will result in Cannatrek Shareholders acquiring shares in a listed company which would likely provide a more liquid market for Shareholders to crystallise the value of their shares in the future.
Risk mitigation relating to the issue of CV Shares	The issue of the CV Shares and the conversion mechanism offer Shareholders a level of protection against significant contingent liabilities within LGP. Under the terms of the Scheme, Shareholders will not be diluted to less than 62.6% (60.3% on a fully diluted basis) in the Merged Group. Shareholders' collective interest would increase to 66.3% (64.1% on a fully diluted basis) if the difference between Cannatrek and LGP Contingent Liabilities is less than $2m (either way), and would increase in a sliding scale from between 66.3% (64.1% on a fully diluted basis) and 70.0% (68.0% on a fully diluted basis) if LGP's Contingent Liability exceeds Cannatrek's Contingent Liability by more than $2m and less than $8m.

Source: RSM analysis

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Disadvantages of approving the Scheme

The key disadvantages of the Scheme are set below.

Table 3 Disadvantages of the Scheme

Disadvantage	Details
Exposure to risks related to LGP's current expansion into European markets.	LGP disclosed losses before income tax expenses for the three years ended 31 March 2025 and the half-year ended 30 September 2025, with the losses due primarily to LGP's Australian operations. Whilst contribution at the EBITDA level for the European market was positive for the half year ended 30 September 2025 and the year ended 31 March 2025, sales to Europe currently comprise c. 30% of LGP's total sales and accordingly, future profitability is likely dependent on LGP's continued expansion into the European market. This change in risk profile may not meet some Shareholders' investment strategy.
Dilutionary impact	Shareholders will, collectively, have a 62.6% (60.3% on a fully diluted basis) interest in the Merged Group immediately after the Scheme is implemented. Whilst Shareholders will, collectively, still hold a controlling interest in the Merged Group, the dilution will reduce Shareholders' collective ability to influence decisions such as the composition of the Board and the acquisition and disposal of assets. In addition to the above, the conversion of the CV Shares will result in Shareholders' ultimately acquiring a collective interest in the Merged Group in the range of 62.6% (60.3% on a fully diluted basis) to 70.0% (68.0% on a fully diluted basis) depending on the quantification of the Contingent Amount referenced in further detail at Sections 1.2 and 2.3, noting however that CV Shares will not provide voting rights until such time as they convert to LGP Ordinary Shares.
Illiquid CV Shares	If the Scheme proceeds, the CV Shares will only convert to ordinary shares approximately two years following the Scheme Implementation Date. Accordingly, Shareholders will hold illiquid CV Shares with little opportunity to realise this investment until the CV Shares are converted to LGP Ordinary Shares. Shareholders will also have uncertainty regarding the number of ordinary shares the CV Shares will ultimately convert to.
Potential tax considerations	The disposal of Cannatrek Shares under the Scheme will trigger capital gains tax ("**CGT**") events. Shareholders may choose to apply for scrip roll-over relief. Further details of potential tax considerations are set out in section 11 of the Scheme Booklet. It should be noted that the benefit of choosing scrip for scrip rollover relief, if available (or otherwise) will depend upon the individual circumstances of each Shareholder.

Source: RSM analysis

Alternative proposals to the Scheme

The Directors of Cannatrek have advised us that no formal alternative or approaches by potential acquirers have been received by the Company as of the date of this Report.

We are unaware of any alternative proposal at the current time which might provide a greater benefit to the Shareholders than the Scheme.

The alternative to the Scheme is for the Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in Cannatrek either through maintaining Cannatrek as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that Shareholders would be better off under this alternative, it is possible that an alternative proposal may emerge prior to the Scheme Meeting. However, since the completion of the Scheme Implementation Deed and the announcement of the Scheme on 14 January 2026, we understand that no superior proposals have been put forward as the date of this Report.

Conclusion on Reasonableness

In our opinion, the position of Shareholders if the Scheme is accepted is more advantageous than the position if it is not accepted. Therefore, in the absence of any other relevant information and/or a superior proposal, we consider that the Scheme is reasonable to Shareholders and as such, **in the best interests** of Shareholders.

An individual Shareholder's opinion in relation to the Scheme may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

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General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders.

The ultimate decision whether to approve the Scheme should be based on each of the Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.

Shareholders should read and have regard to the contents of the Scheme Booklet issued by Cannatrek.

Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

RSM CORPORATE AUSTRALIA PTY LTD



Andrew Clifford
Partner – Corporate Finance



Albert Meintjes
Partner – Corporate Finance

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1. Summary of the Scheme

1.1 Overview

On 11 June 2025, Cannatrek entered into a non-binding proposal with LGP to enter into a merger of the two companies via a scheme of arrangement pursuant to Part 5.1 of the Corporations Act, with the non-binding proposal conditional upon a number of standard conditions, including completion of satisfactory due diligence by both parties on each other, the negotiation of a formal scheme implementation deed ("**SID**"), and the acceptance of the merger by Cannatrek Shareholders.

On 14 January 2026, Cannatrek and LGP executed a binding SID for the implementation of the Scheme under which LGP is proposing to acquire 100% of the issued share capital of Cannatrek resulting in LGP remaining as an ASX-listed company and Cannatrek becoming a 100% owned subsidiary of LGP.

The Scheme will result in Cannatrek Shareholders collectively acquiring an initial 62.6% (60.3% on a fully diluted basis) interest in the LGP shares on issue immediately after the Scheme (and subsequently, acquiring up to 70.0% (68.0% on a fully diluted basis) in LGP depending on the conversion of CV Shares to LGP Shares as detailed below).

The board of directors of the Merged Group is expected to comprise:

- Brent Dennison – Chair;
- Seth Yakatan – Non-Executive Director;
- Avraham Huppert - Non-Executive Director;
- Michael D. Lynch-Bell - Non-Executive Director; and
- Paul Long – Group CEO,

The Scheme is subject to the Court convening a meeting of Shareholders where Shareholders will consider a resolution seeking approval of the Scheme ("**Scheme Meeting**"). The Scheme Meeting is to be held on or about 10 April 2026 and, under the Act, will be approved by Shareholders if the resolution is passed by a majority of Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Shareholders, irrespective of whether or not they voted for the Scheme.

If the Scheme is implemented, Cannatrek will become a wholly owned subsidiary of LGP (Merged Group).

1.2 Scheme Consideration

Under the Scheme, Cannatrek Shareholders will receive 1.835806 new listed LGP Ordinary Shares and 0.727502 unlisted New LGP CV Shares for every 1 Cannatrek Share held.

Terms of the New LGP CV Shares

The conversion from New LGP CV Shares into New LGP Ordinary Shares is subject to the determination of a Contingent Amount to be calculated on the second anniversary of the Implementation Date, being the fifth business day after the Scheme Record Date, currently expected to be 24 April 2026 ("**Contingent Amount Determination Date**"), with the Conversion Date to be determined in accordance with clause 2.11 of Schedule 7 of the SID, which includes a period for holders ("Holders") of CV Shares to dispute the Contingent Amount.

The Contingent Amount means:

(a) the Cannatrek Contingent Liability, as at the Contingent Amount Determination Date (if any); less

(b) the LGP Contingent Liability, as at the Contingent Amount Determination Date (if any).

The Cannatrek and LGP Contingent Liabilities means, in relation to Cannatrek and LGP, respectively:

(a) Tax relating to the period prior to the Implementation Date;

(b) the amount of any Loss suffered, incurred or arising out of, or in connection with any litigation, prosecution, arbitration or other dispute resolution proceedings relating to any facts, matters or circumstances during the period prior to the Implementation Date, provided that the relevant claim or proceedings have been threatened or commenced within 6 months of the Implementation Date;

(c) the amount of any bad debt expense relating to any accounts receivable on the balance sheet as at the Implementation Date; and

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(d) the amount of any Loss suffered, incurred or arising out of or in connection with any investigation, or similar proceedings by any Government Agency, provided that the relevant investigation has been threatened or commenced within 6 months of the Implementation Date.

Dependent on the quantum of the Contingent Amount, LGP CV Shares will be converted to new LGP ordinary shares in accordance with a Conversion Ratio calculated as:

(a) if the Contingent Amount is more than or equal to $8 million, is equal to nil.

(b) if the Contingent Amount is less than $8 million but greater than $2 million, the relevant conversion ratio for the corresponding Contingent Amount set out in Part A of Schedule 1 of the New LGP CV Share Agreement (consistent with that set out in Part A of Appendix H of this Report);

(c) if the Contingent Amount is equal to or less than $2 million, but equal to or greater than negative $2 million, (i.e. between negative $2 million and positive $2 million) the Baseline Ratio, defined as 4/9ths (being 4 divided by 9):

(d) if the Contingent Amount is less than negative $2 million, but greater than negative $8 million, the relevant conversion ratio for the corresponding Contingent Amount set out in Part B of Schedule 1 of the New LGP CV Share Agreement (consistent with that set out in Part B of Appendix H of this Report):

(e) if the Contingent Amount is less than or equal to negative $8 million, is equal to 1.

The rights of the of the LGP CV Shares are summarised below.

Table 4 Rights attaching to CV Shares

Right	Summary
No voting rights	A CV Share does not entitle the holder to vote on any resolutions proposed at a general meeting of shareholders of the Company except as otherwise required by law.
No dividend rights	A CV Share does not entitle the holder to any dividends.
No rights to return of capital	A CV Share does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
Rights on winding up	A CV Share does not entitle the holder to participate in the surplus profits or assets of LGP upon a winding up.
Not transferable	A CV Share is not transferable.
Reorganisation of capital	In the event the issued capital of LGP is reorganised or reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules and Corporations Act at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.
Application to ASX	The CV Shares will not be quoted on the ASX but upon conversion of a CV Share to ordinary shares, LGP will apply for quotation of these ordinary shares on the ASX in accordance with the Listing Rules.
Participation in new issues	Subject to the Reorganisation of capital clause above, a Holder is not entitled to participate in new issues of capital offered to holders of LGP ordinary shares such as bonus issues and entitlement issues.
Conversion on change of control	Upon the occurrence, prior to the Contingent Amount Determination Date, of either: (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of LGP and: (i) having received acceptances for not less than 50.1% of LGP's shares on issue; and (ii) been declared unconditional by the bidder; or (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of LGP or its amalgamation with any other company or companies; or (c) any other transaction which, in the reasonable opinion of the Board, would constitute a change of Control in LGP, (each a Control Event) then, provided that the Company's entry into binding transaction documents relating to the Control Event is approved by unanimous approval of the Board, each CV Share will convert into such number of Shares equal to the Baseline Ratio (defined as 4/9ths) on the Business Day following the occurrence of the Control Event.

Source: Schedule 7 of the SID – New LGP CV Shares terms

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Cannatrek Shares forming part of the Scheme

In addition to the 278,389,207 Shares on issue, Cannatrek also currently has 4.3m unlisted share options on issue ("**Options**" or "**Cannatrek Options**") with exercise prices in the range of $0.27 to $0.50 per option.

Each of the Cannatrek Option holders and LGP have agreed that the Cannatrek Options will vest, subject to the convening of the Scheme Meeting by the Court and Cannatrek Option holders will be issued 1,749,772 new Cannatrek Shares.

If the Scheme is implemented, Cannatrek shares issued to Cannatrek Option holders will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

Accordingly, we have assumed LGP will issue 511,068,667 new LGP Ordinary Shares and 202,528,611 New LGP CV Shares to acquire 278,389,207 Cannatrek Shares[5] on issue prior to the Scheme, with the number of CV Shares to be converted to LGP Ordinary Shares in accordance with the calculation of the Conversion Amount and the Conversion Ratio as set out above.

Shares issued to Cannatrek Shareholders under the Scheme

The above will result in a Cannatrek Shareholder initially receiving:

- 1.835806 New LGP Ordinary shares for every 1 Cannatrek Share held; and
- 0.727502 New LGP CV Shares for every 1 Cannatrek Share held.

The conversion of LGP CV Shares into LGP Ordinary Shares is contingent on the future assessment of the Contingent Amount, with the conversion of CV Shares acting as a mechanism to:

- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 70.0% (68.0% on a fully diluted basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to between 66.3% (64.1% on a fully diluted basis) and 70.0% (68.0% on a fully diluted basis) (calculated on a straight line basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $2 million and less than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 66.3% (64.1% on a fully diluted basis) upon the conversion of the CV Shares if the difference between the Cannatrek and LGP Contingent Liability amounts is less than $2 million (in either direction);
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) to between 62.6% (60.3% on a fully diluted basis) and 66.3% (64.1% on a fully diluted basis) (calculated on a straight line basis) if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $2 million and less than $8 million; and
- if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $8 million, Cannatrek Shareholders' collective interest in the Merged Group immediately after the Scheme remains unchanged at 62.6% (60.3% on a fully diluted basis).

The sliding conversion scale is summarised in Appendix H and will result in a conversion in the range of:

- 0.45269 to 1 LGP Ordinary Shares for every 1 CV Share held (to increase Shareholders' collective interest in the range of 66.3% (64.1% on a fully diluted basis) to 70.0% (68.0% on a fully diluted basis);
- 0 to 0.4444 LGP Ordinary Shares for every 1 CV Share held (to increase Shareholders' collective interest from 62.6% (60.3% on a fully diluted basis) to up to 66.3% (64.1% on a fully diluted basis)); and
- nil conversion for every 1 CV Share held (if Shareholders' collective interest remains unchanged at 62.6% (60.3% on a fully diluted basis).

[5] 278,389,207 Cannatrek Shares comprises 276,639,435 Cannatrek Shares on issue at the date of this report, together with 1,749,772 new Cannatrek Shares to be issued upon the convening of the Scheme Meeting by the Court as a result of the vesting of 4,269,492 Cannatrek Options.

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Summary of LGP Share Structure pre and post implementation of the Scheme

The table below summarises the Share Structure of LGP pre and post implementation of the Scheme on both an undiluted and a fully diluted basis (assuming all options, share rights and performance rights convert to LGP ordinary shares) assuming the following scenarios in relation to the conversion of LGP CV Shares:

- no conversion of LGP CV Shares into LGP Ordinary Shares;
- conversion of LGP CV Shares into LGP Ordinary Shares based on the base line ratio; and
- full conversion of LGP CV Shares into LGP Ordinary Shares.

Table 5 Summary of LGP Share Structure pre and post implementation of the Scheme

	Assuming No CV Share Conversion		Assuming Baseline CV Share Conversion		Assuming Full CV Share Conversion	
	Number	%	Number	%	Number	%
Undiluted						
Existing LGP Shares on Issue	305,645,910	37.4%	305,645,910	33.7%	305,645,910	30.0%
New LGP Ordinary Shares offered under Scheme	511,068,667	62.6%	511,068,667	56.4%	511,068,667	50.1%
New LGP CV Shares offered under Scheme converting to New LGP Ordinary Shares	-	0.0%	90,012,716	9.9%	202,528,611	19.9%
Total number of LGP Shares on completion of the Scheme held by Cannatrek Shareholders	**511,068,667**	**62.6%**	**601,081,383**	**66.3%**	**713,597,278**	**70.0%**
Total LGP Shares on Issue on completion of the Scheme	**816,714,577**	**100.0%**	**906,727,293**	**100.0%**	**1,019,243,188**	**100.0%**
Fully diluted (assuming all LGP share rights, options and performance rights on issue convert to LGP Ordinary Shares)						
Existing LGP Shares on Issue	336,460,778	39.7%	336,460,778	35.9%	336,460,778	32.0%
New LGP Ordinary Shares offered under Scheme	511,068,667	60.3%	511,068,667	54.5%	511,068,667	48.7%
New LGP CV Shares offered under Scheme converting to New LGP Ordinary Shares	-	0.0%	90,012,716	9.6%	202,528,611	19.3%
Total number of LGP Shares on completion of the Scheme held by Cannatrek Shareholders	**511,068,667**	**60.3%**	**601,081,383**	**64.1%**	**713,597,278**	**68.0%**
Total LGP Shares on Issue on completion of the Scheme	**847,529,445**	**100.0%**	**937,542,161**	**100.0%**	**1,050,058,056**	**100.0%**

Source: RSM calculations

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1.3 Key Conditions of the Scheme

The implementation of the Scheme is subject to a number of Conditions Precedent. The Conditions Precedent which must be satisfied or waived are:

a) (**ASIC and ASX relief**) ASIC and ASX each issue or provide such consents, waivers and approvals or do such other acts that are necessary to implement the Scheme, and none of those consents, waivers or approvals have been withdrawn, revoked or adversely amended before 8.00am on the Second Court Date.

b) (**Regulatory Approvals**) All material Regulatory Approvals which LGP and Cannatrek (acting reasonably) agree are necessary or desirable to implement the Scheme or the Transaction are obtained and those approvals have not been withdrawn, revoked or adversely amended before 8.00am on the Second Court Date.

c) (**Cannatrek Shareholder approval**) Cannatrek Shareholders approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act (except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Corporations Act) at the Scheme Meeting.

d) (**Independent Expert's Report**) The Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Cannatrek Shareholders before the time when the Scheme Booklet is registered with ASIC and does not change or adversely qualify its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date.

e) (**Court approval**) The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.

f) (**No restraints**) No applicable law shall have been enacted and no Order shall be in effect as at 8.00am on the Second Court Date (or the intended date for the Second Court Date, but for such Order) that prevents, makes illegal or prohibits the implementation of the Scheme or requires the divestiture by LGP of any Cannatrek Shares.

g) (**No Cannatrek Material Adverse Change**) No Cannatrek Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date.

h) (**No Cannatrek Prescribed Occurrence**) No Cannatrek Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.

i) (**Cannatrek Options**) By 8.00am on the Second Court Date, each holder of Cannatrek Options has either:

(i) exercised the vested Cannatrek Options held by them in accordance with their existing terms; or

(ii) entered into an Option Cancellation or Exercise Deed,

so that all Cannatrek Options will have either lapsed, been exercised or cancelled in accordance with clause 4.7 of the SID.

j) (**Cannatrek Loan Funded Shares**) By 8.00am on the Second Court Date, the Remaining Loan Balance relating to each holder's Cannatrek Loan Funded Shares has been assigned from Cannatrek to LGP effective from the Implementation Date in accordance with clause 4.8.

k) (**Cannatrek Financing**) Such approvals or consents in relation to the Cannatrek Financing, which are necessary with respect to the continuation of the Cannatrek Financing on implementation of the Scheme or the Transaction, are obtained.

l) (**LGP Financing**) Such approvals or consents in relation to the LGP Financing, which are necessary with respect to the continuation of the LGP Financing on implementation of the Scheme or the Transaction, are obtained.

m) (**ASX Listing Rule 6.1 confirmation**): ASX confirming the terms of the New LGP CV Shares are, in ASX's opinion, appropriate and equitable for the purposes of ASX Listing Rule 6.1.

n) (**Net Cash and Receivables**) by 8.00 am on the Second Court Date, the Cannatrek Group will have Net Cash and Receivables (in aggregate) of no less than $19,000,000.

o) (**No LGP Material Adverse Change**) No LGP Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date.

p) (**No LGP Prescribed Occurrence**) No Cannatrek Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.

q) (**LGP Shareholder approval**) LGP Shareholders approve the LGP Resolutions by the requisite majorities at the LGP Shareholder Meeting.

r) (**Cannatrek Key Person Escrow**) as at 8.00 am on the Second Court Date, LFP and each Cannatrek Key Person duly executing a Voluntary Escrow Deed in respect of each Cannatrek Key Person's New LGP Ordinary Shares.

s) (**LGP Key Shareholder Escrow**) LGP and each LGP Key Shareholder duly executing a Voluntary Escrow Deed in respect of each LGP Key Shareholder's LGP Shares.

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t) (**Other approvals**) Such approvals or consents in relation to contracts, leases, licences or permits held by an LGP Group Member, which LGP and Cannatrek agree in writing are required as a result of implementation of the Scheme or Transaction, are obtained.

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2. Scope of the Report

2.1 Purpose of this Report

The Directors of Cannatrek have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Shareholders.

2.2 Regulatory guidance

It is relevant to note that the expression "in the best interests" is not defined within either the Act or the Regulations. Therefore, in determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by the ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is, therefore, representative of a change of control transaction. Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns "in the best interests" with the "fair and reasonable" test. While RG 111 does not define "fair and reasonable" it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the "fair and reasonable" test as two distinct criteria, stating:

- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover offer is considered "reasonable" if it is fair or, where the offer is "not fair", it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 contends that if an expert was to conclude that a Scheme is "fair and reasonable" if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

RG 111.31 states that the comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale.

This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'.

Whilst not explicitly stated in RG111, the inference is that where no control is being given by target shareholders to an acquirer (as in a merger of equals) then an equivalent approach is reasonable and the target shareholders would not be expecting to receive a control premium as the acquirer is not obtaining control of the merged entity and the target shareholders are not losing the potential to obtain a control premium through a future control transaction.

In line with the guidance provided in RG 111, we have also had regard to whether the relative value contributed by each of the merging entities to the value of the Merged Group is consistent with the terms of the transaction proposed under the Scheme.

Our assessment of the Scheme is that it represents a "reverse takeover transaction" for Cannatrek, whereby Cannatrek Shareholders will hold the majority of the LGP shares on issue immediately following the implementation of the Scheme. Our opinion is based on the following:

- the Cannatrek Shareholders' collective interest in the Merged Group will be a minimum of 62.6% (60.3% on a fully diluted basis) immediately after the Scheme;
- the relative value contributed by Cannatrek to the value of the Merged Group is circa 54% (assessed on a non-controlling basis) at our assessed preferred value of the Merged Group; and
- both LGP and Cannatrek will have representation on the Board of directors of the Merged Group with 3 representatives from the existing Cannatrek Board and 2 nominations from the existing LGP Board.

Therefore, we have concluded that Shareholders are not ceding control under the terms of the Scheme and not losing the potential to obtain a control premium through a future control transaction and, similar to a merger of equals, we consider that an equivalent analysis approach is appropriate.

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The conversion of LGP CV Shares into LGP Ordinary Shares is contingent on the future assessment of the Contingent Amount, with the conversion of CV Shares using a Conversion Ratio acting as a mechanism to:

- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 70.0% (68.0% on a fully diluted basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to between 66.3% (64.1% on a fully diluted basis) and 70.0% (68.0% on a fully diluted basis) (calculated on a straight line basis) if LGP's Contingent Liability[1] exceeds Cannatrek's Contingent Liability by greater than $2 million and less than $8 million;
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) immediately post the Scheme, to 66.3% (64.1% on a fully diluted basis) upon the conversion of the CV Shares if the difference between the Cannatrek and LGP Contingent Liability amounts is less than $2 million (in either direction);
- increase Cannatrek Shareholders' collective interest in the Merged Group from 62.6% (60.3% on a fully diluted basis) to between 62.6% (60.3% on a fully diluted basis) and 66.3% (64.1% on a fully diluted basis) (calculated on a straight line basis) if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $2 million and less than $8 million; and
- if Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by greater than $8 million, Cannatrek Shareholders' collective interest in the Merged Group immediately after the Scheme remains unchanged at 62.6% (60.3% on a fully diluted basis).

2.3 Adopted basis of evaluation

Consistent with the guidance set out in RG 111 as summarised above, in assessing whether or not we consider the Scheme is "in the best interests" of Shareholders, we have considered whether the Scheme is fair to the Shareholders by assessing and comparing:

- the Fair Value of a Cannatrek Share on a non-controlling basis prior to the Scheme; with
- the Fair Value of the consideration offered per Cannatrek Share on a non-controlling basis immediately after the Scheme (Scheme Consideration).

On this basis, if the Fair Value of the Scheme Consideration equal to or greater than the Fair Value of a Cannatrek share prior to the Scheme, in our opinion, the Scheme would be "fair" and, as such, in the best interests of Shareholders.

Our assessment of the Fair Value of a Cannatrek Share has been prepared on the following basis:

"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".

As set out in Section 2.2 above, the conversion of LGP CV Shares into LGP Ordinary Shares is contingent on the future assessment of the Contingent Amount and Conversion Ratio.

As no contingent liabilities have been quantified as at the date of this Report, no adjustments have been made for contingent liabilities in our valuation of Cannatrek and LGP. Accordingly, for the purposes of our fairness assessment, to be consistent with our valuation, we have assumed, under Scenario 1, whereby the difference between the Cannatrek and LGP Contingent Liability amounts are within $2 million, and therefore, Cannatrek Shareholders' collective interest in the Merged Group will be 66.3% immediately post the Scheme.

Accordingly, we have assumed that the 202,528,611 CV Shares will convert to an additional 90,012,716 LGP Ordinary Shares, resulting in the Cannatrek Shareholders effectively receiving 2.15914 New LGP Ordinary Shares for every 1 Cannatrek Share on issue (Merger Ratio 1).

However, given there is uncertainty as to what contingent liabilities may crystallise within Cannatrek and the ultimate number of LGP CV Shares that may convert to New Ordinary Shares, we have also included Scenario 2 in our assessment of fairness, where we have assumed no CV Shares will convert to New LGP Ordinary Shares resulting in Shareholders effectively receiving 1.83581 New LGP Ordinary Shares for every 1 Cannatrek Share on issue (Merger Ratio 2).

Scenario 2 demonstrates the minimum shareholding Cannatrek Shareholders will collectively hold in the Merged Group (i.e. a worst case scenario).

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The table below outlines the calculations for the Merger Ratios.

Table 6 Merger Ratio

	Number	%
LGP shares currently on issue	**305,645,910**	**33.7%**
New LGP Ordinary Shares	511,068,667	56.4%
New pro forma LGP Ordinary Shares upon conversion of CV Shares	90,012,716	9.9%
Total pro forma LGP Ordinary Shares to be issued under the Scheme	**601,081,383**	**66.3%**
Total pro forma LGP ordinary shares on issue immediately post the Scheme (Scenario 1)	**906,727,293**	**100.0%**
Cannatrek Shares currently on issue	276,639,435	
Cannatrek Options on issue which are expected to be converted to Shares prior to the Scheme	1,749,772	
Total Cannatrek Shares to be acquired by LGP under the Scheme	**278,389,207**	
Merger Ratio 1	**2.15914**	
LGP shares currently on issue	**305,645,910**	**33.7%**
New LGP Ordinary Shares	511,068,667	56.4%
New pro forma LGP Ordinary Shares upon conversion of CV Shares	-	0.0%
Total pro forma LGP Ordinary Shares to be issued under the Scheme	**511,068,667**	**56.4%**
Total pro forma LGP ordinary shares on issue immediately post the Scheme (Scenario 2)	**816,714,577**	**90.1%**
Total Cannatrek Shares to be acquired by LGP under the Scheme	**278,389,207**	
Merger Ratio 2	**1.83581**	

Source: Scheme Booklet and RSM analysis

In accordance with RG 111, we have considered whether the Scheme is "reasonable" to Cannatrek Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to Cannatrek Shareholders, in their decision as to whether or not to approve the Scheme.

In assessing whether the Scheme is in the “best interests” of the Shareholders, in addition to considering whether or not the Scheme is “fair” to the Shareholders, we have also considered whether the Scheme is “reasonable” by undertaking an analysis of the following factors:

- the future prospects of the Company if the Scheme does not proceed;
- the potential advantages and disadvantages of the Scheme for the Shareholders, including the conversion of LGP CV Shares into LGP Ordinary Shares; and
- alternative proposals and likelihood of an alternative takeover Scheme.

Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

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3. Profile of Cannatrek Limited

3.1 Background

Cannatrek is an Australian licensed manufacturer and distributor of medicinal cannabis products, with operations comprising Good Manufacturing Practice ("**GMP**") certified packaging, proprietary brand, and national compliant distribution. The Company's principal activities are focused within the medicinal cannabis supply chain, sourcing bulk or finished medicinal cannabis from licensed domestic and international producers, manufacturing (packaging and labelling) products under Cannatrek's own brands, and distributing products to pharmacies and authorised channels across Australia.

Cannatrek's product portfolio now represents approximately 15% of the Australian market, positioning the Company as the second-largest player in the sector in Australia.

The Company is headquartered in Melbourne and has operating facilities located in Shepparton, Victoria and Queensland. The facility at Shepparton is the primary operational site for:

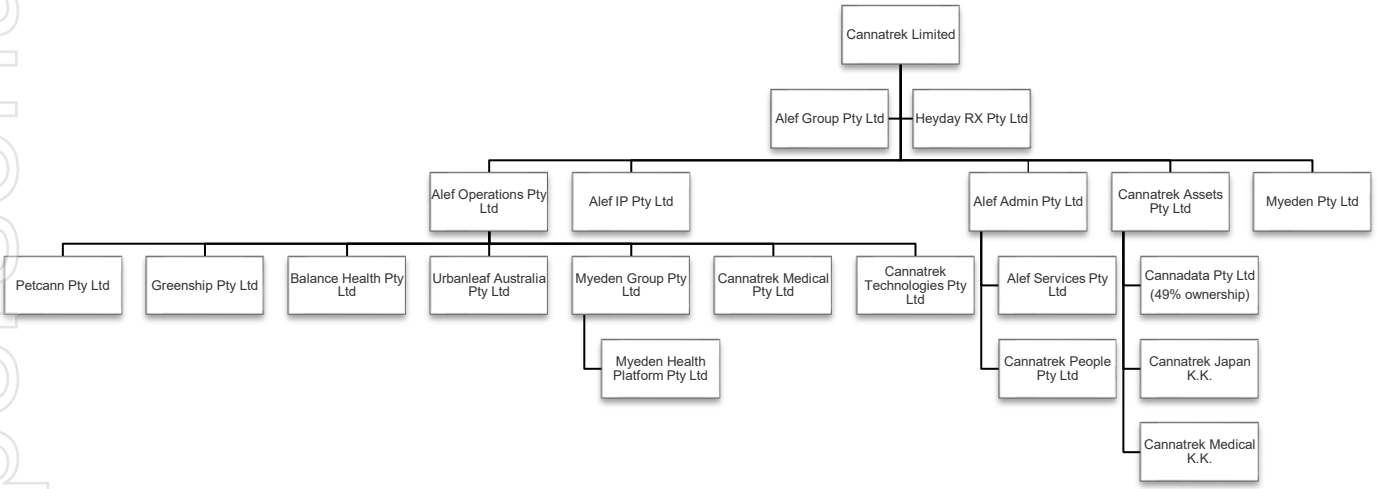
- Manufacturing (packaging and branding) - dried flower sourced from licensed third parties is packaged and labelled under Cannatrek's proprietary brands in accordance with GMP standards; and
- Storage and distribution as the Company's national logistics centre.

In April 2025, the Company acquired 100% of the ordinary shares of Heyday RX Pty Ltd ("**Heyday**"), a medicinal cannabis business engaged in the distribution of cannabis-based therapeutic products.

3.2 Legal structure

The current legal structure of Cannatrek is shown in the figure below.

Figure 2 Cannatrek Limited legal structure



Source: Cannatrek Management

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3.3 Directors and management

The directors and key management of Cannatrek are summarised in the table below.

Table 7 Cannatrek directors and key management

Name	Title	Experience
Brent Dennison	Chair and Director	Brent Dennison was most recently the Chief Executive Officer of the Cell Care Group, an international cord blood bank and cellular therapy investor. He led Cell Care Group's expansion into Asia and North America prior to the company's acquisition by US-based Generate Life Sciences in 2021. Brent is also a director of Service Stream Ltd., Aspire2 Group, The Cheesecake Shop and The Bays Health Care Group.
Tommy Huppert	Founder and Director	Tommy Huppert is the founder of Cannatrek and is a start-up entrepreneur and medicinal cannabis health economist. Cannatrek was one of the first enterprises in Australia to secure all federal and state government licenses to import cannabis seeds, research, grow, process, manufacture, and distribute medicinal cannabis products. Tommy's focus is to drive cannabis plant production excellence and to funnel resources for patient care solutions and deliver affordable medicine. He established the "Seed to Patient" business model combining cutting edge cultivation expertise and world-class manufacturing practices to deliver high quality products, with a clinical research focus on mental health.
Justin Arter	Non-Executive Director	Justin brings extensive experience in strategic leadership, governance, and financial performance. Recently, as CEO of Cbus, a major Australian superannuation fund, Justin led initiatives that included internal asset management growth, acquisition of two funds, and strengthened member outcomes. His oversight of an $85 billion portfolio demonstrates his capacity to deliver results while ensuring robust risk management and alignment with regulatory frameworks. Justin's prior roles at BlackRock included senior positions in Australia, the UK, and the Middle East, where he led institutional client relations and oversaw regulatory engagement, technology integration, and growth strategy execution. Under his leadership as Country Head, BlackRock Australia's AUM grew from $40 billion to $100 billion. His deep expertise in financial strategy, operational efficiency, and stakeholder engagement would contribute strategic value and regulatory insight to Cannatrek's board.
Seth Yakatan	Non-Executive Director	Seth Yakatan, co-founder of Katan Associates, Inc., brings over 30 years of expertise in corporate finance, particularly in the cannabis, wellness, and biotech sectors where he is recognised as a thought leader, Seth is a frequent speaker at major industry conferences like Benzinga and MJ Unpacked. His insights and direct approach keep him at the heart of key conversations within the cannabis industry. Seth's career includes founding Katan Associates in 2001 after managing over $3 billion in investments at Union Bank of California, N.A. Seth also serves on the board of FitLife Brands, Inc. (NASDAQ) and has contributed to the growth of notable cannabinoid therapeutics companies. He holds a BA from the University of Denver and an MBA from the University of California, Irvine.
Imogen Randell	Non-Executive Director	Imogen Randell is the CEO of two independent insights agencies with different expertise and strengths that are part of Clemenger Group Limited and Omnicom. With over 30 years' experience, Imogen's expertise lies in strategic consulting informed by evidence-based insights. Working extensively with clients in both social and government and commercial sectors to inform decisions on some of today's most complex issues including in the health, energy, infrastructure, retail, services economy, travel and tourism, and finance sectors.
Samuel Holt	Non-Executive Director	Samuel Holt is a proven entrepreneur in digital health, launching Skin Patrol in 2004, Australia's first mobile tele-dermatology practice, and its sister company, Sun Safe Workplace, which is Australia's leading platform for skin cancer education and early detection. Samuel went on to establish Anywhere Healthcare in partnership with Medibank and Amwell, building Australia's first online specialist telehealth service before its sale to Telstra Health in 2015. As CEO of GP2U, Samuel led a $3m Series A raise with backing from HCF and Sonic Healthcare, steering the company through rapid growth ahead of its 2021 sale to Doctor Care Anywhere. Since 2017, Samuel has supported the Murdoch Children's Research Institute, driving the commercialisation of digital health tools such as Allergy Pal, Sleep with Kip, Matterworks and Genocare. Sam was also co-founder of Heyday.

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Jason Rance	Chief Executive Officer (CEO)	Jason excels at leading brands and businesses through positive change and transformation to deliver outstanding results. He has held P&L responsibility as a member of Global Executive team, spanning both world-class consumer brands (Speedo International, Bendon Apparel) and disruptive, fast-paced VC and PE-backed tech and services businesses (The Risk Advisory Group, Control Risks Group (Asia Pacific), TexYard, and Incora).
Paula Butler	Chief Financial Officer (CFO)	With experience in complex financial environments both in Australia and internationally, Paula has held several executive management roles in Finance and Operations throughout her career. Paula has strong analytic and financial modelling skills along with experience in equity and debt financing, mergers and acquisitions, and post-merger integration. Paula holds a Bachelor of Economics (Accounting) and is a Certified Practicing Accountant.
Dr Jim Connell	Chief Medical Officer	Jim graduated from UNSW Sydney with a Bachelor of Medicine and Surgery in 2013 and is a RACGP accredited general practitioner with a passion for complex chronic disease management. To expand his toolkit and provide patients with more options, over the last few years he has been specialising in the field of cannabis medicine. Jim has become passionate about cannabis education and improving patients and doctors' understanding of this complex herbal medicine and the endocannabinoid system through which it exerts many of its actions. Jim was appointed the President of the Society of Cannabis Clinicians Australian Chapter 2021-2022 and co-founded Heyday, with the goal to create unique Australian grown cannabis products for Australian patients.
James Kapetanios	General Manager, Operations	James Kapetanios leads operations at Cannatrek across cultivation, GMP manufacturing, and distribution. With over 10 years of experience in pharmaceutical manufacturing and large-scale operations, he has delivered transformational initiatives generating saving throughout the operational network. James combines operational execution with commercial finance expertise, leveraging data-driven decision-making and financial modelling to drive efficiency and profitability in complex, highly regulated environments. James holds a Bachelor of Business (Accounting) from Victoria University and is a member of Chartered Accountants Australia and New Zealand (CAANZ).
George Michalopoulos	General Manager, Commercial	George is a senior commercial leader with more than 20 years' experience across retail and FMCG, specialising in sales growth, demand planning, supply chain optimisation and commercial execution. He has a strong track record of driving revenue, improving product availability, and leading cross-functional teams to deliver high-impact commercial outcomes. With a confident, stakeholder-focused approach, George excels in building strategic partnerships, negotiating with clients and suppliers, and executing complex, high-value projects. George holds a Bachelor of Arts and Diploma of Business (Media and Marketing).
Chris Petrakis	General Manager, Technology	With over 25 years of experience in healthcare, biotech, and research environments, Chris has held senior technology leadership roles in Australia and internationally. He has led global teams across Australia, the USA, and Canada, delivering major system implementations spanning CRM, ERP, LIMS, cloud infrastructure, and enterprise integrations. Chris brings strong strategic and analytical capability, with deep experience in large scale digital transformation, modern integration architectures, AI and data analytics, and vendor and stakeholder management. He has a proven record in delivering technology outcomes that strengthen operational excellence and support scientific and clinical advancement. Chris holds a Master of Technology (Software Engineering)
Phoebe Macleod	General Manager, Product & Industry Development	Phoebe oversees Cannatrek's 72+ product portfolio, manages strategic supplier partnerships, and leads new product development and innovation across the group. Phoebe also represents Cannatrek in shaping the future of the medicinal cannabis sector and serves on the Board of the Medicinal Cannabis Industry Association (MCIA). Phoebe is the former co-founder and Managing Director of Heyday. Phoebe is an intellectual property and commercial lawyer with over 10 years' experience in the medical research and health sectors and holds a Bachelor of Laws (Hons)/Science (Genetics) from Monash University.

Source: Cannatrek Management

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3.4 Financial information

The information in the following section provides a summary of the consolidated financial performance and financial position of Cannatrek for the financial years ended 30 June 2023 ("**FY23**"), 30 June 2024 ("**FY24**") and 30 June 2025 (**"FY25**") (collectively, the "**Historical Period**"), extracted from the Company's consolidated audited financial statements.

3.5 Financial performance

The following table sets out a summary of the Company's consolidated financial performance for the Historical Period.

Table 8 Cannatrek historical financial performance

Cannatrek Limited Profit & loss summary ($'000)	FY23 *Audited*	FY24 *Audited*	FY25 *Audited*
Revenue	**89,607**	**82,986**	**75,499**
Revenue growth (%)	*n/a*	*(7%)*	*(9%)*
Cost of sales	**(43,805)**	**(46,333)**	**(36,090)**
Gross Profit	**45,802**	**36,653**	**39,409**
Gross margin (%)	*51%*	*44%*	*52%*
Operating expenses			
Employment expenses	(11,740)	(17,632)	(16,164)
Other operating expenses	(2,986)	(5,652)	(5,359)
Administration expenses	(2,093)	(3,758)	(3,310)
Information technology expenses	(1,936)	(2,487)	(2,181)
Sales and marketing expenses	(1,374)	(1,396)	(1,271)
Cultivation operations	(3,592)	(7,695)	(1,106)
Total operating expenses	**(23,721)**	**(38,621)**	**(29,391)**
OPEX margin (%)	*26%*	*47%*	*39%*
EBITDA	**22,081**	**(1,968)**	**10,018**
EBITDA margin (%)	*25%*	*(2%)*	*13%*
Depreciation and amortisation	(948)	(3,959)	(2,837)
EBIT	**21,133**	**(5,926)**	**7,180**
EBIT margin (%)	*24%*	*(7%)*	*10%*
Other non-operating revenue	194	37	-
Other non-operating expense	-	(3,844)	(2,686)
Interest income	166	407	393
Finance expenses	(185)	(403)	(198)
Loss on disposal of asset	(6)	(14)	(535)
Fair value movement of biological assets	(904)	(1,617)	497
Profit/(loss) before tax	**20,398**	**(11,360)**	**4,651**
Income tax benefit / expense	(5,833)	2,136	2,293
Loss for the year from discontinued operations	-	-	(3,754)
Net profit / (loss) after income tax from continuing operations	**14,565**	**(9,224)**	**3,191**

Source: Cannatrek audited financial statements

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We make the following comments in relation to the consolidated financial performance:

- Cannatrek disclosed total operating revenue of $89.6m, $83.0m and $75.5m for FY23, FY24 and FY25, respectively. Operating revenue is presented net of distribution costs over the Historical Period (in contrast to LGP which presents distribution costs as a separate expense line item).
- Sales are primarily conducted through national pharmacy networks, enabled by Cannatrek's own Greenship® platform. Additional business-to-business (B2B) sales are made via licensed third-party distributors and prescribers, including:
  - Burleigh Heads Cannabis Pty Ltd ("**Burleigh Heads Cannabis**") (licensed cannabis distributor);
  - Montu Group Pty Ltd ("**Montu**") (prescriber-led platform with affiliated clinics); and
  - MCA Pty Ltd ("**MCA**") (clinic and script fulfilment network).
- B2B sales via Greenship, Burleigh Heads Cannabis, Montu and MCA collectively generated the majority of total sales over the Historical Period.
- Medicinal cannabis products are marketed under a portfolio of proprietary brand families including:
  - Cannatrek® - core in-house range, including SKUs such as "Topaz" and "Narooma", primarily comprising dried flower and oil;
  - Cornerfield™ - in-house budget range; and
  - Heyday® - acquired in April 2025 and includes products focused on minor cannabinoids and balanced cannabidiol (CBD) formulations.
- The decrease in operating revenue over the Historical Period was primarily driven by increasing competition and market consolidation.
- Cannatrek sales for the quarter ended 30 September 2025 ("**YTD25**") indicate stability, with sales for FY26 expected to be consistent with FY25 levels. While the launch of new products is projected to contribute positively to Cannatrek's topline, the company's ability to grow will be impacted by expectations the market environment will remain relatively soft due to prescriber concerns over potential changes to Australia's regulatory framework for medicinal cannabis.
- Operating expenses over the Historical Period mainly comprised employment expenses, other operating expenses, administration expenses, information technology expenses, sales and marketing expenses and cultivation expenses.
- Operating expenses totalled $23.7m, $38.6m and $29.4m for FY23, FY24 and FY25, respectively. The significant increase in operating expenses in FY24 was due primarily to:
  - significant cultivation operations expenses (which have been since significantly reduced following the cessation of cultivation activities at the Company's Queensland facility); and
  - higher employment expenses as overspend on escalating headcount and personnel costs continued through FY24 and the first half of FY25 without the revenue growth expectation being achieved.
- Following a number of restructuring activities including increased inventory monitoring and controls, supplier payment management, and the cessation of cultivation activities, operating expenses reduced to $29.4m for FY25, with FY26 operating expenses expected to be reasonably consistent with FY25 levels.
- The Company disclosed earnings at the EBITDA level of $10.0m for FY25 and $22.1m for FY23, compared to losses of $2.0m for FY24.
- Depreciation and amortisation expenses included impairment costs of $866k and $2.2m for FY25 and FY24, respectively. Impairment costs for FY25 related to the impairment of property, plant and equipment for the Queensland cultivation facility and impairment costs for FY24 related to the impairment recognised in relation to the medicinal cannabis production site at Lemnos, Shepparton where an independent valuation of the Lemnos asset determined a recoverable amount below carrying value.
- Cannatrek disclosed earnings at the EBIT level of $21.1m and $7.2m for FY23 and FY25, respectively, and EBIT losses of $5.9m for FY24.
- The Company disclosed other non-operating expenses totalling $3.8m and $2.7m for FY24 and FY25, respectively. The expense of $3.8m for FY24 related to a one-off write off of prepayments. The $2.7m incurred for FY25 primarily comprised restructuring costs.

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3.6 Financial position

The table below sets out a summary of the Company's consolidated financial position at 30 June 2023, 30 June 2024 and 30 June 2025.

Table 9 Cannatrek historical financial position

Cannatrek Limited Financial position ($'000)	30-Jun-23 *Audited*	30-Jun-24 *Audited*	30-Jun-25 *Audited*
Current assets			
Cash and cash equivalents	14,444	6,958	7,314
Financial assets	-	5,000	5,201
Trade and other receivables	5,488	7,025	6,929
Prepayments	5,986	3,661	2,280
Inventory	34,221	15,503	11,101
Biological assets	561	127	137
Deferred tax asset	-	512	2,050
Income tax receivable	-	-	648
Assets classified as held for sale	-	-	1,052
Non-current assets			
Intangibles	1,233	1,745	8,506
Property, plant and equipment	21,184	20,606	16,153
Investment in associated entities	-	238	-
Right of use assets	1,291	1,628	456
Total assets	**84,409**	**63,004**	**61,827**
Current liabilities			
Trade and other payables	(12,468)	(7,350)	(2,855)
Income tax payables	(5,889)	(745)	-
Accruals	(645)	(1,406)	(3,199)
Employee benefits provision	(742)	(1,026)	(667)
Lease liabilities	(865)	(657)	(235)
Borrowings	(280)	(2,913)	(2,675)
Deferred tax liability	(1,250)	-	-
Non-current liabilities			
Make-good provision	(259)	(625)	(278)
Lease liabilities	(417)	(856)	(210)
Borrowings	(2,789)	-	-
Total liabilities	**(25,604)**	**(15,579)**	**(10,119)**
Net assets	**58,804**	**47,425**	**51,709**
Equity			
Contributed equity	42,957	43,315	48,046
Reserves	26	59	322
Accumulated profit/(loss)	15,822	4,051	3,340
Total equity	**58,804**	**47,425**	**51,709**

Source: Cannatrek audited financial statements

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We make the following comments in relation to the consolidated financial position:

- Cannatrek disclosed net assets of $58.8m, $47.4m and $51.7m as at 30 June 2023, 30 June 2024 and 30 June 2025, respectively, with movements in net assets due primarily to net profits/losses disclosed over the Historical Period as well as dividends granted and paid during FY24 and FY25.
- Cannatrek disclosed total assets of $61.8m as at 30 June 2025, primarily comprising:
  - cash and cash equivalents ($7.3m), financial assets comprising term deposits ($5.2m), inventory ($11.1m).
  - Assets classified as held for sale of $1.1m as at 30 June 2025 comprised property, plant and equipment for the Queensland facility as part of the discontinuation of the cultivation activities.
  - Intangible assets of $8.5m at 30 June 2025 primarily comprised brand ($2.6m), goodwill ($2.9m), and developed software ($3.0m). The brand and goodwill relate to the acquisition of Heyday.
  - Property, plant and equipment of $16.2m primarily comprised of land and building, leasehold improvements, production equipment, office equipment, and capital works in progress.
- As at 30 June 2025, total liabilities of $10.1m primarily comprised of trade and other payables ($2.9m), accruals ($3.2m), and borrowings ($2.7m).
- Current borrowings of $2.7m and $2.9m at 30 June 2025 and 30 June 2024, respectively, relates to the balance of various variable-rate debt facilities from the Commonwealth Bank of Australia. These facilities had a three-year full term with a variable interest rate. The Company maintained these variable-rate debt facilities during FY25.
- In July 2025, the facilities were renegotiated into a general facility with a limit of $6.7m and a variable interest rate (5.73% as of July 2025).

The table below sets out a summary of Cannatrek's working capital position over the Historical Period.

Table 10 Working capital

Net working capital ($'000)	30-Jun-23 *Audited*	30-Jun-24 *Audited*	30-Jun-25 *Audited*
Trade and other receivables	5,488	7,025	6,929
Prepayments	5,986	3,661	2,280
Inventory	34,221	15,503	11,101
Trade and other payables	(12,468)	(7,350)	(2,855)
Accruals	(645)	(1,406)	(3,199)
Employee benefits provision	(742)	(1,026)	(667)
Net working capital	**31,839**	**16,407**	**13,589**

Source: Cannatrek audited financial statements

At 30 June 2025, Cannatrek disclosed net working capital of $13.6m (30 June 2024: $16.4m).

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The table below sets out a summary of Cannatrek's consolidated net cash over the Historical Period.

Table 11 Net cash

Net cash ($'000)	30-Jun-23 *Audited*	30-Jun-24 *Audited*	30-Jun-25 *Audited*
Cash and cash equivalents	14,444	6,958	7,314
Financial assets	-	5,000	5,201
Income tax receivable	-	-	648
Assets classified as held for sale	-	-	1,052
Income tax payables	(5,889)	(745)	-
Lease liabilities (current)	(865)	(657)	(235)
Borrowings (current)	(280)	(2,913)	(2,675)
Deferred tax liability	(1,250)	-	-
Make-good provision	(259)	(625)	(278)
Lease liabilities (non-current)	(417)	(856)	(210)
Borrowings (non-current)	(2,789)	-	-
Net cash	**2,696**	**6,161**	**10,817**

Source: Cannatrek audited financial statements

In our assessment of net debt/net cash, we have included cash and debt-like items including financial assets (term deposits), assets classified as held for sale, income tax receivable/payable, and make-good provisions.

Based on the above, Cannatrek disclosed net cash of $10.8m as at 30 June 2025 (30 June 2024: $6.2m).

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3.7 Capital structure

Cannatrek currently has 276,639,435 Shares on issue (including shares issued to key management personnel under a limited recourse loan). The top 20 shareholders of Cannatrek as at 6 January 2026 are set out below.

Table 12 Cannatrek top 20 shareholders

Shareholder	Number	%
Unita Corporation Pty Ltd <Maayan Zvi Family A/C>	52,540,000	19.0%
River Capital Pty Ltd <River Capital Cannatrek A/C>	25,125,007	9.1%
Yaselleraph Finance Pty Ltd <Yaselleraph Finance A/C>	14,667,290	5.3%
Cw Management Pty Ltd	10,040,827	3.6%
Eyeon Investments Pty Ltd	8,444,560	3.1%
Mayan Chai Investments Pty Ltd <Mayan Chai A/C>	8,298,166	3.0%
Bitcon Pty Ltd <Gv Highway A/C>	7,108,332	2.6%
Leonpark Pty Ltd <Sillaw Family A/C>	5,261,903	1.9%
Bl Family Nominees Pty Ltd <The Bori Liberman Invest A/C>	5,000,000	1.8%
Barchochva Lahmy	5,000,000	1.8%
Rador Pty Ltd <Rador Family A/C>	5,000,000	1.8%
Copulos Superannuation Pty Ltd	4,969,150	1.8%
Maria Copulos Estate Pty Ltd <Maria Copulos Estate A/C>	3,845,384	1.4%
Aavasan Pty Ltd	3,723,857	1.3%
Raasay Capital Pty Ltd <New Park Family A/C>	3,607,910	1.3%
Mr Brian Hewlett White & Mr Cameron Hewlett White <Botanical Technologies A/C>	3,539,000	1.3%
Pistil Pty Ltd <Pistil Family A/C>	3,509,019	1.3%
Superlative Superannuation Pty Ltd <Superlative Produce S/F A/C>	3,425,000	1.2%
Mr Bernard Stang	3,333,334	1.2%
Seth Yakatan	3,076,922	1.1%
	179,515,661	**64.9%**
Other Shareholders	97,123,774	35.1%
Total	**276,639,435**	**100.0%**

Source: Shareholder register dated 6 January 2026

As set out above, the top 20 Shareholders hold a 64.9% equity interest in the Company.

Cannatrek currently has 5,109,888 ordinary shares on issue under a limited recourse loan arrangement issued to the following key management personnel.

Table 13 Cannatrek shares issued under limited recourse loans

Ordinary shares - limited recourse loan	No.	Exercise Price	Initial loan	Current loan balance
Brent Dennison	2,747,252	$0.18	$500,000	$458,791
Paula Butler	1,373,626	$0.18	$250,000	$229,396
Seth Yakatan	329,670	$0.18	$60,000	$55,055
Justin Arter	329,670	$0.18	$60,000	$55,055
Tommy Huppert	329,670	$0.18	$60,000	$55,055
Total	**5,109,888**		**$930,000**	**$853,352**

Source: Shareholder register dated 18 November 2025

In accordance with clause 4.8 of the SID, if the Scheme is implemented, the remaining balance on the limited recourse loans will be applied to the holders' New LGP Shares, on substantially the same terms as the existing limited recourse loans. Given the immaterial nature of the limited recourse loans, we have not considered the potential impact of the repayment of the limited recourse loans within our assessment of the Fair Value of Cannatrek prior to the Scheme.

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Cannatrek also currently has 4,269,492 unlisted options (Cannatrek Options or Options), as summarised in the table below.

Table 14 Summary of Options

Options holders	No.	Exercise Price	Expiry Date
Thomas Huppert	1,054,464	$0.43	1-Jun-31
Brett Schwarz	1,089,464	$0.34	1-Jun-31
James Kapetanios	370,370	$0.27	1-Jun-31
Analyn Sanchez	330,750	$0.27	1-Jun-31
George Michalopoulos	259,259	$0.27	1-Jun-31
Paul Schwartz	100,000	$0.50	31-Dec-26
Didi Simson	185,185	$0.27	1-Jun-31
Kane Richards	80,000	$0.40	1-Jun-31
Rafi Wolf	75,000	$0.40	1-Jun-31
Jason Rance	650,000	$0.27	1-Jun-31
Damien Byrne	75,000	$0.40	1-Jun-31
Total	**4,269,492**		

Source: Options register dated 18 November 2025

As set out in Section 1.2, each of the Cannatrek Option holders and LGP have agreed that the Cannatrek Options will vest, subject to the convening of the Scheme Meeting by the Court, and Cannatrek Option holders will be issued 1,749,772 new Cannatrek Shares.

If the Scheme is implemented, Cannatrek shares issued to Cannatrek Option holders will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

Accordingly, we have assumed LGP will issue 511,068,667 new LGP Ordinary Shares and 202,528,611 New LGP CV Shares to acquire 278,389,207 Cannatrek Shares[6] on issue prior to the Scheme, with the number of CV Shares to be converted to LGP Ordinary Shares in accordance with the calculation of the Conversion Amount and the Conversion Ratio as set out in Section 1.2.

[6] 278,389,207 Cannatrek Shares comprises 276,639,435 Cannatrek Shares on issue at the date of this report, together with 1,749,772 new Cannatrek Shares to be issued upon the convening of the Scheme Meeting by the Court as a result of the vesting of 4,269,492 Cannatrek Options.

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4. Profile of Little Green Pharma Limited

4.1 Background

LGP is an ASX-listed medicinal cannabis company and was incorporated in Australia in 2016. LGP is a global, vertically integrated and geographically diverse medicinal cannabis and psychedelics business with operations from cultivation and production through to manufacturing, distribution and clinical services.

LGP has a diverse and growing portfolio of cannabis-based medicines, distributed across Australia and over 12 export markets via a network of wholesalers, pharmacies, clinics, and general practitioners (GPs). LGP generates revenue through both the sale of medicinal cannabis products and its domestic Health House distribution business.

LGP offers a range of cannabis products under its LGP, CherryCo, Lush Labs, and Indicare brands:

- *LGP brand products:*
  - LGP oil range: LGP offers eight cannabis oil products under its LGP Classic brand, which comprises a mix of six CBD and THC products, and its LGP Pure brand, being two CBD isolate products.
  - LGP flower range: LGP offers nine flower products being three products produced from its Australian indoor facility and six from its Danish glasshouse facility.
  - LGP vape cartridge range: LGP offers four Australian-made products comprising two live resin vapes and two distillate vapes.
  - LGP gummies range: LGP offers a balanced gummy product with equal THC and CBD ratios.
- *CherryCo brand products:*
  - CherryCo flower range: LGP offers five flower products sourced from Australia and overseas including four products under its CherryCo Little Buddies range and one product under its CherryCo Signature range.
  - CherryCo gummies range: LGP offers one high THC with CBN gummy product under its Cherry Gummies range.
- *Lush Labs brand product:*
  - Lush Labs flower range: LGP offers one premium craft flower product sourced from overseas and will supply three craft flower products sourced from its Australian indoor craft facility in Q1 2026.
- *Indicare brand products:*
  - LGP offers an exclusive four product range to its DVA partner comprising three Australian made oils products and one high THC flower product.

LGP has three global production sites for the manufacture of its own-branded and white-label ranges of medicinal cannabis and psychedelic products, being a Danish glasshouse facility, a West Australian indoor craft production facility with a combined nameplate capacity of 30 tonnes of cannabis biomass per annum, and a combined psychedelics clinic, head office and therapeutic goods manufacturing facility located in Western Australia.

The principal activities of LGP consisted of:

- the cultivation of medicinal cannabis, procurement of raw materials and production of medicinal cannabis medicines;
- the supply of medicinal cannabis products into Australia and Europe;
- the supply of medicinal cannabis products for observational and clinical studies and research and development of new medicinal cannabis products; and
- the development of a psychedelics business including sponsoring a clinical trial into the treatment of refractory depression with psilocybin assisted therapy and establishment of a psychedelic treatment clinic.

In February 2025, LGP acquired HHI (Australia) Pty Ltd ("**Health House International**"), a medicinal cannabis distribution business.

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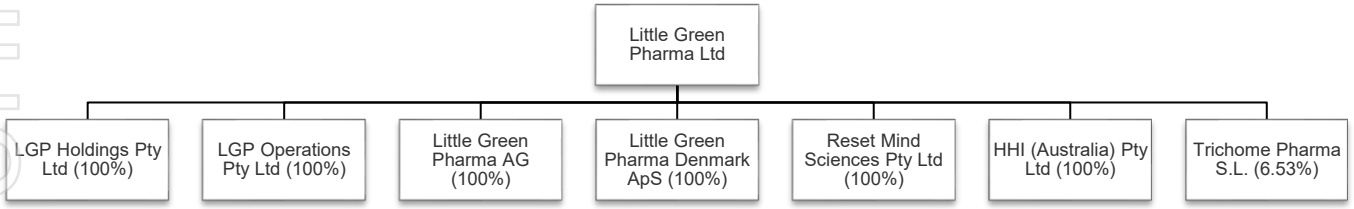
4.2 Legal structure

The current legal structure of LGP is presented in the figure below.

Figure 3 LGP's legal structure



Source: LGP Management

4.3 Directors and management

The directors and key management of LGP are summarised in the table below.

Table 15 LGP directors and key management

Name	Title	Experience
Michael D Lynch-Bell	Independent Non-Executive Chair	Mr Lynch-Bell is an experienced corporate finance executive and consultant. His early Ernst & Young career was focused on auditing clients within the oil and gas sectors and later added mining to his portfolio. He also led Ernst & Young's UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice. He has been involved advising companies on fundraising, re-organisations, transactions, corporate governance as well as IPOs. He is a former Chair of the Bureau and current member of UNECE's Expert Group on Resource Management.
Dr Neale Fong	Independent Non-Executive Director	Dr Fong is a registered medical practitioner with over 36 years in senior leadership roles in private hospitals, the public health systems, management consulting, academia, health research, aged care and not for profit organisations. Dr Fong is currently CEO of Bethesda Health Care and formerly was Director General of the West Australian Department of Health.
Paul Long	Managing Director	Mr Long is a results-driven executive with over two decades of experience across the health, pharmaceutical, and medicinal cannabis industries. After leading Onsite Health Solutions to become a market leader and achieving its successful acquisition by Sanitarium in 2012, he transitioned into consultancy, advising a range of enterprise health, health tech, and retail pharmaceutical businesses. In 2018, Mr Long joined LGP as Chief Operations Officer, where he played a critical role in scaling the business from $2.2 million in revenue in 2020 to $19.9 million in 2023, while also expanding the company's international presence across nine European markets.
Fleta Soloman	Executive Director	Ms Soloman was a founder of LGP and grew the company from a medicinal cannabis startup to an industry leading medicinal cannabis brand in Australia and overseas. Ms Soloman has 20 years' experience in corporate and consumer health markets.
Angus Caithness	Executive Director	Mr Caithness is an experienced corporate finance executive and consultant in Australia and international markets. Mr Caithness has ASX experience as a Non-Executive Director of Lindian Resources Limited (ASX: LIN), CFO of Hunnu Coal (ASX:HUN), and Company Secretary for the IPO of Harga Resources (ASX: HAR). Following these roles, Mr Caithness acted as CFO of Erdenes Tavan Tolgoi, the owner of the world's largest coking coal deposit looking at a US$10 billion dual listing in London and Hong Kong prior to the change in the Mongolian government. Prior to that he was an Executive Director at EY in London and Australia specialising in initial public offerings of large-cap mining companies.

Source: LGP Management

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4.4 Financial information

The information in the following section provides a summary of the financial performance and financial position of LGP for the financial years ended 31 March 2024 ("**FY24**"), 31 March 2025 ("**FY25**") and for the half-year ended 30 September 2025 ("**HY26**") (collectively the "**Historical Period**" when relating to the financial information for LGP), extracted from the audited and reviewed financial statements of LGP.

4.5 Financial performance

The following table sets out a summary of LGP's consolidated financial performance for the Historical Period.

Table 16 LGP historical financial performance

Profit & loss summary ($'000)	FY24 *Audited*	FY25 *Audited*	HY26 *Reviewed*
Revenue	**25,632**	**36,824**	**19,182**
Revenue growth (%)	*29%*	*44%*	*n/a*
Other income/(expenses)	1,493	(29)	(20)
Operating expenses			
Employee benefits expense	(12,245)	(10,951)	(6,186)
Raw materials and consumables used	(5,706)	(11,565)	(5,234)
Distribution costs	(5,489)	(6,262)	(2,708)
Other expenses	(1,427)	(1,580)	(793)
Sales and marketing	(1,256)	(1,266)	(684)
General and administrative	(1,309)	(1,202)	(467)
Insurance	(710)	(786)	(412)
Research and development	(584)	(290)	(41)
Total operating expenses	**(28,726)**	**(33,902)**	**(16,525)**
OPEX margin (%)	*112%*	*92%*	*86%*
EBITDA	**(1,601)**	**2,893**	**2,637**
EBITDA margin (%)	*(6%)*	*8%*	*14%*
Depreciation and amortisation	(3,079)	(3,724)	(1,928)
EBIT	**(4,680)**	**(831)**	**709**
EBIT margin (%)	*(18%)*	*(2%)*	*4%*
Interest income	171	17	43
Net change on fair value of biological assets	(512)	(335)	667
Write off of inventory	(243)	(846)	(1,299)
Finance expense	(636)	(384)	(237)
Share-based payments	(2,253)	(2,413)	(809)
Loss before income tax benefit	**(8,153)**	**(4,792)**	**(926)**
Income tax benefit	-	8,116	-
Profit/(Loss) after income tax benefit for the year/half-year	**(8,153)**	**3,324**	**(926)**
Other comprehensive income			
Foreign currency translation	873	2,711	1,117
Total comprehensive income/(loss) for the year/half-year	**(7,280)**	**6,035**	**191**

Source: LGP audited and reviewed financial statements

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We make the following comments in relation to the consolidated financial performance:

- LGP supplies products through a combination of direct and partner-led distribution arrangements.
- In Australia, LGP distributes its products through its wholly owned distribution business, Health House, as well as through a variety of third-party medicinal cannabis distribution partners, with its products dispensed by pharmacies across Australia and prescribed by GPs and medical clinics. Further, LGP supplies products or has distribution arrangements in 11 distribution territories across Europe via a network of licensed wholesalers and authorised distribution partners, with distribution arrangements tailored to regulatory requirements in different jurisdictions.
- Whilst we have reviewed the financial statements for FY23, LGP has changed the classification of operating expense items and accordingly, we have not included the financial performance for FY23 as the prior year comparatives are not consistent with that presented in the table above. LGP disclosed total revenue and losses after income tax in FY23 of $19.9m and $9.2m, respectively.
- Total revenue increased by 44% to $36.8m for FY25 compared to $25.6m for FY24. Revenue primarily comprises the sale of flower products, oil products, and vaporiser products (averaging 96% of total revenue over the Historical Period).
- The increase in revenue in the Australian market for FY25 was primarily due to the growth in LGP's CherryCo portfolio sales and expanded flower product range growing to 33 products, and the growth of revenue in the European and UK markets for FY25 was driven by the partial legalisation and removal of cannabis from the Narcotics List in Germany, strong domestic market growth in the UK, and the announcement of a permanent medical cannabis framework in France.
- LGP's current strategic focus comprises the expansion of product sales into high-barrier European markets, as well as ongoing growth of its branded and white-label product portfolio, and investment in clinical research.
- The table below summarises revenue by geographical segment over the Historical Period.

Table 17 Revenue by geographical segment

Revenue by location ($'000)	FY23 *Audited*	FY24 *Audited*	FY25 *Audited*	HY26 *Reviewed*
Australia	15,946	22,475	30,097	13,395
Europe	3,913	3,157	6,727	5,787
Total revenue	**19,859**	**25,632**	**36,824**	**19,182**

Source: LGP audited and reviewed financial statements

- Sales to the European market of $6.7m and $5.8m for FY25 and HY26, comprised 18% and 30% of total revenue, respectively, with the growth in the European market driven by factors including:
  - regulatory changes which removed medicinal cannabis from Germany's Narcotics List in April 2024, simplifying prescriber requirements; and
  - targeting a growing private clinic market in the UK.
- Other income of $1.5m disclosed in FY24 primarily comprised research and development incentives and government grants.
- Other expenses for FY25 and HY26 primarily comprised net foreign exchange gain and losses.
- Operating expenses primarily comprised employee benefits expenses, other expenses, sales and marketing, and general and administrative expenses.
- LGP disclosed losses at the EBITDA level of $1.6m for FY24, and positive EBITDA earnings of $2.9m and $2.6m for FY25 and HY26, respectively (excluding recognition of non-cash share-based payments expenses and other one-off write off and fair value adjustments).

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4.6 Financial position

The table below sets out a summary of LGP's consolidated financial position of as at 31 March 2024, 31 March 2025 and 30 September 2025.

Table 18 LGP historical financial position

Little Green Pharma Limited Financial position ($'000)	31-Mar-24 *Audited*	31-Mar-25 *Audited*	30-Sep-25 *Reviewed*
Current assets			
Cash and cash equivalents	4,974	2,376	2,300
Trade and other receivables	3,404	3,965	3,260
Biological assets	1,586	1,878	2,087
Inventory	10,930	13,829	15,506
Prepayments	581	667	1,075
Non-current assets			
Trade and other receivables	-	609	600
Property plant and equipment	59,497	58,994	59,267
Intangible assets	3,462	4,219	4,003
Right-of-use assets	1,498	1,301	1,221
Deferred tax asset	-	8,116	8,116
Prepayments	316	127	125
Other financial assets	43	43	43
Total assets	**86,290**	**96,124**	**97,603**
Current liabilities			
Trade and other payables	(2,830)	(4,996)	(5,004)
Borrowings	(2,359)	(2,303)	(1,020)
Employee benefits	(964)	(1,021)	(1,237)
Lease liabilities	(271)	(179)	(147)
Income tax	-	(240)	(194)
Non-current liabilities			
Borrowings	(1,137)	(782)	(2,434)
Lease liabilities	(1,374)	(1,405)	(1,318)
Employee benefits	(98)	(182)	(233)
Total liabilities	**(9,033)**	**(11,108)**	**(11,587)**
Net assets	**77,257**	**85,016**	**86,016**
Equity			
Share capital	101,932	102,228	102,615
Reserves	7,562	11,702	13,241
Accumulated deficit	(32,237)	(28,914)	(29,840)
Total equity	**77,257**	**85,016**	**86,016**

Source: LGP audited and reviewed financial statements

We make the following comments in relation to the consolidated financial position:

- LGP disclosed net assets of $77.3m, $85.0m and $86.0m as at 31 March 2024, 31 March 2025 and 30 September 2025, respectively.
- LGP disclosed total assets of $97.6m as at 30 September 2025, primarily comprising inventory ($15.5m) and property, plant and equipment ($59.3m).
- Biological assets relate to cannabis plants, measured at fair value less estimated point of sale costs.
- Property, plant and equipment primarily comprised land and buildings, leasehold improvements, office equipment, production equipment and assets under construction.

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- The market value of the Danish land and buildings were independently valued on 24 April 2024 at DKK 176,550,000 (c. A$39.0m at the spot rate as at 24 April 2024). These assets along with the corresponding production equipment make up the majority of the Property Plant and Equipment and given there have been no impairments recognised in the reviewed financial statements to the period ending 30 September 2025, we have assumed that the carrying value of property, plant and equipment of $59.3m as at 30 September 2025 is reasonably reflective of market value.
- Intangible assets at 30 September 2025 of $4.0m comprised product development costs ($2.7m), and patents and trademarks, software and pharmaceutical quality system (totalling $476k) recognised at cost less accumulated amortisation, and goodwill of $856k recognised in relation to the acquisition of Heath House International.
- The net deferred tax asset of $8.1m recognised at 31 March 2025 related primarily to temporary differences recognised in profit or loss primarily attributable to deferred tax assets for property, plant and equipment ($2.7m) and tax losses ($7.0m), and deferred tax liabilities for biological assets ($1.4m). No change to the net deferred tax asset was recognised at 30 September 2025.
- As at 30 September 2025, LGP disclosed total liabilities of $11.6m, primarily comprising trade and other payables ($5.0m) and total borrowings ($3.4m).
- Borrowings comprised bank overdraft facilities, a property loan, equipment financing, and an electricity loan. The overdraft facility (comprising current borrowings of $0.4m at 30 September 2025 out of a total facility limit of $1.2m) expires 1 June 2030 and is secured by LGP's Danish property complex. The property loan (comprising non-current borrowings of $1.9m at 30 September 2025) repayment date was extended to 30 June 2027 post the 30 June 2025 year end. The loan has a variable interest rate and is secured by the land and buildings held by LGP in Australia.
- The equipment finance lease ($867k) and inventory financing facility ($139k) are secured by a chattel mortgage over the underlying equipment and purchased inventory held by the Company, respectively. The electricity loan ($154k) is unsecured and is repayable over the life of the loan ending 31 October 2028.

The table below set out a summary of LGP's consolidated working capital position over the Historical Period.

Table 19 Working capital

Net working capital ($'000)	31-Mar-24 *Audited*	31-Mar-25 *Audited*	30-Sep-25 *Reviewed*
Trade and other receivables (current)	3,404	3,965	3,260
Biological assets	1,586	1,878	2,087
Inventory	10,930	13,829	15,506
Prepayments (current)	581	667	1,075
Trade and other payables	(2,830)	(4,996)	(5,004)
Employee benefits (current)	(964)	(1,021)	(1,237)
Net working capital	**12,706**	**14,322**	**15,687**

Source: LGP Audited and reviewed financial statements

At 30 September 2025, LGP disclosed net working capital of $15.7m (31 March 2025: $14.3m).

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The table below sets out a summary of LGP's consolidated net cash/(debt) over the Historical Period.

Table 20 Net cash/(debt)

Net cash/(debt) ($'000)	31-Mar-24 *Audited*	31-Mar-25 *Audited*	30-Sep-25 *Reviewed*
Cash and cash equivalents	4,974	2,376	2,300
Trade and other receivables (non-current)	-	609	600
Prepayments (non-current)	316	127	125
External borrowings (current)	(2,359)	(2,303)	(1,020)
Lease liabilities (current)	(271)	(179)	(147)
Income tax	-	(240)	(194)
Deferred payment	-	-	-
External borrowings (non-current)	(1,137)	(782)	(2,434)
Lease liabilities (non-current)	(1,374)	(1,405)	(1,318)
Employee benefits (non-current)	(98)	(182)	(233)
Net cash/(debt)	**50**	**(1,979)**	**(2,321)**

Source: LGP Audited and reviewed financial statements

In our assessment of net debt/net cash, we have included cash and debt-like items including external borrowings, deferred payments and lease liabilities.

Based on the above, LGP disclosed net debt of $2.3m as at 30 September 2025 (31 March 2025: $2.0m).

4.7 Capital structure

LGP has 305,645,910 ordinary shares on issue at the date of this Report. The top 20 shareholders of LGP as at 14 January 2026 are set out below.

Table 21 LGP Top 20 Shareholders

Shareholder	Number	%
UBS Nominees Pty Ltd	34,388,475	11.3%
Thorney International Pty Ltd	22,690,049	7.4%
Fleta Jennifer Soloman	20,723,216	6.8%
Barbright Australia Pty Ltd <Interquartz Super A/C>	13,732,793	4.5%
Netwealth Investments Limited <Wrap Services A/C>	7,782,281	2.6%
BNP Paribas Nominees Pty Ltd <Clearstream>	7,333,346	2.4%
HSBC Custody Nominees (Australia) Limited	6,622,129	2.2%
Mr Angus Caithness	5,751,441	1.9%
Banquo Consulting Pty Ltd	5,413,333	1.8%
Citicorp Nominees Pty Ltd	4,586,614	1.5%
CG Nominees (Australia) Pty Ltd	4,147,061	1.4%
Two Willows Pty Ltd <Two Willows Superfund A/C>	3,861,000	1.3%
Jasforce Pty Ltd	2,883,878	0.9%
Mr Suwandi Broto + Mrs Siew Yee Broto	2,826,015	0.9%
Finclear Services Pty Ltd <Superhero Securities A/C>	2,460,569	0.8%
Paul Federick Long <The Long A/C>	2,426,191	0.8%
Ms Jenny Lorraine McKay <J & K McKay Family A/C>	2,229,746	0.7%
H & K Properties Pty Ltd	2,000,000	0.7%
FSG (Holding) Pty Ltd	1,916,000	0.6%
Mr Damien Matthew Booth <Damien Booth Family A/C>	1,858,639	0.6%
	155,592,776	**50.9%**
Other Shareholders	150,053,134	49.1%
Total	305,645,910	100.0%

Source: Shareholders register as at 14 January 2026

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As at the date of this Report, LGP had performance rights and unlisted options on issue, as summarised in the table below.

Table 22 Summary of unquoted securities

Number	Type	Exercise price	Expiry date
7,200,000	Options	$0.1380	31-Jul-27
7,200,000	Options	$0.1725	31-Jul-28
10,500,000	Performance rights	$0.0000	Various
6,114,868	Share rights	$0.0000	Various

Source: Options and rights register

The vesting conditions of the performance rights are summarised in the table below.

Table 23 Terms of the performance rights

Performance rights	Number	Vesting	Expiry date
LGPAT Class F	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.95 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class G	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $1.10 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class H	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $1.25 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class I	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.50 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
LGPAT Class J	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.60 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
LGPAT Class K	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.75 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
Total	**10,500,000**		

Source: Options and rights register

The vesting conditions of the share rights are summarised in the table below.

Table 24 Terms of the share rights

Share rights	Number	Vesting date	Expiry date
LGPAS	4,000,000	01-Apr-26	01-Apr-28
LGPAS	210,000	20-Feb-26	20-Feb-28
LGPAS	450,000	31-Mar-27	31-Mar-29
LGPAU	875,000	01-Apr-26	01-Apr-28
LGPAA	141,173	31-Mar-28	31-Mar-30
LGPAAB	222,372	01-Apr-26	01-Jun-26
LGPAAC	216,323	01-Apr-27	01-Jun-27
Total	**6,114,868**		

Source: Options and rights register

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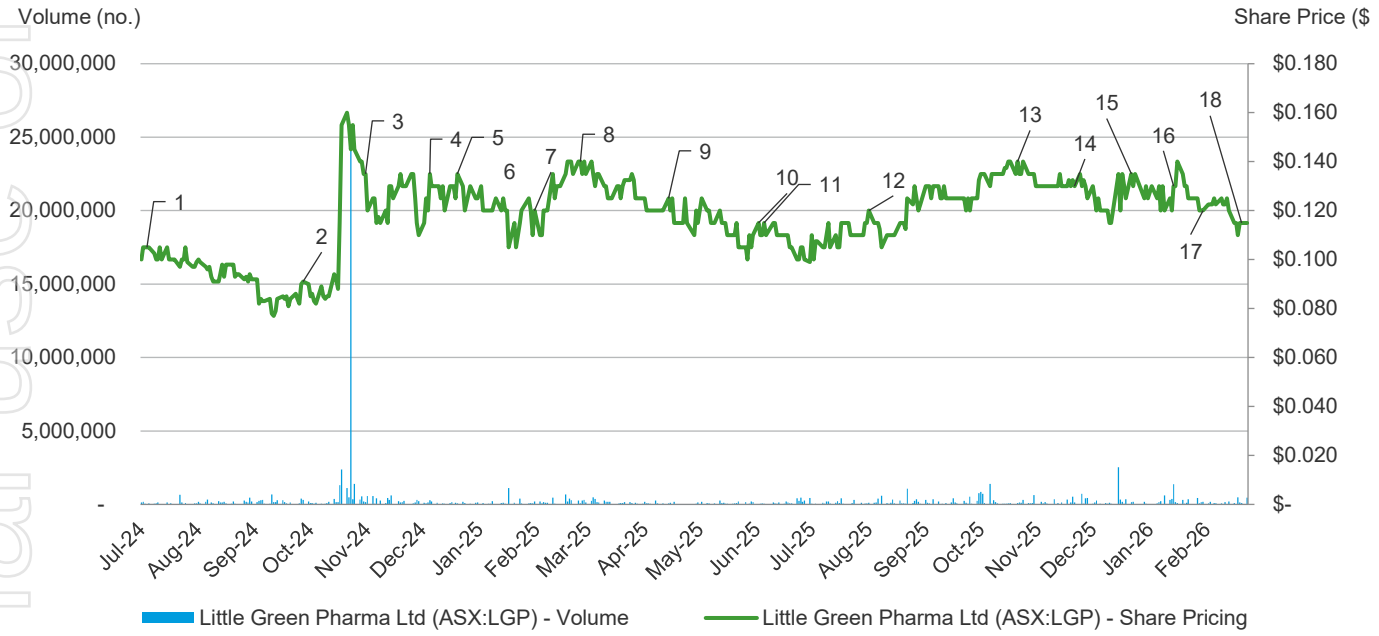
The share rights are exercisable from the relevant vesting date for $nil consideration until the expiry date, with the rights vesting subject to continuous employment.

4.8 Share Price Performance

A summary of LGP's recent share price movement is set out in the figure below.

Figure 4 Historical share price performance of LGP



Source: S&P Capital IQ and RSM analysis

Over the period between 1 July 2024 to 23 February 2026, LGP shares traded at a low of $0.08 to a high of $0.16.

The table below sets out a summary of recent announcements of LGP which impacted its share price performance.

Table 25 LGP selected announcements

Ref	Date	Comment
1	22-Jul-24	LGP released its quarterly activities report for the quarter ended 30 June 2024. Highlights included revenue increase to $7.3m (unaudited) for the quarter (12% increase compared to the previous quarter), record CherryCo sales of $2.2m, strong growth in oil sales (up 17% from previous quarter) and vaporiser sales (up 23% from previous quarter) with first commercial shipment to France for $0.65m scheduled for end of July.
2	17-Oct-24	LGP released its quarterly activities report for the quarter ended 30 September 2024. Highlights included revenue of $10.2m (unaudited), cost savings of $0.5m per year expected from subcontracting Australian cultivation operations, and German, UK and French cannabis markets driving strong growth in demand within the European industry.
3	27-Nov-24	LGP released its half-yearly report with reported loss for the Group after providing for income tax amounted to $3.5m.
4	5-Dec-24	LGP announced the Danish government's agreement to make the country's medicinal cannabis pilot program permanent as well as implement an improved framework for cultivation and export. The LGP board considered that the agreement underscored Denmark's recognition of the economic advantages and growth potential of this emerging sector and would help bolster LGP's position as a leader in the European medicinal cannabis market.
5	20-Dec-24	LGP announced that it had entered into a binding letter of intent with Health House Australia Pty Ltd granting LGP exclusive rights to acquire Health House International. The proposed acquisition aligns with LGP's strategy of capitalising on current market conditions to acquire sustainable medicinal cannabis businesses at attractive valuations.

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6	5-Feb-25	LGP announced it had entered into a binding sale and purchase agreement to acquire Health House International medicinal cannabis distribution business, with completion of the acquisition scheduled for 5 February 2025.
7	6-Feb-25	LGP announced it had successfully completed the acquisition of Health House International, the owner of the Health House medicinal cannabis distribution business. As part of the acquisition, LGP has made the first payment of $171,000 towards the estimated $300,000 cash consideration, with the balance amount to be paid in 40 days following the determination of Health House International's 31 January 2025 working capital position.
8	3-Mar-25	LGP announced the appointment of Managing Director – Mr Paul Long and the appointment of Independent Non-Executive Director – Mr David Fenlon, with effect from 1 March 2025.
9	30-Apr-25	LGP released its quarterly activities report for the quarter ended 31 March 2025. Highlights included revenue increase to $36.6m (unaudited) for FY25 representing 40% growth from the prior year, with Health House International generating $0.8m in third party product sales in the two months post-acquisition.
10	11-Jun-25	LGP announced its FY25 financial results. Highlights included record revenue of $36.8m for FY25, adjusted EBITDA of $2.9m, and the acquisition and integration of the Health House International distribution business and expansion of LGP Denmark's production capacity.
11	17-Jul-25	LGP released its quarterly activities report for the quarter ended 30 June 2025. Highlights included revenue increase to $9.1m (unaudited), an increase of over 20% compared to the previous quarter, first LGP branded products launched in Germany under CherryCo line, and a new 2.4tpa room at Denmark facility commissioned giving a total capacity of 8.5tpa with another 2.4tpa room currently being fitted out.
12	21-Aug-25	LGP announced that Mr David Fenlon will retire from Board due to personal reasons and other commitments effective 21 August 2025.
13	30-Oct-25	LGP released its quarterly activities report for the quarter ended 30 September 2025. Highlights included revenue increase to $10.0m (unaudited), an increase of 10% compared to the previous quarter, with growth in all product categories, c.$3.0m in shipments delivered to Germany during the quarter, and the automation and offshoring of headcount in Australia expected to save over $0.5m per annum.
14	21-Nov-25	LGP released its half-yearly report with reported revenue for the Group of $19.2m and loss after providing for income tax amounted to $0.9m.
15	22-Dec-25	LGP announced that President Trump had recently signed an Executive Order directing the US Attorney General to complete the rulemaking process to reschedule cannabis under the US Controlled Substances Act from Schedule I to Schedule III. A key implication of down-scheduling will be the removal of the application of Internal Revenue Code Section 280E, with US Cannabis operators expected to be able to deduct ordinary business expenses and materially improve after-tax cash flows. Rescheduling is also expected to reduce regulatory and legal risk costs across the sector, including the potential for lower costs of capital, improved access to non-dilutive financing, and increased institutional participation.
16	14-Jan-26	LGP announced that the Company and Cannatrek have entered into a Scheme Implementation Deed under which LGP has agreed to acquire 100% of Cannatrek's issued capital by way of a scheme of arrangement (the Scheme).
17	30-Jan-26	LGP released its quarterly activities report for the quarter ended 31 December 2025. Highlights included revenue increase to $10.7m (unaudited), an increase of over 5% compared to the previous quarter, $3.8m sales (unaudited) in Europe, a 30% increase compared to the previous quarter, and launch of new Indicare oils range and strong growth in LGP and CherryCo branded edibles during the quarter.
18	19-Feb-26	LGP announced that it had entered into the Contract relating to the sale and leaseback of its production facility in South-West Western Australia (the Site).

Source: ASX and RSM analysis

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5. Valuation approach

5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following valuation methodologies:

- the discounted cash flow ("**DCF**") method and the estimated realisable value of any surplus and non-operating assets and liabilities;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets surplus and non-operating assets and liabilities;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the fair value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings (CFME).

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

CFME is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("**FME**") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable target companies and the trading multiples of comparable listed companies. This methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax ("**NPAT**"). The earnings from any surplus and non-operating assets and liabilities are excluded from the estimate of FME and the value of such assets and liabilities is separately added/subtracted to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

Asset based methods

Asset based methodologies estimate the fair value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

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The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

5.2 Selection of valuation methodologies

Valuation of a Cannatrek share prior to the Scheme

Primary methodology – CFME

We consider the most appropriate valuation methodology for valuing Cannatrek prior to the Scheme to be the CFME methodology due to:

- Cannatrek generated operating profits over the Historical Period and we have been provided with the Company's budgeted financial performance and position for FY26;
- we consider Cannatrek generated profits that would justify the valuation of the Company at a value that exceeds the carrying value of the Company's net assets; and
- businesses within the medicinal cannabis manufacturing industries are typically valued and sold on a multiple of earnings.

We have therefore considered it reasonable to utilise the CFME methodology in our valuation of a Cannatrek Share prior to the Scheme and have adopted EBIT as our earnings measure in our assessment of the FME and have utilised comparable listed EBIT multiples in our assessment of a suitable EBIT multiple to apply to the assessed FME.

We have initially valued the Company on a 100% equity basis (controlling interest) to arrive at an assessed Fair Value per Share on a control basis. Thereafter, we have applied a discount for minority interest in our assessment of the Fair Value of a Cannatrek Share on a non-controlling interest basis prior to the Scheme.

Cross-check methodology – implied revenue and EBITDA multiples

We have derived the implied revenue and EBITDA multiples as a cross-check to our assessed Enterprise Value utilising our primary valuation methodology. We have utilised multiples of the comparable publicly listed companies, providing a market-based benchmark against which to assess the Company's implied revenue and EBITDA multiple.

Valuation of the Scheme Consideration made by LGP immediately after the Scheme

Valuation of LGP

In assessing the Fair Value of an LGP Share prior to the Scheme, we have selected the following valuation methodologies:

- net assets on a going concern methodology (primary methodology); and
- quoted market price of listed securities (QMP) (secondary methodology).

Primary methodology – net assets on a going concern basis

We have selected the net assets on a going concern methodology (Net Assets) as our primary methodology to value LGP prior to the Scheme on the basis that LGP is loss making and we do not consider that the earnings disclosed by its current operations (and having regard to LGP's budget for the year ending 31 March 2026) to result in a valuation using an income-based method that would exceed the valuation obtained under an assets-based methodology.

In assessing the Fair Value of an LGP Share prior to the Scheme, we have relied upon the net book value of assets and liabilities as set out in LGP's consolidated reviewed statement of financial position as at 30 September 2025, adjusted for certain pro forma adjustments.

As we consider that the Scheme should be assessed using an equivalent approach in valuing the securities of Cannatrek and LGP, we have also applied a discount for minority interest in our valuation of a LGP share using the Net Assets methodology.

Secondary methodology – quoted market price of listed securities

Prices at which a company's shares have traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.

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As a secondary methodology, we have also had regard to the quoted market price of LGP's shares prior to the announcement of the Scheme.

Valuation of the Merged Group

To assess the fairness of the Scheme, we have estimated the value of a share of the Merged Group immediately after the implementation of the Scheme. The value of the Merged Group is based on the combined fair values of Cannatrek and LGP immediately following the Scheme (on a non-controlling basis).

As detailed in Sections 1.2 and 2.3, the conversion of CV Shares to LGP Ordinary Shares is dependent upon the assessment of future contingent liabilities.

As no contingent liabilities have been quantified as at the date of this Report, no adjustments have been made for contingent liabilities in our valuation of Cannatrek and LGP. Accordingly, for the purposes of our fairness assessment, to be consistent with our valuation, we have assumed, under Scenario 1, whereby the difference between the Cannatrek and LGP Contingent Liability amounts are within $2 million, and therefore, Cannatrek Shareholders' collective interest in the Merged Group will be 66.3% immediately post the Scheme.

Accordingly, we have assumed that the 202,528,611 CV Shares will convert to an additional 90,012,716 New LGP Ordinary Shares, resulting in the Cannatrek Shareholders receiving 2.15914 New LGP Ordinary Shares for every 1 Cannatrek Share on issue, being our assessment of pro forma Merger Ratio 1.

Under Scenario 2, without changing our valuation of Cannatrek prior to the Scheme, we have assumed that the Cannatrek Contingent Liability exceeds LGP's Contingent Liability by $8 million or greater, and therefore, Cannatrek Shareholders' collective interest in the Merged Group will remain at the minimum of 62.6% immediately post the Scheme.

Accordingly, we have assumed that no CV Shares will convert resulting in Cannatrek Shareholders receiving 1.83581 New LGP Ordinary Shares for every 1 Cannatrek Share on issue, being our assessment of pro forma Merger Ratio 2.

On this basis, the assessed value per share in the Merged Group has been adjusted by Merger Ratios 1 and 2 in the calculation of the value of the Scheme Consideration under Scenarios 1 and 2, respectively.

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6. Valuation of a Cannatrek Share prior to the Scheme

As stated in Section 5.2 of the Report, we have assessed the Fair Value of Cannatrek prior to the Scheme using the CFME methodology as our primary valuation methodology.

6.1 Capitalisation of future maintainable earnings methodology

Key assumptions

The CFME methodology estimates the value of the equity of a company by capitalising the future maintainable earnings of the business at an appropriate multiple, which reflects the underlying risk profile and growth prospects of the business, applying a premium for control where necessary, adding any surplus or non-operating assets (or deducting any excess or non-operating liabilities) and deducting net debt (or adding net cash). Accordingly, valuing Cannatrek using the CFME methodology requires the determination of the following variables:

- future maintainable earnings;
- an appropriate capitalisation multiple;
- the current level of net cash or net debt;
- the value of surplus assets and excess liabilities; and
- the consideration of the number of shares taking into account the treatment of Cannatrek Options under the Scheme.

Our considerations with regard to each of these factors are presented below.

Assessment of future maintainable earnings

In assessing the future maintainable earnings of Cannatrek we have considered and reviewed the following:

- the consolidated financial performance for FY23, FY24 and FY25;
- Cannatrek's consolidated unaudited management accounts for the 3 months ended 30 September 2025 (YTD25);
- Changes in the nature of Cannatrek's operations and financial performance;
- any abnormal or non-recurring revenue or expense items discussed below;
- the market conditions and outlook of the medicinal cannabis industry; and
- our discussions with Cannatrek's Management.

Due to the relatively capital-intensive nature of Cannatrek (and comparable listed companies), we have adopted EBIT as our earnings measure in our assessment of FME, and accordingly, have utilised comparable listed EBIT multiples in our assessment of a suitable EBIT multiple to apply to the assessed FME.

We have adopted EBIT as the primary measure of the earnings because it allows us to compare the business' earnings to other comparable companies without the influence of differing capital structures.

We have selected a normalised EBIT in the range of $7.0m to $8.0m as our assessed FME having regard to the normalisation adjustments summarised in the table below, as well as the Company's budget for FY26.

Table 26 Normalised EBIT

Cannatrek Limited Normalised EBIT ($'000)	FY23 *Audited*	FY24 *Audited*	FY25 *Audited*
Unadjusted EBIT	**21,133**	**(5,926)**	**7,180**
Normalisation adjustments:			
Impairment expense - investment	-	-	240
Impairment expense - land and buildings	74	2,208	-
Impairment expense - plant and equipment	-	-	626
Cultivation expenses	3,592	7,695	1,106
Normalised EBIT	**24,799**	**3,976**	**9,152**
Normalised EBIT margin %	*28%*	*5%*	*12%*

Source: RSM analysis

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We note the following with respect to normalisation adjustments:

- we have added back one-off impairment expenses of $866k recognised in FY25, relating to the impairment of the Queensland cultivation facility;
- we have added back one-off impairment expenses of $74k and $2.2m recognised in FY23 and FY24, respectively, relating to the impairment of the medicinal cannabis production site at Lemnos, Shepparton; and
- we have also added back cultivation expenses recognised in FY23, FY24 and FY25.

Assessment of capitalisation multiple

The assessment of an appropriate earnings multiple to be applied in the assessment of the Fair Value of Cannatrek requires consideration of a number of factors including:

- stability and continuity of earnings;
- size and lifecycle of the business;
- capital structure and leverage of the Company;
- expected growth prospects of the Company;
- expected growth prospect of the broader industry;
- trading multiples attributed by the market to other industry participants; and
- multiples paid by the market in recent acquisitions of industry participants.

Comparable listed companies

The tables below summarise the implied EBIT multiples of publicly listed comparable companies, which is based on the Enterprise Value ("**EV**") of these companies as at 13 February 2026 and their last twelve months ("**LTM**") and next twelve months ("**NTM**") EBIT, respectively.

A description of each company is set out in Appendix E of the Report.

Table 27 Comparable companies trading multiples

Ticker	Company Name	Country	Market Capitalisation $'M	Enterprise Value $'M	Revenue LTM $'M	EBIT LTM $'M	EBIT NTM $'M	EV/EBIT Multiple LTM	EV/EBIT Multiple NTM
CNSX:GTII	Green Thumb Industries Inc.	Canada	2,193.3	2,623.1	1,751.5	266.4	236.7	9.85x	11.08x
CNSX:CL	Cresco Labs Inc.	Canada	498.2	1,142.4	1,000.3	122.4	107.8	9.80x	10.60x
TSX:TSND	TerrAscend Corp.	Canada	247.9	562.9	452.7	51.8	63.4	10.88x	8.87x
TSX:XLY	Auxly Cannabis Group Inc.	Canada	169.7	206.2	158.5	39.3	NA	5.50x	NA
ASX:VIT	Vitura Health Limited	Australia	36.5	40.2	124.0	5.2	NA	7.68x	NA
TSX:CURA	Curaleaf Holdings, Inc.	Canada	2,594.6	4,033.7	1,928.9	8.9	63.8	NM	63.20x
TSX:CRON	Cronos Group Inc.	Canada	1,393.9	280.5	200.1	(39.7)	(2.1)	NM	NM
TSX:WEED	Canopy Growth Corporation	Canada	558.8	438.5	304.4	(52.5)	(58.5)	NM	NM
TSX:ACB	Aurora Cannabis Inc.	Canada	269.2	294.0	408.0	(62.6)	18.7	NM	15.70x
OTCPK:MRMD	MariMed Inc.	United States	49.1	179.8	237.9	1.6	NA	117.86x	NA
ASX:LGP	Little Green Pharma Ltd	Australia	36.7	39.3	38.5	(0.5)	0.1	NM	NM
ASX:ECS	ECS Botanics Holdings Ltd	Australia	8.8	15.3	19.4	(3.7)	NA	NM	NA
ASX:CAN	Cann Group Limited	Australia	12.7	88.5	13.3	(16.4)	NA	NM	NA
	Min		**8.8**	**15.3**	**13.3**	**(62.6)**	**(58.5)**	**5.5x**	**8.9x**
	Max		**2,594.6**	**4,033.7**	**1,928.9**	**266.4**	**236.7**	**117.9x**	**63.2x**
	Mean		**620.7**	**765.0**	**510.6**	**24.6**	**53.7**	**26.9x**	**21.9x**
	Median		**247.9**	**280.5**	**237.9**	**1.6**	**41.1**	**9.8x**	**11.1x**
Selected	**Min**		**36.5**	**40.2**	**124.0**	**5.2**	**63.4**	**5.5x**	**8.9x**
	Max		**2,193.3**	**2,623.1**	**1,751.5**	**266.4**	**236.7**	**10.9x**	**11.1x**
	Mean		**629.1**	**915.0**	**697.4**	**97.0**	**136.0**	**8.7x**	**10.2x**
	Median		**247.9**	**562.9**	**452.7**	**51.8**	**107.8**	**9.8x**	**10.6x**

Source: S&P Capital IQ and RSM Analysis
Note: Companies highlighted in grey have been excluded as outliers, LGP included for comparative purposes only
NA – Not available
NM – not meaningful

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In assessing the EBIT multiple to be applied, we have considered the following:

- the comparable listed companies' historical EBIT multiples (on a minority interest basis and excluding outliers) range from 5.5 to 10.9, with a mean and median EBIT multiple of 8.7 and 9.8; and
- the comparable listed companies' forecast EBIT multiples (on a minority interest basis and excluding outliers) range from 8.9 to 11.1, with a mean EBIT multiple of 10.2 and a median EBIT multiple of 10.6.

Selection of earnings multiple

Having regard to the above, and having particular regard to forecast EBIT multiples given our assessment of FME has had regard to FY26 budgeted results, we have selected a comparable listed company EBIT multiple of 10.5 times (on a minority interest basis).

Premium for control

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("**RSM Control Premium Study**"). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer.

The table below sets out a summary of average control premiums relevant to the Scheme, as per the RSM Control Premium Study, of which all are applied at the equity level.

Table 28 RSM Control Premium Study

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium - all industries	605	34.7%	29.2%	27.1%

Source: RSM analysis

Based on the above, we consider that a control premium at the equity value level in the range of 30% to 35% is appropriate.

In our assessment of a suitable control premium to be applied to the assessed EBIT multiple at the Enterprise Value level, we have had regard to the gearing structures of the comparable listed companies as well as the net cash position disclosed by Cannatrek. We consider that a suitable control premium to be applied at the Enterprise Value level to be in the range of 20.0% to 25.0%.

Discount for size and business specific risk

In calculating the appropriate capitalisation multiple for Cannatrek, we have considered the following:

- Cannatrek is smaller than the majority of the listed comparable companies selected and as a smaller entity, Cannatrek inherently carries greater risk factors than the comparable listed companies due to its smaller and less diversified revenue streams;
- Cannatrek's historical earnings have been subject to volatility;
- notwithstanding Cannatrek's smaller size, there appears to be limited size premium, which would be normally reflected in a higher multiple for the larger listed companies.

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Notwithstanding the discount for size and other factors summarised above, in considering our assessed multiple below we have also had regard to the Company's earnings growth opportunities, which would offset the above discount to some degree, including:

- Cannatrek has considerable market share in the Australian market and is comparable in size to Vitura Limited, the only Australian listed company included in the assessment of a suitable EBIT multiple; and
- the Company has completed considerable restructuring activities over the Historical Period under review, including increased inventory monitoring and controls, supplier payment management, and the cessation of cultivation activities to reduce operating expenditure, and has also invested considerable capital expenditure to develop the Company's sales platform and logistics operations, as well as the development of new products.

On the basis of the above, we have assessed an appropriate discount for size and other business specific risk factors applicable to Cannatrek to be ranging between 25% to 30%.

The table below sets out a summary of our EBIT multiple calculation.

Table 29 Assessed EBIT multiple (controlling basis)

Cannatrek Limited Assessed EBIT Multiple	Low	High	Midpoint
Assessed EBIT multiple	**10.5x**	**10.5x**	**10.5x**
Control premium	20.0%	25.0%	22.5%
	12.6x	**13.1x**	**12.9x**
Discount for size and business risks	(30.0%)	(25.0%)	(27.5%)
Assessed EBIT multiple (controlling basis)	**8.8x**	**9.8x**	**9.3x**
Say (rounded)	**9.0x**	**10.0x**	**9.5x**

Source: S&P Capital IQ and RSM analysis

We have assessed an EBIT multiple (on a controlling basis) range for Cannatrek of 9.0x to 10.0x with a midpoint of 9.5x.

Assessment of surplus or deficiency of assets

When using earnings or discounted cash flow-based valuation methodologies, if a business has assets that do not contribute to the operating cash flows of the core business, then the value of these surplus assets net of any realisation costs and tax payable on realisation, should be added to the value of the business determined using the earnings or cash flow methodology. Conversely, any deficiency of assets should be deducted from the value of the business.

Based on our review of the Company's historical financial statements, we do not consider that there are assets surplus to the company's operations, or conversely, an asset deficiency.

Adjustment for net cash

As set out in Section 3.6, Cannatrek disclosed net cash of $10.8m at 30 June 2025. We have added this net cash to Cannatrek's Enterprise Value to derive the Equity Value.

As set out in the Scheme Booklet, transaction costs relating to the Scheme to be incurred by Cannatrek is estimated to total $2.15m, of which $1.42m is expected to be incurred regardless of whether the Scheme proceeds or does not proceed, with the remaining $0.73m expected be paid if the Scheme proceeds.

We have not reduced net cash at 30 June 2025 for the $1.42m expected to be incurred or adjusted net cash for profits generated subsequent to 30 June 2025 to the date of this Report.

Based on our review, we consider adjustments for transaction costs that will be incurred regardless of whether the Scheme proceeds as well as post 30 June 2025 profits, to be not material to our valuation of Cannatrek (noting that one would offset the other) and our assessment of the fairness of the Scheme.

Cannatrek Options

As set out in Section 3.7, there are 4,269,492 Cannatrek Options on issue as at the date of the Report.

each of the Cannatrek Option holders and LGP have agreed that the Cannatrek Options will vest, subject to the convening of the Scheme Meeting by the Court, and Cannatrek Option holders will be issued 1,749,772 new Cannatrek Shares.

If the Scheme is implemented, Cannatrek shares issued to Cannatrek Option holders will receive the Scheme Consideration for their Cannatrek Shares along with the other Scheme Shareholders.

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Accordingly, we have assessed the number of Shares on issue prior to the Scheme to be as follows:

Table 30 Cannatrek Shares on issue prior to the Scheme

	Number
Cannatrek Shares currently on issue	276,639,435
Cannatrek options on issue which are expected to be converted to shares prior to the Scheme	1,749,772
Total Cannatrek Shares to be acquired by LGP under the Scheme	**278,389,207**

Source: Scheme Booklet

Valuation summary

Our assessed Fair Value of a Cannatrek Share prior to the Scheme under the CFME methodology is in the range of $0.266 to $0.327, with a preferred value of $0.296 (on a controlling basis), as set out in the table below.

Table 31 Valuation of Cannatrek (controlling basis)

Cannatrek Limited Valuation - CFME methodology ($'000)	Low	High	Midpoint
Assessed future maintainable EBIT	**7,000**	**8,000**	**7,500**
Assessed EBIT multiple (controlling basis)	9.0x	10.0x	9.5x
Enterprise Value	**63,000**	**80,000**	**71,250**
Add: Net cash	10,817	10,817	10,817
Equity Value (100% interest)	**73,817**	**90,817**	**82,067**
Number of shares on issue ('000)	278,389	278,389	278,389
Fair Value per share (controlling basis)	**$0.265**	**$0.326**	**$0.295**

Source: RSM analysis

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Valuation cross checks

As a cross check to our assessed Enterprise Value, we have considered the implied EBITDA and revenue multiples.

Due to the limited number of listed comparable companies, we have also searched for comparable merger and acquisition (M&A) transactions which we consider to be reasonably comparable to Cannatrek. The comparable M&A transactions and the implied EBITDA multiples that we have used as a basis for cross checking our implied EBITDA multiples are outlined in the table below.

Table 32 Comparable M&A transactions

Date	Target Company	Country	Buyer	Transaction Value $m	% sought	Implied Enterprise Value $M	EBITDA LTM $'M	EBITDA NTM $'M	Implied EV/EBITDA Multiple LTM	Implied EV/EBITDA Multiple NTM
01-Oct-21	Harvest Health & Recreation Inc.	United States	Trulieve Cannabis Corp.	3,250.4	100%	3,250.4	89.3	180.6	36.4x	18.0
23-Mar-22	Liberty Health Sciences Inc.	United States	Ayr Strategies Inc. (nka:Ayr Wellness Inc.)	536.9	100%	536.9	40.0	NA	13.4x	NA
02-Mar-22	Next Green Wave Holdings Inc.	Canada	Planet 13 Holdings Inc.	75.2	100%	75.2	10.7	NA	7.0x	NA
24-Mar-20	Labtronix Inc.	United States	Hollister Biosciences Inc. (nka:YourWay Cannabis Brands Inc.)	7.0	100%	7.0	NA	NA	5.8x	NA
07-Feb-24	Indica Industries Pty Ltd	Australia	Aurora Cannabis Inc.	53.0	90%	58.6	NA	NA	NA	NA
23-Mar-22[1]	The Cannabist Company Holdings Inc.	United States	Cresco Labs Inc.	NA	100%	NA	54.8	31.0	NA	NA
16-Dec-21	Cannabis Doctors Australia Pty Ltd.	Australia	Cronos Australia Limited (nka:Vitura Health Limited)	87.7	100%	87.7	NA	NA	NA	NA
01-Jun-21	Zenabis Global Inc.	Canada	HEXO Corp.	324.6	100%	324.6 -	2.3	NA	90.6x	NA
Selected	**Min**			**7.0**	**1.0**	**7.0**	**10.7**	**180.6**	**5.8x**	**18.0x**
	Max			**3,250.4**	**1.0**	**3,250.4**	**89.3**	**180.6**	**36.4x**	**18.0x**
	Mean			**967.4**	**1.0**	**967.4**	**46.7**	**180.6**	**15.7x**	**18.0x**
	Median			**306.1**	**1.0**	**306.1**	**40.0**	**180.6**	**10.2x**	**18.0x**

Source: S&P Capital IQ and RSM analysis
Note: Multiples shaded in grey have been deemed to be outliers and have been excluded from our selected multiple metrics above
NA – Not available

A business description of each target of the comparable transactions considered is outlined in Appendix F of this Report

As set out in the table above, the comparable transactions historical multiples (on a controlling basis) excluding outliers, ranged from 5.8 to 36.4, with a mean and median EBTDA multiple of 15.7 and 10.2, respectively. In particular, we have had the most regard to the acquisition of Next Green Wave Holdings Inc. (“**Next Green**”) on the basis that the transaction value is relatively comparable to our assessed valuation of Cannatrek at the Enterprise Value level.

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The table below sets out our implied EBITDA multiple based on our assessment of the Enterprise Value of Cannatrek on a controlling basis.

Table 33 Valuation cross check - implied EBITDA multiple

Cannatrek Limited Implied EBITDA multiple ($'000)	Low	High	Midpoint
Enterprise Value	63,000	80,000	71,250
EBITDA for FY25	10,018	10,018	10,018
Implied EBITDA multiple	**6.3x**	**8.0x**	**7.1x**

Source: RSM analysis

Our assessed midpoint Enterprise Value results in an implied EBITDA multiple of 7.1 times, which we consider to be reflective of the implied transacted multiple of Next Green of 7.0 times.

The table below outlines the implied comparable transactions revenue multiples that we have used as a basis for cross checking our implied revenue multiples.

Table 34 Comparable M&A transactions

Date	Target Company	Country	Buyer	Transaction Value $m	% sought	Implied Enterprise Value $M	Revenue LTM $'M	Revenue NTM $'M	Implied EV/Revenue Multiple LTM	Implied EV/Revenue Multiple NTM
01-Oct-21	Harvest Health & Recreation Inc.	United States	Trulieve Cannabis Corp.	3,250.4	100%	3,250.4	494.0	647.4	6.6x	5.0x
23-Mar-22	Liberty Health Sciences Inc.	United States	Ayr Strategies Inc. (nka:Ayr Wellness Inc.)	536.9	100%	536.9	70.7	NA	7.6x	NA
02-Mar-22	Next Green Wave Holdings Inc.	Canada	Planet 13 Holdings Inc.	75.2	100%	75.2	24.0	NA	3.1x	NA
24-Mar-20	Labtronix Inc.	United States	Hollister Biosciences Inc. (nka:YourWay Cannabis Brands Inc.)	7.0	100%	7.0	NA	NA	0.9x	NA
07-Feb-24	Indica Industries Pty Ltd	Australia	Aurora Cannabis Inc.	53.0	90%	58.6	NA	NA	NA	NA
23-Mar-22[1]	The Cannabist Company Holdings Inc.	United States	Cresco Labs Inc.	NA	100%	NA	528.9	513.4	NA	NA
16-Dec-21	Cannabis Doctors Australia Pty Ltd.	Australia	Cronos Australia Limited (nka:Vitura Health Limited)	87.7	100%	87.7	NA	NA	2.3x	NA
01-Jun-21	Zenabis Global Inc.	Canada	HEXO Corp.	324.6	100%	324.6	61.8	NA	5.3x	NA
Selected	**Min**			**7.0**	**1.0**	**7.0**	**24.0**	**647.4**	**0.9x**	**5.0x**
	Max			**3,250.4**	**1.0**	**3,250.4**	**494.0**	**647.4**	**7.6x**	**5.0x**
	Mean			**967.4**	**1.0**	**967.4**	**196.2**	**647.4**	**4.5x**	**5.0x**
	Median			**306.1**	**1.0**	**306.1**	**70.7**	**647.4**	**4.9x**	**5.0x**

Source: S&P Capital IQ and RSM analysis
Note: Multiples shaded in grey have been deemed to be outliers and have been excluded from our selected multiple metrics above
[1] Refers to announcement date; this transaction did not proceed
NA – Not available

As set out in the table above, the comparable transactions historical multiples (on a controlling basis) excluding outliers, ranged from 0.9 to 7.6 times, with a mean and median implied revenue multiple of 4.5 and 4.9, respectively.

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The table below also sets out a summary of the comparable listed company implied revenue multiples (on a minority interest basis).

Table 35 Comparable companies' trading revenue multiples

Ticker	Company Name	Country	Market Capitalisation $'M	Enterprise Value $'M	Revenue LTM $'M	Revenue NTM $'M	EV/Revenue Multiple LTM	EV/Revenue Multiple NTM
CNSX:GTII	Green Thumb Industries Inc.	Canada	2,193.3	2,623.1	1,751.5	1,680.4	1.50x	1.56x
CNSX:CL	Cresco Labs Inc.	Canada	498.2	1,142.4	1,000.3	911.8	1.20x	1.25x
TSX:TSND	TerrAscend Corp.	Canada	247.9	562.9	452.7	372.3	1.24x	1.51x
TSX:XLY	Auxly Cannabis Group Inc.	Canada	169.7	206.2	158.5	165.3	1.37x	1.25x
ASX:VIT	Vitura Health Limited	Australia	36.5	40.2	124.0	NA	0.32x	NA
TSX:CURA	Curaleaf Holdings, Inc.	Canada	2,594.6	4,033.7	1,928.9	1,877.4	2.19x	2.15x
TSX:CRON	Cronos Group Inc.	Canada	1,393.9	280.5	200.1	262.8	1.47x	1.07x
TSX:WEED	Canopy Growth Corporation	Canada	558.8	438.5	304.4	329.1	1.52x	1.33x
TSX:ACB	Aurora Cannabis Inc.	Canada	269.2	294.0	408.0	341.5	0.76x	0.86x
OTCPK:MRMD	MariMed Inc.	United States	49.1	179.8	237.9	225.4	0.81x	0.80x
ASX:LGP	Little Green Pharma Ltd	Australia	36.7	39.3	38.5	42.1	1.02x	0.93x
ASX:ECS	ECS Botanics Holdings Ltd	Australia	8.8	15.3	19.4	NA	0.79x	NA
ASX:CAN	Cann Group Limited	Australia	12.7	88.5	13.3	NA	6.68x	NA
	Min		**8.8**	**15.3**	**13.3**	**42.1**	**0.3x**	**0.8x**
	Max		**2,594.6**	**4,033.7**	**1,928.9**	**1,877.4**	**6.7x**	**2.1x**
	Mean		**620.7**	**765.0**	**510.6**	**620.8**	**1.6x**	**1.3x**
	Median		**247.9**	**280.5**	**237.9**	**335.3**	**1.2x**	**1.3x**
Selected	**Min**		**36.5**	**40.2**	**124.0**	**165.3**	**0.3x**	**1.2x**
	Max		**2,193.3**	**2,623.1**	**1,751.5**	**1,680.4**	**1.5x**	**1.6x**
	Mean		**629.1**	**915.0**	**697.4**	**782.4**	**1.1x**	**1.4x**
	Median		**247.9**	**562.9**	**452.7**	**642.0**	**1.2x**	**1.4x**

Source: S&P Capital IQ and RSM analysis
Note: Companies highlighted in grey have been excluded as outliers
NA – Not available
NM – not meaningful

As set out in the table above, the comparable companies' historical revenue multiples (on a non-controlling basis) excluding outliers, ranged from 0.3 to 1.5 times, with a mean and median implied revenue multiple of 1.1 and 1.2 times, respectively.

The table below sets out our implied revenue multiple based on our assessment of the Enterprise Value of Cannatrek on a controlling basis.

Table 36 Valuation cross check - implied revenue multiple

Cannatrek Limited Implied revenue multiple ($'000)	Low	High	Midpoint
Enterprise Value	63,000	80,000	71,250
Revenue for FY25	75,499	75,499	75,499
Implied revenue multiple	**0.8x**	**1.1x**	**0.9x**

Source: RSM analysis

Our assessed implied revenue multiple in the range of 0.8 to 1.1 times is lower than the implied transacted multiples, however, we do not consider this unreasonable having regard to Cannatrek's established operations and noting that the transactions occurred a number of years ago and were likely reflective of higher growth expectations for the medicinal cannabis industry at those times.

We consider Cannatrek's implied revenue multiples to be reasonably consistent with the comparable listed company multiples disclosed above, noting that trading listed multiples are disclosed on a non-controlling basis and Cannatrek's implied revenue multiple is based on an assessed Enterprise Value which includes an adjustment for a premium for control and offset by a discount for size and other business risks.

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6.2 Valuation summary of a Cannatrek Share prior to the Scheme (non-controlling basis)

As set out in Table 31, we have assessed the Fair Value of a Cannatrek Share prior to the Scheme on a controlling basis to be in the range of $0.265 to $0.326.

As we do not consider the Scheme to represent a control transaction, in assessing whether the transaction is Fair, we have considered the Fair Value of a Cannatrek Share prior to the Scheme on a non-controlling basis. We have, therefore, adjusted the above Fair Value of a Cannatrek Share prior to the Scheme on a controlling basis for a discount to reflect a minority interest or discount for lack of control.

The table below out our assessment of the value in a Cannatrek Share on a non-controlling basis utilising the CFME methodology.

Table 37 Valuation summary

Cannatrek Limited Valuation summary	Low	High	Midpoint
Fair Value of a Cannatrek Share (controlling interest)	$0.265	$0.326	$0.295
Discount for minority interest	(25.9%)	(23.1%)	(24.5%)
Fair Value per Share (non-controlling basis)	**$0.196**	**$0.251**	**$0.223**

Source: RSM analysis

A discount to reflect a minority interest in an entity is the inverse of a control premium.

In valuing an ordinary Cannatrek Share prior to the Scheme, we initially assessed a suitable control premium of 30% to 35% at the equity value level. Accordingly, we have applied a discount for minority interest in the range of 23.1% to 25.9% (rounded), being the inverse of our assessed control premium at the equity value level in the range of 30.0% to 35.0%.

As set out above, utilising the CFME methodology, we have determined the Fair Value of a Cannatrek Share on a non-controlling interest basis prior to the Scheme to be in the range of $0.196 to $0.251 per share, with a preferred value of $0.223.

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7. Valuation of LGP prior to the Scheme

7.1 Net assets on a going concern methodology

As stated in Section 5.2, we have assessed the Fair Value of an LGP Share prior to the Scheme on a net assets as a going concern (Net Assets) basis as our primary methodology.

Our assessment of the Fair Value of LGP's net assets prior to the Scheme is shown in the table below, based on the reviewed financial position of LGP as at 30 September 2025.

Table 38 Fair Value of LGP's net assets prior to the Scheme

Little Green Pharma Limited $'000	As at 30-Sep-25 *Reviewed*	Adjustments	Assessed Fair Value Prior to the Scheme
Current assets			
Cash and cash equivalents	2,300	-	2,300
Trade and other receivables	3,260	-	3,260
Biological assets	2,087	-	2,087
Inventory	15,506	-	15,506
Prepayments	1,075	-	1,075
	-		
Non-current assets			
Trade and other receivables	600	-	600
Property plant and equipment	59,267	(2,400)	56,867
Intangible assets	4,003	(4,003)	-
Right-of-use assets	1,221	(1,221)	-
Deferred tax asset	8,116	(7,018)	1,098
Prepayments	125	-	125
Other financial assets	43	-	43
Total assets	**97,603**	**(14,642)**	**82,961**
Current liabilities			
Trade and other payables	(5,004)	-	(5,004)
Borrowings	(1,020)	-	(1,020)
Employee benefit obligations	(1,237)	-	(1,237)
Lease liability	(147)	147	-
Income tax	(194)	-	(194)
Potential dilutionary impact of the options and share rights	-	(2,037)	(2,037)
			-
Non-current liabilities			
Borrowings	(2,434)	-	(2,434)
Lease liability	(1,318)	1,318	-
Employee benefit obligations	(233)	-	(233)
Total liabilities	**(11,587)**	**(572)**	**(12,159)**
Net assets	**86,016**	**(15,214)**	**70,802**
Number of shares on issue ('000)	305,646		305,646
Assessed Fair Value per share (controlling basis)	**$0.281**		**$0.232**

Source: RSM analysis

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Our assessment has been based on the net assets position of LGP as set out in the reviewed balance sheet as at 30 September 2025, adjusted after consideration of the following:

- intangible assets at 30 September 2025 of $4.0m comprised product development costs ($2.7m), and patents and trademarks, software and pharmaceutical quality system (totalling $476k) recognised at cost less accumulated amortisation, and goodwill of $856k recognised in relation to the acquisition of Health House International. We have adjusted the balance sheet for the carrying value of these intangible assets as we consider that a third party acquirer would not attribute value to these capitalised intangible assets.
- we have excluded right-of-use assets and corresponding lease liabilities as we consider that, absent of any impairment of the right-of-use assets, or leases being at non-market rates, a market participant would value the right-of-use assets and corresponding lease liabilities at the same value;
- at the date of this Report, LGP had 14,400,000 unlisted options, 10,500,000 performance rights, and 6,114,868 share rights on issue. We have included the dilutionary impact of the options and share rights in our assessment of the Fair Value of an LGP Share prior to the Scheme. Details of the assumptions and inputs we have used to value the potential dilutionary impact of the options, performance rights and share rights are set out in Appendix D;
- we note that property, plant and equipment primarily comprised land and buildings, leasehold improvements, office equipment, production equipment and assets under construction. The market value of the Danish land and buildings were independently valued on 24 April 2024 at DKK 176,550,000 (c. A$39,0m at the spot rate as at 24 April 2024) These assets along with the corresponding production equipment make up the majority of the Property Plant and Equipment. We note that no impairments had been recognised in the reviewed financial statements for HY26. On this basis, we have assumed that the carrying value of property, plant and equipment of $59.3m as at 30 September 2025 is reasonably reflective of market value other than for a reduction of $2.4m to reflect the below:
  - on 19 February 2026, LGP announced that it had signed an agreement (the Contract) to sell and leaseback its production facility in South-West Western Australia, comprising a c. 1.3 tpa GACP indoor cultivation facility and GMP-compliant production facility (the Site), with the key commercial terms set out below.

Sale price	$7.8m
Sale assets:	Land, buildings and certain cultivation related equipment
Buyer:	Lauana Pty Ltd ATF Lauana Trust ACN 657 531 112
Conditions precedent	▪ Buyer due diligence ▪ Buyer financing ▪ Agreement of head lease through to 29 August 2029 including provision for make-good and maintenance and replacement of capital items ▪ Amendment to current lease with LGP's cultivation subcontractor and Buyer entry into option with LGP's cultivation contractor for further five-year lease following head lease ▪ Grant of council approvals over Site works Settlement: the Parties are targeting satisfaction of the conditions precedent by mid-March 2026 with Settlement to occur 28 days thereafter. If all conditions precedent are not satisfied or waived then the Contract may be terminated and the sale may not proceed.

    The carrying value of the sale assets was assessed by LGP to be $11.5m and $11.4m as at 30 September 2025 and 31 January 2026, respectively.

    We have assessed the financial benefit to LGP to be c. $9.2m comprising the sale price of $7.8m plus an additional $1.4m in value representing LGP's assessment of the net cash inflows from income derived from third party lease income for the Site, offset by LGP's lease liabilities of $600k per annum over the expected term of the head lease.

    Based on the terms of the Contract, we have assessed that the market value of the sale assets set out in LGP's consolidated balance sheet as at 30 September 2025 were overstated by $2.4m; and
- we also note that LGP disclosed net deferred tax assets of $8.0m as at 30 September 2025 of which $7.0m related to carried forward unutilised tax losses. We have deducted these tax losses carried forward as we do not consider that an acquirer would attribute any value to these unutilised tax losses and pay for these losses in a hypothetical transaction.

Our assessed value of a LGP Share prior to the Scheme (on a controlling basis) utilising the net assets on a going concern methodology is $0.232 per share.

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Assessed Fair Value of an LGP Share prior to the Scheme under the Net Assets methodology

Consistent with the analysis set out in Section 6.1, in valuing an LGP share prior to the Scheme on a non-controlling basis, we have reflected a discount for minority interest.

As previously noted, we consider that a control premium at the equity value level in the range of 30% to 35% is appropriate. Accordingly, we have reflected a discount for minority interest in the range of 23.1% to 25.9% (rounded), being the inverse of the assessed control premium.

The table below sets out our assessment of the value in a LGP Share on a non-controlling basis utilising the Net Assets methodology.

Table 39 Assessed Value of LGP Share on a Net Assets basis (prior to the Scheme) (non-controlling basis)

Little Green Pharma Limited	Low	High	Midpoint
Net assets on a going concern method (controlling basis)	$0.232	$0.232	$0.232
Discount for minority interest	(25.9%)	(23.1%)	(24.5%)
Assessed Fair Value per LGP Share (non-controlling basis)	**$0.172**	**$0.178**	**$0.175**

Source: RMS analysis

Our assessed value of an LGP Share prior to the Scheme (on a non-controlling basis) utilising the Net Assets methodology is in the range of $0.172 to $0.178 per share, with a preferred value of $0.175.

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7.2 Quoted price of listed securities methodology

As a secondary methodology to assess the Fair Value of an LGP share, we have also assessed the Fair Value based on the quoted market price.

The assessment only reflects trading prior to the announcement of the Scheme in order to avoid the influence of any movement in price that occurred as a result of the announcement.

RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Market Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in the share price.

To provide further analysis of the quoted market prices for LGP shares, we have considered the Volume Weighted Average Price ("VWAP") for the 5, 10, 30, 60, 90, 120, and 180 calendar days prior to 14 January 2026, as summarised in the table below.

Table 40 VWAP of LGP's Shares

Calendar days	Share price Low $	Share price High $	No. of days traded	Volume traded	Value traded $	VWAP $	Percentage of issued capital %
5 days	0.120	0.130	5	1,554,767	188,303	0.121	0.51%
10 days	0.120	0.130	10	1,865,727	228,295	0.122	0.61%
30 days	0.115	0.135	30	7,091,607	906,093	0.128	2.32%
60 days	0.115	0.140	60	12,173,526	1,578,781	0.130	3.98%
90 days	0.115	0.140	90	19,484,442	2,529,849	0.130	6.37%
120 days	0.105	0.140	120	24,689,986	3,146,225	0.127	8.08%
180 days	0.099	0.140	180	31,786,029	3,917,301	0.123	10.42%

Source: Capital IQ and RSM analysis

We note the following:

- as set out in the table above, the VWAP of LGP's shares fluctuated between $0.121 and $0.130 over the past 180-day period before the announcement of the Scheme.
- during the 180 days leading up to 14 January 2026, 10.42% of the weighted shares outstanding were traded, and in the 30 days leading up to 14 January 2026, 2.32% of the weighted shares outstanding were traded;
- the bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of LGP averaged 4.8% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.197%[7], we consider the bid/ask spread of LGP to be large; and
- notwithstanding the low levels of liquidity, LGP complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of LGP.

Valuation of a LGP share (Quoted price of listed securities methodology)

Based on the above, we have assessed the value of a LGP share using the QMP method to be in the range of $0.122 to $0.130, having specific regard to the 10 to 60-day VWAP prior to the announcement of the Scheme.

The QMP methodology applied represents the value of a portfolio (non-controlling shareholding). Accordingly, we consider the value generated under the QMP method to already incorporate a discount for minority interest and no further discount is necessary to assess the value of LGP using the QMP method.

[7] Equity market data for the quarter ended 30 September 2025

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7.3 Valuation summary of an LGP Share prior to the Scheme

A summary of our assessed value of an LGP Share prior to the Scheme is set out in the table below.

Table 41 Valuation of an LGP Share prior to the Scheme

	Low	High	Midpoint
Net assets on a going concern - primary methodology (non-controlling basis)	**$0.172**	**$0.178**	**$0.175**
Quoted price of listed securities - secondary methodology (non-controlling basis)	**$0.122**	**$0.130**	**$0.126**

Source: RSM analysis

In our opinion, we consider the Net Assets methodology provides a better indicator of the Fair Value of an LGP share due primarily to the following factors:

- inherent discounts applied by the market correlating to high levels of competition and the associated downward pressure on profitability in Australia, as well as the risks associated with expanding operations in Germany and other parts of Europe; and
- the overall low liquidity of LGP's volume of traded shares.

We have, therefore, concluded that the assessed Fair Value of an LGP share prior to the Scheme (non-controlling basis), is in the range of $0.172 to $0.178, based on the assessed Fair Values using the Net Assets methodology.

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8. Valuation of the Merged Group and Scheme Consideration

8.1 Valuation of the Merged Group immediately after the Scheme

Valuation of the Scheme Consideration offered per Cannatrek Share immediately after the Scheme

As required by RG 111, in order to provide an indication of the value to the Cannatrek Shareholders immediately after the Scheme, we have calculated the theoretical value of LGP and Cannatrek immediately after the implementation of the Scheme (the Merged Group).

The table below sets out our assessment of the Fair Value per Share of the Merged Group under Scenario 1 (on a non-controlling basis) and has been calculated based on the combined fair values of Cannatrek and LGP immediately following the Scheme as assessed in Sections 6 and 7.

Table 42 Assessed Fair Value per share in the Merged Group under Scenario 1 (non-controlling interest)

Scenario 1	Low	High	Midpoint
Assessed Fair Value per Cannatrek Share (non-controlling basis) ($)	$0.196	$0.251	$0.223
Number of shares on issue ('000)	278,389	278,389	278,389
Total Equity Value of Cannatrek (non-controlling basis) ($'000)	**54,698**	**69,838**	**61,961**
Assessed Fair Value per LGP Share (non-controlling basis) ($)	$0.172	$0.178	$0.175
Number of shares on issue ('000)	305,646	305,646	305,646
Total Equity Value of LGP (non-controlling basis) ($'000)	**52,446**	**54,463**	**53,435**
Less: Estimated transaction costs to be incurred if the Scheme proceeds	(1,730)	(1,730)	(1,730)
Total Equity value of Merged Group (non-controlling basis) ($'000)	**105,414**	**122,571**	**113,666**
Number of Shares			
LGP shares on issue prior to the Scheme ('000)	305,646	305,646	305,646
New LGP Shares issued to Cannatrek Shareholders ('000)	511,069	511,069	511,069
New pro forma LGP Shares issued to Cannatrek Shareholders following conversion of CV Shares ('000)	90,013	90,013	90,013
Total pro forma number of shares on issue in the Merged Group ('000)	**906,727**	**906,727**	**906,727**
Assessed Fair Value per share in the Merged Group (non-controlling interest) ($)	**$0.116**	**$0.135**	**$0.125**

Source: RSM analysis

As set out in Section 6.1 and in further detail in the Scheme Booklet, Cannatrek is expected to incur total transaction costs of $2.15m if the Scheme proceeds and $1.42m regardless of whether the Scheme is approved. In our valuation of Cannatrek prior to the Scheme, we have not adjusted for the $1.42m in estimated transaction costs on the basis that this adjustment is not material to our valuation of Cannatrek.

In our assessment of the value of the Merged Group, we have included the additional $0.73m in transaction costs to be incurred by Cannatrek if the Scheme proceeds. We have also included expected transaction costs of $1.0m expected to be incurred by LGP if the Scheme proceeds.

As set out on the table above, our assessed Fair Value per share in the Merged Group under Scenario 1 (on a non-controlling basis) is in the range of $0.116 to $0.135, with a preferred value of $0.125.

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The table below sets out our assessment of the Fair Value per Share of the Merged Group under Scenario 2 (on a non-controlling basis).

Table 43 Assessed Fair Value per share in the Merged Group under Scenario 2 (non-controlling interest)

Scenario 2	Low	High	Midpoint
Assessed Fair Value per Cannatrek Share (non-controlling basis) ($)	$0.196	$0.251	$0.223
Number of shares on issue ('000)	278,389	278,389	278,389
Total Equity Value of Cannatrek (non-controlling basis) ($'000)	**54,698**	**69,838**	**61,961**
Assessed Fair Value per LGP Share (non-controlling basis) ($)	$0.172	$0.178	$0.175
Number of shares on issue ('000)	305,646	305,646	305,646
Total Equity Value of LGP (non-controlling basis) ($'000)	**52,446**	**54,463**	**53,435**
Less: Estimated transaction costs to be incurred if the Scheme proceeds	(1,730)	(1,730)	(1,730)
Total Equity value of Merged Group (non-controlling basis) ($'000)	**105,414**	**122,571**	**113,666**
Number of Shares			
LGP shares on issue prior to the Scheme ('000)	305,646	305,646	305,646
New LGP Shares issued to Cannatrek Shareholders ('000)	511,069	511,069	511,069
New pro forma LGP Shares issued to Cannatrek Shareholders following conversion of CV Shares ('000)	-	-	-
Total pro forma number of shares on issue in the Merged Group ('000)	**816,715**	**816,715**	**816,715**
Assessed Fair Value per share in the Merged Group (non-controlling interest) ($)	**$0.129**	**$0.150**	**$0.139**

Source: RSM analysis

As set out on the table above, our assessed Fair Value per share in the Merged Group under Scenario 2 (on a non-controlling basis) is in the range of $0.129 to $0.150, with a preferred value of $0.139.

8.2 Valuation of the Scheme Consideration

The table below sets out our assessment of the value of a share in the Merged Group on a minority interest basis immediately after the Scheme, and the value of the Share Scheme Consideration offered per Cannatrek Share under Scenario 1.

Table 44 Fair Value of Scheme Consideration under Scenario 1

Scenario 1	Low	High	Midpoint
Fair Value per share in the Merged Group (non-controlling basis)	**$0.116**	**$0.135**	**$0.125**
Multiplied by Merger Ratio	2.15914	2.15914	2.15914
Fair Value of the Share Scheme Consideration	**$0.251**	**$0.292**	**$0.272**

Source: RSM analysis

Based on the above, our assessed value of the Share Scheme Consideration offered per Cannatrek Share immediately after the Scheme under Scenario 1 (on a non-controlling basis) is in the range of $0.251 to $0.292, with a preferred value of $0.272.

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The table below sets out our assessment of the value of a share in the Merged Group on a minority interest basis immediately after the Scheme, and the value of the Share Scheme Consideration offered per Cannatrek Share under Scenario 2.

Table 45 Fair Value of Scheme Consideration under Scenario 2

Scenario 2	Low	High	Midpoint
Fair Value per share in the Merged Group (non-controlling basis)	**$0.129**	**$0.150**	**$0.139**
Multiplied by Merger Ratio	1.83581	1.83581	1.83581
Fair Value of the Share Scheme Consideration	**$0.237**	**$0.276**	**$0.257**

Source: RSM analysis

Based on the above, our assessed value of the Share Scheme Consideration offered per Cannatrek Share immediately after the Scheme under Scenario 2 (on a non-controlling basis) is in the range of $0.237 to $0.276, with a preferred value of $0.257.

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9. Is the Scheme Fair to Shareholders?

In assessing whether we consider the Scheme is fair and reasonable to and therefore, in the best interests of the Cannatrek Shareholders, we have valued a share in Cannatrek prior the implementation of the Scheme and compared it to the value of the Scheme Consideration, to determine whether a Shareholder would be better or worse off should the Scheme be approved. The Scheme Consideration represents the value of the equivalent ownership interest per Cannatrek share in the Merged Group.

Our assessed values are summarised below.

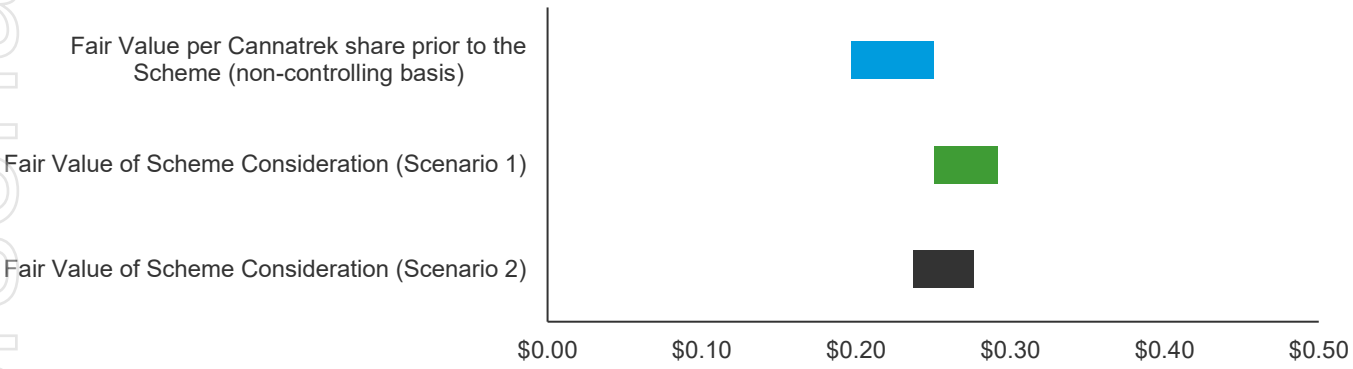
Table 46 Valuation summary

	Low	High	Midpoint
Fair Value per Cannatrek share prior to the Scheme (non-controlling basis)	**$0.196**	**$0.251**	**$0.223**
Fair Value of Scheme Consideration (Scenario 1)	**$0.251**	**$0.292**	**$0.272**
Fair Value of Scheme Consideration (Scenario 2)	**$0.237**	**$0.276**	**$0.257**

Source: RSM analysis

The above comparison is presented graphically below.

Figure 5 Valuation summary



Source: RSM analysis

We have utilised the CFME methodology as our primary methodology in our assessment of the Fair Value of a Cannatrek Share prior to the Scheme, on the basis of which we have concluded that the assessed Fair Value of a Cannatrek Share prior to the Scheme (on a non-controlling basis), is in the range of $0.196 to $0.251, with a preferred midpoint value of $0.223.

As part of our assessment of the Fair Value of the Scheme Consideration, we have assessed the Fair Value of a Share in LGP using the following methodologies:

- primary methodology – Net Assets;
- secondary methodology – QMP.

As set out in Section 7 of this Report, the valuation range assessed using the Net Assets basis (being $0.172 to $0.178 with a preferred valuation of $0.175), was higher than the valuation assessed using the QMP methodology (being $0.122 to $0.130, with a preferred valuation of $0.126).

We consider the significantly lower values assessed under the QMP methodology to be due primarily to:

- inherent discounts applied by the market correlating to high levels of competition and the associated downward pressure on profitability in Australia, as well as the risks associated with expanding operations in Germany and other parts of Europe; and
- the overall low liquidity of LGP's volume of traded shares.

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LGP's net asset position of $86.0m as at 30 September 2025 included property, plant and equipment of $59.3m primarily comprising land and buildings associated with LGP's production and processing facility in Denmark. As LGP's operations are focused on its expansion into the European market, noting that LGP has recently released its 30 September 2025 interim financial statements which did not report any impairment of assets. Accordingly, having regard to the low liquidity of trading in LGP shares, we consider that the valuation of LGP utilising the Net Assets methodology is a more reliable indicator of the Fair Value of an LGP share assuming the Scheme proceeds.

On 19 February 2026, LGP announced that it had entered into the Contract to sell and leaseback its Site in South-West Western Australia. As set out in further detail in Section 7, based on the terms of the Contract, we assessed the market value of the sale assets relating to the Site as set out in LGP's consolidated reviewed balance sheet as at 30 September 2025 were overstated by $2.4m and adjusted for this overstatement in our valuation of LGP using the Net Assets basis.

Therefore, we have assessed the Fair Value of an LGP share prior to the Scheme (on a non-controlling basis) to be in the range of $0.172 to $0.178, with a preferred value of $0.175.

In our assessment of the Fair Value of the Scheme Consideration under Scenario 1, we have assumed that Cannatrek Shareholders will effectively receive 2.15914[8] New LGP Ordinary Shares for every 1 Cannatrek Share on issue (Merger Ratio 1).

In our assessment of the Fair Value of the Scheme Consideration under Scenario 2, we have assumed that Cannatrek Shareholders will receive 1.83581[9] New LGP Ordinary Shares for every 1 Cannatrek Share on issue (Merger Ratio 2).

On the basis that the Fair Value of the Consideration offered per Cannatrek Share under both Scenarios 1 and 2 is greater than the Fair Value of a Cannatrek Share prior to the Scheme (on a non-controlling basis), and in the absence of any other relevant information, in our opinion, we consider the Scheme is **fair** to Shareholders.

We also note that under our sensitivity analysis, the Scheme would also have been assessed as fair if we had utilised the QMP methodology to value a share in LGP prior to the Scheme for both Scenario 1 and Scenario 2.

Shareholders should also be aware that our assessment of the Fair Value per LGP share (on a Merged Group basis) post the Scheme does not necessarily reflect the price at which LGP shares will trade if the Scheme completes. The price at which LGP shares will ultimately trade at depends on a range of factors including the liquidity of LGP shares, macroeconomic conditions, the underlying performance of the Merged Group and the supply and demand of LGP shares.

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[8] Calculated based on 511,068,667 New LGP Shares being initially issued together with 90,012,716 LGP CV Shares converting into LGP Shares on the basis that the difference between the Cannatrek and LGP Contingent Liability amounts is less than $2 million.
[9] Calculated solely based on 511,068,667 New LGP Shares issued and no conversion of LGP CV Shares on the basis that Cannatrek's Contingent Liability exceeds LGP's Contingent Liability by $8 million or greater.

10. Consideration of other factors relating to the Scheme

RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Scheme, we have given consideration to:

- the future prospects of Cannatrek if the Scheme does not proceed;
- the potential advantages and disadvantages for Shareholders as a consequence of the Scheme proceeding; and
- alternative proposals and likelihood of an alternative takeover Scheme.

10.1 Future prospects of Cannatrek if the Scheme does not proceed

If the Scheme is not approved, Cannatrek will continue to operate as a public unlisted company and continue to pursue its current strategy to increase sales volume via the launch of new products and maintain profitability levels amidst increasing competition.

10.2 Advantages of approving the Scheme

Cannatrek's directors have unanimously recommended that Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).

The key advantages of the Scheme are outlined below.

Table 47 Advantages of the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to Shareholders
Diversification	The Merged Group will hold a more diversified portfolio of medicinal cannabis products as well as provide a platform for further expansion of sales into Germany and other European markets. This will result in some diversification of the risk inherent within Cannatrek which currently generates a large portion of revenue from a small number of key brands.
Expected synergies and increased pool of Board Experience	As a result of the larger size of the Merged Group, the Merged Group is expected to benefit from management and corporate synergies, as well as opportunities to improve overall group post harvesting processes and streamline costs. LGP's strategy to continue its expansion into the European market also represents an opportunity to expand into a growing market, which may provider better opportunities to increase Shareholder returns noting that the Australian market remains highly competitive. The Merged Group board of directors is expected to include Brent Dennison – Chair; Seth Yakatan – Non-Executive Director; Avraham Huppert - Non-Executive Director; Michael D. Lynch-Bell - Non-Executive Director; and Paul Long – Group CEO, with representations being derived from three of Cannatrek's current Board and two LGP nominations. The change in the Board composition post the approval of the Scheme may provide further opportunities to pool increased skills and experience.
Increased liquidity	Approval of the Scheme will result in Cannatrek Shareholders acquiring shares in a listed company which would likely provide a more liquid market for Shareholders to crystallise the value of their shares in the future.
Risk mitigation relating to the issue of CV Shares	The issue of the CV Shares and the conversion mechanism offer Shareholders a level of protection against significant contingent liabilities within LGP. Under the terms of the Scheme, Shareholders will not be diluted to less than 62.6% (60.3% on a fully diluted basis) in the Merged Group. Shareholders' collective interest would increase to 66.3% (64.1% on a fully diluted basis) if the difference between Cannatrek and LGP Contingent Liabilities is less than $2m (either way), and would increase in a sliding scale from between 66.3% (64.1% on a fully diluted basis) and 70.0% (68.0% on a fully diluted basis) if LGP's Contingent Liability exceeds Cannatrek's Contingent Liability by more than $2m and less than $8m.

Source: RSM Analysis

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10.3 Disadvantages of approving the Scheme

The key disadvantages of the Scheme are outlined below.

Table 48 Disadvantages of the Scheme

Disadvantage	Details
Exposure to LGP's current investments	LGP disclosed losses before income tax expenses for the three years ended 31 March 2025 and the half-year ended 30 September 2025, with the losses due primarily to LGP's Australian operations. Whilst contribution at the EBITDA level for the European market was positive for the half year ended 30 September 2025 and the year ended 31 March 2025, sales to Europe currently comprise c. 30% of LGP's total sales and accordingly, future profitability is likely dependent on LGP's continued expansion into the European market. This change in risk profile may not meet some Shareholders' investment strategy.
Dilutionary impact	Shareholders will, collectively, have a 62.6% (60.3% on a fully diluted basis) interest in the Merged Group immediately after the Scheme is implemented. Whilst Shareholders will, collectively, still hold a controlling interest in the Merged Group, the dilution will reduce Shareholders' collective ability to influence decisions such as the composition of the Board and the acquisition and disposal of assets. In addition to the above, the conversion of the CV Shares will result in Shareholders' ultimately acquiring a collective interest in the Merged Group in the range of 62.6% (60.3% on a fully diluted basis) to 70.0% (68.0% on a fully diluted basis) depending on the quantification of the Contingent Amount referenced in further detail at Sections 1.2 and 2.3, noting however that CV Shares will not provide voting rights until such time as they convert to LGP Ordinary Shares.
Illiquid CV Shares	If the Scheme proceeds, the CV Shares will only convert to ordinary shares approximately two years following the Scheme Implementation Date. Accordingly, Shareholders will hold illiquid CV Shares with little opportunity to realise this investment until the CV Shares are converted to LGP Ordinary Shares. Shareholders will also have uncertainty regarding the number of ordinary shares the CV Shares will ultimately convert to.
Potential tax considerations	The disposal of Cannatrek Shares under the Scheme will trigger capital gains tax ("**CGT**") events. Shareholders may choose to apply for scrip roll-over relief. Further details of potential tax considerations are set out in section 11 of the Scheme Booklet. It should be noted that the benefit of choosing scrip for scrip rollover relief, if available (or otherwise) will depend upon the individual circumstances of each Shareholder.

Source: RSM Analysis

10.4 Alternative proposals to the Scheme

The Directors of Cannatrek have advised us that no formal alternative or approaches by potential acquirers have been received by the Company as of the date of this Report.

We are unaware of any alternative proposal at the current time which might offer a greater benefit to the Shareholders than the Scheme.

The alternative to the Scheme is for the Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in Cannatrek either through maintaining Cannatrek as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that the Shareholders would be better off under this alternative, it is possible that an alternative proposal may emerge prior to the Scheme Meeting. However, since the completion of the SID and the announcement of the Scheme on 14 January 2026, we understand that no superior proposals have been put forward as the date of this Report.

10.5 Conclusion on Reasonableness

In our opinion, the position of the Shareholders if the Scheme is accepted is more advantageous than the position if it is not accepted. Therefore, in the absence of any other relevant information and/or a superior proposal, we consider that the Scheme is **reasonable** and accordingly, the Scheme is **in the best interests** of Shareholders.

An individual Shareholder's opinion in relation to the Scheme may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

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Appendices

A. Declarations and Disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford and Albert Meintjes are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Albert Meintjes are Charted Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Cannatrek Limited in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of Cannatrek Limited, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Albert Meintjes, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of $73,000 (excluding goods and services tax ("**GST**") based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether Cannatrek Limited receives Shareholder approval for the Scheme.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the Scheme Booklet to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Scheme Booklet. Accordingly, we take no responsibility for the content of the Scheme Booklet.

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B. Sources of information

In preparing the Report, we have relied upon the following principal sources of information:

- Draft and final copies of the Scheme Booklet;
- Draft and final copies of the Scheme Implementation Deed dated 14 January 2026;
- Cannatrek audited financial statements for the years ended 30 June 2025;
- LGP audited financial statements for the years ended 31 March 2025;
- LGP reviewed financial statements for the half-year ended 30 September 2025;
- Cannatrek shares and options register;
- LGP shares and unlisted securities register;
- Details of Cannatrek and LGP Shareholders;
- ASX announcements of LGP;
- S&P Capital IQ database;
- IBISWorld; and
- Information provided to us throughout correspondence with the Directors and Management of Cannatrek and LGP.

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C. Glossary of terms and abbreviations

Term or Abbreviation	Definition
$ or AUD	Australian dollar
Act or Corporations Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the Australian Stock Exchange amended from time to time
ATO	The Australian Taxation Office
b	Billion
Burleigh Heads Cannabis	Burleigh Heads Cannabis Pty Ltd
CAGR	Compound annual growth rate
Cannatrek or Company, the	Cannatrek Limited
Cannatrek Shareholders or Shareholders, the	The shareholders of Cannatrek
Cannatrek Options, or Options	The share options on issue in Cannatrek
Capitalisation of Future Maintainable Earnings (CFME)	A method within the income approach whereby economic benefits for a representative single period are converted to value through division by a capitalisation rate
CGT	Capital gains tax
CherryCo	CherryCo brand of cannabis flower products launched by LGP
Contingent Amount Determination Date	The date of conversion of LGP CV Shares into LGP Ordinary Shares
Control	The power to direct the management and policies of an entity or business enterprise
Control basis or controlling basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held.
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
Discounted cash flow (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
EBIT	Earnings before interest and tax
EBIT multiple	Enterprise Value divided by EBIT
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA multiple	Enterprise Value divided by EBITDA
Enterprise Value or EV	The assessed market value of a business on a cash free and debt free basis
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the Enterprise Value.

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Term or Abbreviation	Definition
FME	Future Maintainable Earnings
Forward-looking information	Prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters.
FSG	Financial Services Guide
FX	Foreign Exchange
FYXX	Financial year ended 30 June 20XX or the financial year ended 31 March 2025 (where applicable)
GST	Goods and services tax
GMP	Good Manufacturing Practice
GPs	General Practitioners
Heyday	Heyday RX Pty Ltd
Health House International	HHI (Australia) Pty Ltd
Historical Period, the	FY23, FY24, and FY25 for Cannatrek, and FY24, FY25 and HY26 for LGP
HY26	The half-year ended 30 September 2025
IFRS	International Financial Reporting Standards
Implementation Date	the Implementation of the Scheme
k	Thousands
LTM	Last twelve months
m	Millions
M&A	Merger & acquisitions
Management	The management of Cannatrek
Market Value or Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length.
MCA	MCA Pty Ltd
Merged Group	The corporate group comprising LGP and its subsidiaries, including Cannatrek, if the Scheme is implemented.
Merger Ratio 1	Pro forma ratio whereby Cannatrek Shareholders will effectively receive 2.15914 New LGP Ordinary Shares for every 1 Cannatrek Share on issue
Merger Ratio 2	Pro forma ratio whereby Cannatrek Shareholders will effectively receive 1.83581 New LGP Ordinary Shares for every 1 Cannatrek Share on issue
Minority or non-controlling interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Montu	Montu Group Pty Ltd
Net Assets	Net assets on a going concern methodology
Next Green	Next Green Wave Holdings Inc.
New LGP Shares	Collectively refers to New LGP Ordinary Shares and New LGP CV Shares issued in the capital of LGP to acquire the Cannatrek Shares on issue, being the Scheme Consideration
New LGP CV Shares, CV Shares or LGP CV Shares	Contingent value preference shares in the capital of LGP which forms part of the Scheme Consideration

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Term or Abbreviation	Definition
New LGP Ordinary Shares or LGP Ordinary Shares	Ordinary shares in the capital of LGP which forms part of the Scheme Consideration
Shareholders	Shareholders who are not a party, or associated to a party, of the Scheme
NPAT	Net profit after tax
NTM	Next twelve months
QMP	Quoted market price of listed securities
RBA	Reserve Bank of Australia
Report or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM Control Premium Study	RSM study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020
RSM, we, us or our	RSM Corporate Australia Pty Ltd
Scheme Booklet	Booklet prepared for the Scheme to which this Report is attached
Scheme Consideration	The value of the consideration per Cannatrek Share offered under the Scheme
Scheme Meeting	A meeting of shareholders where shareholders will consider a resolution seeking approval of the Scheme
Scheme	The proposed merger offer by LGP to acquire all the ordinary shares in Cannatrek
Shares	Fully paid ordinary shares in Cannatrek
Shareholders	Cannatrek Shareholders
SID	Scheme Implementation Deed
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
VWAP	Volume weighted average share price
YTD25	The quarter ended 30 September 2025

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D. Assessment of impact on Fair Value of the potential dilutive impact of LGP options, share rights and performance rights

Performance rights – prior to the Scheme

At the date of this Report, LGP had 10,500,000 performance rights. The terms of the performance rights are summarised in the table below.

Table 49 Terms of performance rights

Performance rights	Number	Vesting	Expiry date
LGPAT Class F	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.95 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class G	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $1.10 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class H	1,500,000	1,500,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $1.25 by 17 August 2024. One third vesting upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable once vested	17-Aug-26
LGPAT Class I	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.50 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
LGPAT Class J	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.60 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
LGPAT Class K	2,000,000	2,000,000 vest on the 20-day VWAP of LGP:ASX shares equal or exceeding $0.75 by 27 February 2026. One third upon satisfaction of each milestone, then one third after 12 months and one third after 24 months. Exercisable, once vested	27-Feb-28
Total	**10,500,000**		

Source: Options and rights register

We note that the vesting conditions for Classes F to H have not been met. Additionally, achievement of the above vesting hurdles should result in an associated increase in the Fair Value of LGP which would offset the dilutionary impact of the vesting of the performance rights and resulting issuance of LGP shares. Therefore, we have not included any potential dilutionary impact of the performance rights in our assessment of the Fair Value of an LGP share prior to the Scheme.

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Share rights – prior to the Scheme

At the date of this Report, LGP had 6,114,868 share rights on issue.

The vesting conditions of the share rights are summarised in the table below.

Table 50 Terms of the share rights

Share rights	Number	Vesting date	Expiry date
LGPAS	4,000,000	01-Apr-26	01-Apr-28
LGPAS	210,000	20-Feb-26	20-Feb-28
LGPAS	450,000	31-Mar-27	31-Mar-29
LGPAU	875,000	01-Apr-26	01-Apr-28
LGPAA	141,173	31-Mar-28	31-Mar-30
LGPAAB	222,372	01-Apr-26	01-Jun-26
LGPAAC	216,323	01-Apr-27	01-Jun-27
Total	**6,114,868**		

Source: Options and rights register

The share rights are exercisable from the relevant vesting date for $nil consideration until the expiry date, with the rights vesting subject to continuous employment. On the basis that the recipients of the share rights are effectively "earning" the benefit of the share rights over time, we consider that it would only be appropriate to include within our valuation of LGP, the dilutionary impact of the proportion of unlisted share rights for which the vesting condition has passed as at the most recent practical date for the Report.

We consider that potential dilutionary impact of unvested share rights to represent the future services that LGP will receive, being part of the future remuneration of the share rights recipients which, therefore, should not be reflected within our valuation of LGP prior the Scheme.

Based on our review of the terms of the share rights, the majority of the share rights had a vesting period of 2.5 years with an average of 85% of the vesting terms having been met. Accordingly, we have assumed that 85% of the performance rights, being 5.2m performance rights have vested at the date of this Report. As the performance rights have a $nil exercise price, we have assessed the value of a performance right to be $0.180, consistent with our assessment of the current share price of $0.180 as detailed below.

Our assessed value of the potential dilutionary impact of the performance rights is set out at Table 53 below.

Options – prior to the Scheme

As at the date of this Report, LGP had 14.4m unlisted options on issue, as summarised in the table below.

Table 51 Summary of unlisted options

Number	Exercise price	Expiry date
7,200,000	$0.1380	31-Jul-27
7,200,000	$0.1725	31-Jul-28

LGP options register

As the LGP options are American options (may be exercised at any time before the expiration date), we have utilised the binomial options valuation model to enable expected early exercise of the unlisted Options to be factored into the valuation.

The binomial model uses either a binomial or a trinomial distribution process to derive value by separating the total maturity period of the option into discrete periods. When progressing from one time period, or node, to another, the underlying common stock price is assumed to have an equal probability of increasing and/or decreasing by upward and downward price movements.

The key inputs and assumptions we have used in the binomial model to value the potential dilutionary impact of the unlisted options are set out in the next table.

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Table 52 Key inputs in the valuation of the LGP options

Input	Options	Options
Number of options	7,200,000	7,200,000
Valuation date	24-Feb-26	24-Feb-26
Expiry date	31-Jul-27	31-Jul-28
Exercise price	$0.138	$0.1725
Current share price	$0.180	$0.180
Maximum option life in years	1.43	2.43
Assessed volatility	70%	70%
Risk free rate	4.238%	4.238%
Dividend yield	0%	0%
Vesting condition	Vested	Vested
Early exercise factor	2.5	2.5

Valuation date and option life – We have valued the options as at the date of the Report (or as close as practically possible) and accordingly, have calculated remaining option life in years based on the date of the Report to the expiry date under the appropriate terms of options on issue that we considered to represent the majority of employees under each group.

Exercise price – based on the terms above.

Current share price – we have adopted a share price of $0.180, being our assessment of the fair value of an LGP share prior to the Scheme utilising the Net Assets methodology on a non-controlling basis at the preferred midpoint value of our range (and prior to any dilutionary impact of the options). Consistent with our assessment of a discount for minority interest in our valuation of an LGP share prior to the Scheme, we applied a discount of 23.1% to 25.9%, resulting in an assessed value per share of $0.177 to $0.183, with a midpoint of $0.180.

Volatility – the volatility of the share price is a measure of the uncertainty about the returns provided by LGP shares. Generally, it is possible to predict future volatility of a stock by reference to its historical volatility. A share with a greater volatility has a greater time component of the total value.

Our assumption is predicated on the fact that historical volatility is representative of expected future volatility.

Based on the above and having regard to the liquidity and historical volatility of LGP, we have assessed the volatility to be 70%, based on the average daily and weekly share price volatility over the last two years.

Risk free rate – we have determined the risk-free rate based on the yield of appropriate Commonwealth bond rates as at 18 February 2026 (being the latest available date) that cover the period that best match the life of the options for each group as at the valuation date set out above.

Dividend yield – we have used a dividend yield of 0% on the basis that LGP has no current plans to declare dividends.

Early exercise factor – Expected early exercise is factored into the valuation by our application of the binomial model. The model incorporates an exercise factor, which determines the conditions under which an option holder is expected to exercise their options. It is defined as a multiple of the exercise price (e.g., 2.5 would mean that on average option holders tend to exercise their options when the stock price reaches 2.5 times the exercise price).

This is considered more reliable than trying to guess the average time to exercise. For example, trying to estimate an average time after which option holders exercise is likely to be inaccurate as during periods when the market is high option holders are more likely to exercise early as opposed to times when the market is low. Using an exercise multiple, which is based on a robust theory of stock price behaviour/distribution overcomes these problems.

We have assumed that the exercise factor for these options is 2.5. There have been a number of historical studies that indicate that option holders early exercise options generally at between 2 to 3 times the exercise price, with the higher multiples generally attributable to more senior employees within the company.

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Value of potential dilutionary impact of options and performance rights

Based on the inputs and assumptions above, our assessed value of the potential dilutionary impact of the LGP options and vested performance rights prior to the Scheme is set out in the table below.

Table 53 Dilutionary impact of LGP options

	Number of instruments	Exercise price $	Fair Value $	Total Fair Value $
Unlisted Options	7,200,000	$0.138	$0.076	$547,200
Unlisted Options	7,200,000	$0.173	$0.077	$554,400
Share rights	5,197,638	$0.000	$0.180	$935,575
Total	**19,597,638**			**$2,037,175**

Source: Management, RSM analysis

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E. Comparable company descriptions

Table 54 Cannatrek comparable companies' business description

Ticker	Company	Business description
CNSX:GTII	Green Thumb Industries Inc.	Green Thumb Industries Inc. manufactures, distributes, markets, and sells of cannabis products for medical and adult-use in the United States. It operates through two segments, Retail and Consumer Packaged Goods. The company Schemes cannabis flower; processed and packaged products, including pre-rolls, concentrates, vapes, tinctures, edibles, topicals, capsules, tinctures, and other cannabis-related products under the &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles, and RHYTHM brands. It distributes its products to third-party licensed retail customers; and sells finished products directly to consumers through its retail stores, as well as direct-to-consumer delivery channel. Green Thumb Industries Inc. was founded in 2014 and is headquartered in Chicago, Illinois.
CNSX:CL	Cresco Labs Inc.	Cresco Labs Inc. cultivates, manufactures, and sells retail and medical cannabis products in the United States and Germany. It provides cannabis in flowers, vape pens, live resins, disposable pens, and extracts under the Cresco brand; vape carts, vape pens, flower, popcorn, shake, pre-rolls, shorties, and concentrates under the High Supply brand; vapes and gummies under the Good News brand; vapes and edibles under the Wonder Wellness Co. brand; and tinctures, capsules, salves, and sublingual oils under the Remedi brand. The company Schemes cannabis flowers under the FloraCal brand; and cannabis oils and variety of bites are available at multiple potency levels under the Mindy's Edibles brand, as well as licenses the Kiva brand. In addition, the company Schemes cannabis-infused edibles under the Sunnyside brand. The company is headquartered in Chicago, Illinois.
TSX:TSND	TerrAscend Corp.	TerrAscend Corp. cultivates, produces, and sells cannabis products in Canada and the United States. The company manufactures vaporisables, concentrates, topicals, flowers, tinctures, and edibles. It Schemes its products under the brand name Kind Tree Cannabis, GAGE Cannabis, Legend, Valhalla Confections, State Flower Cannabis, Ilera Healthcare, Wana, Cookies, and Lemonnade. The company also operates retail dispensaries under the Apothecarium, TerrAscend, Pinnacle Emporium, GAGE Cannabis, and State Flower brand names. It serves medical patients and adult-use consumers in North America. The company was incorporated in 2017 and is headquartered in King Of Prussia, Pennsylvania.
TSX:XLY	Auxly Cannabis Group Inc.	Auxly Cannabis Group Inc. operates as a consumer packaged goods company in the cannabis products market in Canada. The company Schemes cannabis products under various forms, including milled and dried flowers, vape cartridges, infused pre-rolls, pre-rolled, all- in-one vapes, edibles, concentrates, oils, and softgels under the KOLAB PROJECT, Dosecann, BACK FORTY, Foray, and Parcel brand names. It sells its products through supply arrangements with provincial control boards and distributors, medical cannabis sales channels, and retailers, as well as to authorized wholesalers. The company was formerly known as Cannabis Wheaton Income Corp. and changed its name to Auxly Cannabis Group Inc. in June 2018. Auxly Cannabis Group Inc. was incorporated in 1987 and is headquartered in Toronto, Canada.
TSX:CURA	Curaleaf Holdings, Inc.	Curaleaf Holdings, Inc. produces and distributes cannabis products in the United States and internationally. The company Schemes flower, pre-rolls, flower pots, and dry-herb vaporizer cartridges; concentrates for vaporizing which includes pre-filled vaporizer cartridges and disposable vaporizer pens; and concentrates for dabbing, such as distillate droppers, mints, topical balms and lotions, tinctures, lozenges, capsules, and edibles. It also provides hemp-based products and cannabinoids, such as cannabidiol and cannabigerol. In addition, the company engages in the cultivation, production, and sale of hemp-derived THC products through wholesale channels. The company is headquartered in Stamford, Connecticut.
ASX:VIT	Vitura Health Limited	Vitura Health Limited engages in the sale and distribution of medicinal cannabis products in Australia. It operates through two segments: Sales and Distribution; and Clinics and Services. The company operates CanView, an online platform that delivers prescribing, dispensing, and medication management solutions for alternative therapies; Doctors on Demand, a premier provider of on-demand virtual healthcare services; BHC, an alternative therapy distributor; CDA Clinics, which provides medicinal consultations and prescription services; and Cannadoc, a therapy clinic that Schemes telehealth consultations. It also Schemes psychedelics under the Cortexa brand; Adaya which provides hybrid formulations and Australian-cultivated products; candor medical that provides care to patients; and inscape, which Schemes crafted formulations for individual needs. The company was formerly known as Cronos Australia Limited and changed its name to Vitura Health Limited in February 2023. Vitura Health Limited was incorporated in 2018 and is based in South Yarra, Australia.

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TSX:CRON	Cronos Group Inc.	Cronos Group Inc., a cannabinoid company, engages in the cultivation, production, distribution, and marketing of cannabis products in Canada, Israel, and internationally. It offers dried flowers, pre-rolls, oils, vaporizers, edibles, and cannabis tinctures under the Spinach, Lord Jones, and PEACE NATURALS brand names. The company is based in Stayner, Canada.
TSX:WEED	Canopy Growth Corporation	Canopy Growth Corporation, together with its subsidiaries, engages in the production, distribution, and sale of cannabis, hemp, and cannabis-related products in Canada, Germany, and Australia. It operates through four segments: Canada Cannabis, International Markets Cannabis, and Storz & Bickel, and This Works. The company Schemes dried flower and pre-rolled joints; extracts and concentrates, such as softgel capsules; cannabis edibles, including gummies; cannabis vapes; and oils, beverages, concentrates. It sells its products under the Tweed, 7ACRES, Deep Space, HiWay, Maitri, Twd., Spectrum Therapeutics, Canopy Medical, Storz & Bickel, Wana, and Claybourne brands, as well as DOJA, LivRelief, Ace Valley, and Vert brands. The company was formerly known as Tweed Marijuana Inc. and changed its name to Canopy Growth Corporation in September 2015. Canopy Growth Corporation is headquartered in Smiths Falls, Canada.
TSX:ACB	Aurora Cannabis Inc.	Aurora Cannabis Inc., together with its subsidiaries, engages in the production, distribution, and sale of cannabis and cannabis-derivative products in Canada and internationally. It operates through two segments, Canadian Cannabis and Plant Propagation. The company Schemes pharmaceutical-grade cannabis products; medical and consumer cannabis products; and engages in the propagation of vegetables and floral plants. It also provides dried and fresh cannabis, cannabis oils, trims, concentrates, ingestibles, capsules, vaporizers, edible cannabis, cannabis extracts, and cannabis topicals; and patient counseling and outreach services. Its brand portfolio includes San Rafael '71, Greybeard, Drift, Daily Special, Being, CanniMed, MedReleaf, Aurora, and WMMC, as well as international brands include Pedanios, Bidiol, IndiMed, and CraftPlant. The company was founded in 2013 and is headquartered in Edmonton, Canada.
OTCPK:MRMD	MariMed Inc.	MariMed Inc. engages in cultivation, production, and selling of branded cannabis products in the United States and internationally. The company sells cannabis flower, vapes, and concentrates under the Nature's Heritage brand; cannabis fruit chews that delivers better sleep, pain relief, stress relief, and others under Betty's Eddies brand; and cannabis-infused ice creams under Emack & Bolio's brand. It Schemes soft and chewy baked goods and a hot chocolate mix under Bubby's Baked brand; cannabis-infused hydrating drink mix for discrete and on-the-go consumption under Vibations brand; and flower, vapes, and edibles under InHouse brand. The company licenses its brands. MariMed Inc. was incorporated in 2011 and is based in Norwood, Massachusetts.
ASX:ECS	ECS Botanics Holdings Ltd	ECS Botanics Holdings Ltd engages in the cultivation, manufacture, and sale of medicinal cannabis products in Australia and internationally. It is involved in the agriculture business. ECS Botanics Holdings Ltd is based in Murrabit, Australia.
ASX:CAN	Cann Group Limited	Cann Group Limited, together with its subsidiaries, engages in the breeding, cultivation, manufacture, and sale of medicinal cannabis in Australia and Europe. Its product portfolio includes the Satipharm delivery system for cannabinoids. The company was founded in 2014 and is based in Mildura, Australia.

Source: S&P Capital IQ

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F. Comparable transaction descriptions

Table 55 Cannatrek comparable transaction descriptions

Target	Target business description
Harvest Health & Recreation Inc.	Harvest Health & Recreation Inc. cultivates, processes, sells, and retails inhalable, ingestible, and topical cannabis products in the United States. The company offers cannabis oil products; inhalables, including flower, dabbable concentrates, pre-filled vaporiser pens, and cartridges; and capsules, tinctures, and cannabis product edibles, including chocolates, gummies, mints, fruit chews, and dissolvable mouth strips under the Avenue, CBX SCIENCES, EVOLAB, ALCHEMY, CHROMA, CO2LORS, GOODSUN, MODERN FLOWER, and ROLL ONE brand names. It also operates retail dispensaries that sell proprietary and third-party cannabis products to patients and customers; and provides support services and financing to a Utah licensed medical cannabis cultivator. Harvest Health & Recreation Inc. was formerly known as PurpleMed Healing Center and changed its name to Harvest Health & Recreation Inc. in December 2021. The company was incorporated in 2007 and is based in Tallahassee, Florida with additional locations all across the United States. As of October 1, 2021, Harvest Health & Recreation Inc. operates as a subsidiary of Trulieve Cannabis Corp.
Liberty Health Sciences Inc.	Liberty Health Sciences Inc. engages in the production and distribution of medical cannabis in the United States. The company offers medical cannabis in the State of Florida through the Florida Department of Health, office of medical marijuana use. As of February 24, 2021, it operated 31 dispensaries in Florida. The company is headquartered in Gainesville, Florida. As of February 25, 2021, Liberty Health Sciences Inc. operates as a subsidiary of Ayr Wellness Inc.
Next Green Wave Holdings Inc.	Next Green Wave Holdings Inc. cultivates and distributes medicinal and recreational cannabis in California. It is also involved in the processing, production, and packaging of dry flower, cannabis oils, and concentrates. The company offers its products under the Loki the Dog, Carey Hart, and King Louie brands. The company was formerly known as Crossgate Capital Corporation and changed its name to Next Green Wave Holdings Inc. in August 2018. Next Green Wave Holdings Inc. was incorporated in 2011 and is based in Vancouver, Canada. As of March 2, 2022, Next Green Wave Holdings Inc. operates as a subsidiary of Planet 13 Holdings Inc.
Labtronix Inc.	Labtronix Inc. manufactures and markets a range of cannabis extracts and related products to licensed retailers in the State of Arizona. The company was incorporated in 2017 and is based in Phoenix, Arizona. As of March 24, 2020, Labtronix Inc. operates as a subsidiary of Hollister Biosciences Inc.
Indica Industries Pty Ltd	Indica Industries Pty Ltd, trading as MedReleaf Australia, provides health care services. The company was incorporated in 2016 and is based in Brisbane, Australia. As of February 7, 2024, Indica Industries Pty Ltd operates as a subsidiary of Aurora Cannabis Inc.
The Cannabist Company Holdings Inc.	The Cannabist Company Holdings Inc. cultivates, manufactures, and sells cannabis products and related services for the medical and adult-use markets in the United States and internationally. The company operates medical and/or adult use marijuana businesses and dispensaries. It also offers flowers, concentrates, edibles, oils and tablets, and accessories under the dreamt, Seed & Strain, Triple Seven, Hedy, gLeaf, Classix, Press, and Amber brands. In addition, the company provides management services to licensed entities. The company was formerly known as Columbia Care Inc. and changed its name to The Cannabist Company Holdings Inc. in September 2023. The Cannabist Company Holdings Inc. was founded in 2012 and is headquartered in Chelmsford, Massachusetts.
Cannabis Doctors Australia Pty Ltd.	Cannabis Doctors Australia Pty Ltd. owns and operates medicinal cannabis clinics in Miami, Melbourne, Sydney, and Brisbane. It offers assistance to doctors and patients to navigate the process of applying, prescribing, and sourcing medical cannabis legally. The company also offers telehealth consultation services. It supports doctors to help their patients access medicinal cannabis products. In addition, the company produces cannabis. Cannabis Doctors Australia Pty Ltd. was incorporated in 2018 and is based in Miami, Australia.

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Zenabis Global Inc.	Zenabis Global Inc. engages in the cultivation and sale of medical and adult-use recreational cannabis in Canada and internationally. The company produces and markets strains of dried cannabis under the Zenabis, Namaste, and Re-üp brands; and various oil-based cannabis products. It has 111,200 kg of licensed cannabis cultivation space in three licensed facilities in Canada. The company is headquartered in Vancouver, Canada. As of October 31, 2022, Zenabis Global Inc. operates as a subsidiary of SNDL Inc.

Source: S&P Capital IQ

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G. Industry overview

In evaluating the industry in which Cannatrek and LGP operate, we have had regard to the following reports:

- Cannabis in Europe[10];
- Canada legal cannabis market[11];
- Medical and Recreational Marijuana Growing industry in the US[12] (on the basis that LGP's traded share price is closely linked to the MSOS Index); and
- Pharmaceutical Product Manufacturing industry in Australia[13].

General overview

The medical and recreational marijuana growing industry in the US and the pharmaceutical product manufacturing industry in Australia have both benefited from legalisation and acceptance of medical cannabis products. This trend has driven greater consumer acceptance and market expansion for both industries.

Cannabis in Europe, with a country focus on Germany, United Kingdom, France, Italy and Spain

The medicinal cannabis market has experienced legalisation across many European countries, while recreational use remains illegal in most countries. Whilst North America makes up a larger share of global cannabis sales, Europe is expected to be a growth market, with legislation developing in this space and cultural acceptance progressing.

Germany represents Europe's largest and most rapidly expanding cannabis market, currently valued at US$866m, with a projected CAGR of 25% between 2024 and 2028. The medical cannabis segment is expected to drive this growth, reaching a market value of US$1.3b by 2028 and accounting for 58% of the overall cannabis market share. Germany currently makes up 59% of Europe's total medical cannabis patients. In 2028, it is expected that Germany will make up 49% of patients.

In early 2025, the legalisation of adult use cannabis in Germany did not address industrial hemp. However, a separate law has been passed which was provided more freedom to producers of cannabis products under 0.3% THC.

Cannabis Legal Cannabis Market (2025 – 2030)

The Canada legal cannabis market size was valued at USD 3.25 billion in 2024 and is projected to grow at a CAGR of 12.0% from 2025 to 2030. Factors such as the federal legalisation of cannabis, growing awareness of the health benefits of cannabis consumption, and the presence of a large number of market players in the country drive market growth. Rising investments by public and private companies and favourable government initiatives are propelling market growth. Furthermore, the positive consumer attitude towards cannabis consumption and the expansion of cannabis market players to cater to the rising demand for cannabis and cannabis-derived products boost the market growth.

Licensed production of cannabis is controlled by the federal government, and the provincial government controls the distribution and sale of cannabis. According to the government's annual Canadian Cannabis Survey, Canada's legally regulated cannabis industry captured more market share than the illicit market in 2023.

Medical and Recreational Marijuana Growing in the US

The US Medical & Recreational Marijuana Growing industry includes licensed cultivation and production of cannabis for medical therapies and adult recreational use, covering a wide array of activities such as growing, harvesting and distributing cannabis plant material, extracts and related products.

The increase in demand of edible cannabis products is driving greater growth in the market. This development introduces regulatory challenges but aligns well with consumer preferences for health and wellness-oriented consumption methods. Shifting consumer preferences are reshaping the market landscape as cannabis becomes increasingly integrated into lifestyle and wellness routines.

Revenue for the US cannabis farming industry has expanded at a CAGR of 9.4% since 2020 to reach $19.7b in 2025, with a 6.0% increase in the year.

Pharmaceutical Product Manufacturing in Australia

Pharmaceutical product manufacturing industry comprises companies that manufacture medicinal and pharmaceutical products for human use from both synthetic (chemical) and natural sources.

As the pharmaceutical product manufacturing industry in Australia is heavily dependent on exports, ongoing challenges including weak performance in international markets and reform-driven pricing pressures have constrained revenue. The COVID-19 pandemic also contributed to the challenges, with significant disruptions occurring across global and local pharmaceutical supply chains.

[10] Erin Maddren, EMEA Market Research – Cannabis in Europe, February 2025
[11] Grand View Research – Canada Legal Cannabis Market (2025-2030)
[12] IBISWorld – OD4141 Medical and Recreational Marijuana Growing in the US, November 2025
[13] IBISWorld – C1841 Pharmaceutical Product Manufacturing in Australia, June 2025

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Overall, revenue is expected to contract by 1.4% annualised over the five years through 2024-25 to $13.0b, due primarily to weak sales to international markets. This is despite anticipated growth of 2.6% in 2024-25.

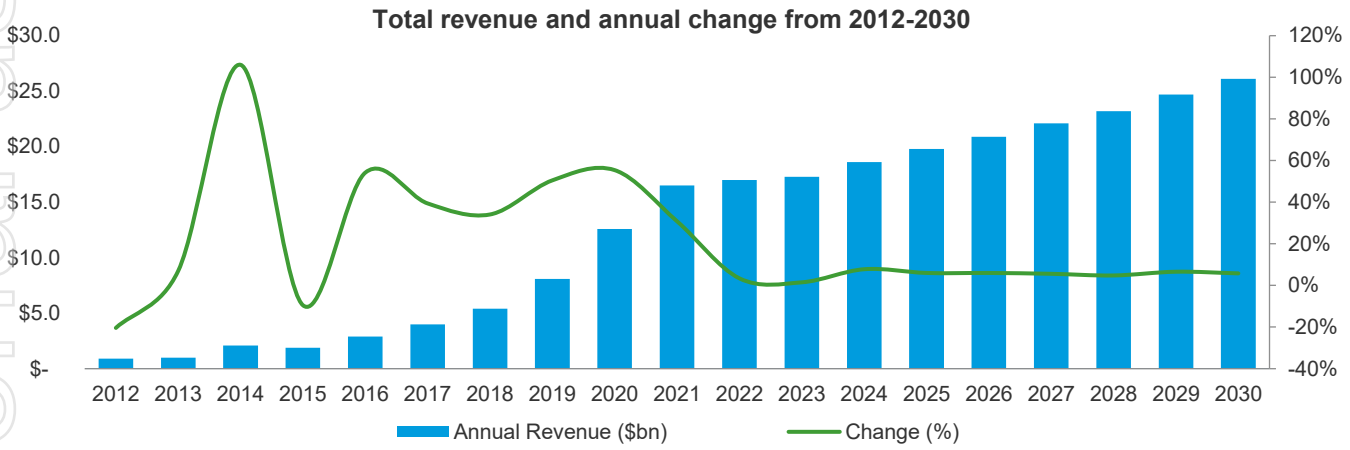
Key industry performance drivers

The key drivers that influence both the medical and recreational marijuana growing industry include:

- **Per capita disposable income** – higher levels of disposable income significantly enhance consumers' ability to purchase both medical and recreational marijuana products;
- **Population aged 50 and older** – as the population ages, the number of adults 50 and older will increase, expanding the market for medical marijuana and pharmaceutical products;
- **Population** – a booming United States population expands the customer base for marijuana products. More people lead to higher potential demand, benefiting medical and recreational marijuana growers; and
- **Per capita expenditure on alcohol** – alcohol consumption trends can act as a gauge of demand for marijuana since both serve recreational purposes.

Revenue for the US cannabis farming industry has expanded at a CAGR of 9.4% since 2020 to reach $19.7b in 2025, with a 6.0% increase in the year.

The chart below sets out total revenue and annual change from 2012 to 2030:



Source: IBISWorld – OD4141 Medical and Recreational Marijuana Growing in the US, November 2025

Industry outlook – Canada and US

The Canada legal cannabis market is forecast to grow at country levels to US5.8b at a CAGR of 12.0% from 2025 to 2030. The market is anticipated to witness significant growth owing to presence of a systematic regulatory framework for the cultivation and sale of cannabis. Federal, provincial, and territorial governments jointly oversee the cannabis regulation system.

Cannabis consumption patterns in the US are shifting dramatically alongside legalisation. Rising disposable income over the outlook period will also support greater spending on recreational marijuana, which is considered a discretionary purchase.

The expansion or stagnation of legal markets in the US will fundamentally determine industry growth trajectories over the next five years. As states open the doors to medical or recreational use, a new wave of farmers will enter the industry, raising overall revenue without introducing strong competition for farmers in existing states because of the existing restrictions on interstate trade and transport.

Overall, the path of legalisation is expected to remain the most critical determinant of US industry expansion. Additional state-level approvals and potential movement on stalled federal reforms could open new markets and investment flows, supporting revenue growth projected at a CAGR of 5.8% through 2030 to reach $26.1b.

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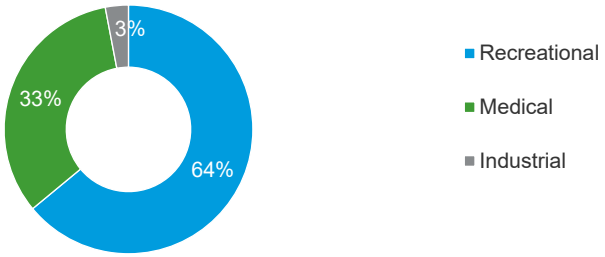
Product and service segmentation – Canada and US

The chart below sets out the market share of the Canada legal cannabis market by end-use:

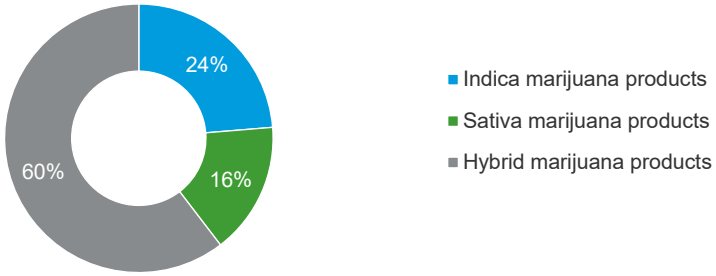
Canada Legal Cannabis Market Share, by end-use



Source: Grand View Research – Canada Legal Cannabis Market (2025 – 2030)

The chart below sets out the product and services segmentation of the medical and recreational marijuana growing industry in the US:

The medical and recreational marijuana growing industry in the US - Product and service segmentation



Source: IBISWorld – OD4141 Medical and Recreational Marijuana Growing in the US, November 2025

Industry Characteristics – Canada and US

The Canada legal cannabis market is characterised by a high degree of innovation owing to increasing product demand due to its health benefits, growing preference for cannabis extracts such as oils and tinctures, and ongoing clinical trials on the use of cannabis and its medicinal properties. Canada legal cannabis market is characterised by a medium level of merger and acquisition activity. Through merger and acquisition activity, companies can expand their product portfolio, strengthen their market position, and enter new territories.

IBISWorld has characterised the Medical and Recreational Marijuana Growing industry in the US as being in the growth stage of its life cycle. It is characterised by moderate and decreasing trend of barriers to entry, high and increasing trend of competition and low level of concentration.

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H. New LGP CV Shares Conversion Ratios

Part A - If the Contingent Amount is less than $8 million but greater than $2 million

Contingent Amount (A$)	Conversion Ratio (x)
2,100,000	0.43623x
2,200,000	0.42804x
2,300,000	0.41989x
2,400,000	0.41176x
2,500,000	0.40367x
2,600,000	0.39560x
2,700,000	0.38757x
2,800,000	0.37956x
2,900,000	0.37158x
3,000,000	0.36364x
3,100,000	0.35572x
3,200,000	0.34783x
3,300,000	0.33996x
3,400,000	0.33213x
3,500,000	0.32432x
3,600,000	0.31655x
3,700,000	0.30880x
3,800,000	0.30108x
3,900,000	0.29338x
4,000,000	0.28571x
4,100,000	0.27807x
4,200,000	0.27046x
4,300,000	0.26288x
4,400,000	0.25532x
4,500,000	0.24779x
4,600,000	0.24028x
4,700,000	0.23280x
4,800,000	0.22535x
4,900,000	0.21793x
5,000,000	0.21053x
5,100,000	0.20315x
5,200,000	0.19580x
5,300,000	0.18848x
5,400,000	0.18118x

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5,500,000	0.17391x
5,600,000	0.16667x
5,700,000	0.15945x
5,800,000	0.15225x
5,900,000	0.14508x
6,000,000	0.13793x
6,100,000	0.13081x
6,200,000	0.12371x
6,300,000	0.11664x
6,400,000	0.10959x
6,500,000	0.10256x
6,600,000	0.09556x
6,700,000	0.08859x
6,800,000	0.08163x
6,900,000	0.07470x
7,000,000	0.06780x
7,100,000	0.06091x
7,200,000	0.05405x
7,300,000	0.04722x
7,400,000	0.04040x
7,500,000	0.03361x
7,600,000	0.02685x
7,700,000	0.02010x
7,800,000	0.01338x
7,900,000	0.00668x
8,000,000	0.00000x

Part B - If the Contingent Amount is less than negative $2 million, but greater than negative $8 million

Contingent Amount (A$)	Conversion Ratio (x)
(8,000,000)	1.00000x
(7,900,000)	0.98960x
(7,800,000)	0.97925x
(7,700,000)	0.96894x
(7,600,000)	0.95868x
(7,500,000)	0.94845x
(7,400,000)	0.93827x
(7,300,000)	0.92813x
(7,200,000)	0.91803x

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(7,100,000)	0.90798x
(7,000,000)	0.89796x
(6,900,000)	0.88798x
(6,800,000)	0.87805x
(6,700,000)	0.86815x
(6,600,000)	0.85830x
(6,500,000)	0.84848x
(6,400,000)	0.83871x
(6,300,000)	0.82897x
(6,200,000)	0.81928x
(6,100,000)	0.80962x
(6,000,000)	0.80000x
(5,900,000)	0.79042x
(5,800,000)	0.78088x
(5,700,000)	0.77137x
(5,600,000)	0.76190x
(5,500,000)	0.75248x
(5,400,000)	0.74308x
(5,300,000)	0.73373x
(5,200,000)	0.72441x
(5,100,000)	0.71513x
(5,000,000)	0.70588x
(4,900,000)	0.69667x
(4,800,000)	0.68750x
(4,700,000)	0.67836x
(4,600,000)	0.66926x
(4,500,000)	0.66019x
(4,400,000)	0.65116x
(4,300,000)	0.64217x
(4,200,000)	0.63320x
(4,100,000)	0.62428x
(4,000,000)	0.61538x
(3,900,000)	0.60653x
(3,800,000)	0.59770x
(3,700,000)	0.58891x
(3,600,000)	0.58015x
(3,500,000)	0.57143x

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(3,400,000)	0.56274x
(3,300,000)	0.55408x
(3,200,000)	0.54545x
(3,100,000)	0.53686x
(3,000,000)	0.52830x
(2,900,000)	0.51977x
(2,800,000)	0.51128x
(2,700,000)	0.50281x
(2,600,000)	0.49438x
(2,500,000)	0.48598x
(2,400,000)	0.47761x
(2,300,000)	0.46927x
(2,200,000)	0.46097x
(2,100,000)	0.45269x

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Annexure 3 – Scheme

[Attached]

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K&L GATES

Project Emerald
Scheme of Arrangement

Cannatrek Ltd
ACN 056 175 369

Each holder of Cannatrek Shares recorded in the Cannatrek Share Register as at the Scheme Record Date, excluding any Excluded Shareholder (each a Scheme Shareholder and, together, the Scheme Shareholders).

K&L Gates
Melbourne office
Ref: Project Emerald

Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)

Between

Cannatrek Ltd ACN 056 175 369 of Level 4, 21-23 William Street, Balaclava VIC 3183 (**Cannatrek**)

And

Each holder of Cannatrek Shares recorded in the Cannatrek Share Register as at the Scheme Record Date, excluding any Excluded Shareholder (each a **Scheme Shareholder** and, together, the **Scheme Shareholders**).

Recitals

A. Cannatrek is an Australian public unlisted company limited by shares, registered under the Corporations Act.

B. Little Green Pharma Ltd ACN 615 586 215 (**LGP**) is an Australian public company limited by shares, registered under the Corporations Act, and has been admitted to the official list of the ASX. LGP Shares are quoted for trading on the ASX.

C. Cannatrek and LGP have entered into a Scheme Implementation Deed dated 14 January 2026 (the **Scheme Implementation Deed**) pursuant to which:

   (a) Cannatrek has agreed to propose this Scheme to Cannatrek Shareholders; and

   (b) Cannatrek and LGP have agreed to take certain steps to give effect to this Scheme.

D. If this Scheme becomes Effective, then:

   (a) all of the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to LGP;

   (b) the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

   (c) Cannatrek will enter the name and address of LGP, in the Cannatrek Share Register as the holder of all of the Scheme Shares.

E. By executing the Scheme Implementation Deed, Cannatrek has agreed to propose and implement this Scheme, and LGP has agreed to assist with that proposal and implementation, on and subject to the terms of the Scheme Implementation Deed.

F. LGP has entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that LGP will observe and perform the obligations contemplated of it under this Scheme.

It is agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

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ASX Listing Rules means the official listing rules of ASX.

Business Day means any day that is each of the following:

(a) a Trading Day; and

(b) a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Melbourne, Australia.

Cannatrek Cash Floor means $13,000,000.

Cannatrek Loan Funded Shares means the Cannatrek Shares on issue which are subject to a limited recourse loan between the holder and Cannatrek, as set out in Schedule 6 of the Scheme Implementation Deed.

Cannatrek Options means the options on issue in Cannatrek as listed in Schedule 6 of the Scheme Implementation Deed.

Cannatrek Securities means Cannatrek Shares (including Cannatrek Loan Funded Shares) and Cannatrek Options.

Cannatrek Share means a fully paid ordinary share in the capital of Cannatrek.

Cannatrek Share Register means the register of members of Cannatrek maintained in accordance with the Corporations Act.

Cannatrek Share Registry means Boardroom Pty Limited or any replacement provider of share registry services to Cannatrek.

Cannatrek Shareholder means a person who is registered as the holder of one or more Cannatrek Shares from time to time.

Cash Out Shareholder means a Scheme Shareholder (not being an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares on the date of the Scheme Record Date, would, on implementation of the Scheme, be entitled to receive in aggregate less than a Marketable Parcel of New LGP Ordinary Shares (assessed by reference to the last traded price of LGP Shares on ASX on the Trading Day as at the Scheme Record Date).

Constitution means the constitution of Cannatrek, as amended from time to time.

Converted Shares has the meaning given in clause 6.5(a)(v).

Corporations Act means the Corporations Act 2001 (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Supreme Court of Victoria or otherwise a court of competent jurisdiction under the Corporations Act as agreed to in writing between Cannatrek and LGP.

Deed Poll means the deed poll executed on [ ] [ ] 2026 by LGP in favour of the Scheme Shareholders in the form attached at Annexure 1 of the Scheme Implementation Deed or in such other form as the parties agree in writing.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and any penalty, fine, interest or additional charge payable in relation to any such duty or charge, but excludes any Tax.

Effective means, when used in relation to this Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order is lodged with ASIC.

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Effective Date means the date on which this Scheme becomes Effective.

Encumbrance means any security interest (within the meaning of section 51A of the Corporations Act) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing.

End Date means the date which is six months after the date of the Scheme Implementation Deed or such other date as may be agreed in writing between Cannatrek and LGP.

Excluded Shareholder means a holder of one or more Excluded Shares.

Excluded Shares means any Cannatrek Shares held by any person on or behalf of or for the benefit of any LGP Group Member.

Financial Indebtedness means any debt or monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any (without double counting):

(a) debit balances (after application of any cash pooling and account set off arrangements) at banks or financial institutions;

(b) advance, loan, bill, bond, debenture, note or similar instrument;

(c) drawing, acceptance, endorsement, collecting or discounting arrangement;

(d) guarantee; or

(e) finance or capital raised to the extent required in accordance with Australian Accounting Standards to be treated as borrowing.

Government Agency means any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity. It also includes any government minister (and their delegate), any self-regulatory organisation established under statute or any securities exchange and, for the avoidance of doubt, includes ASIC, ASX, ACCC, the Takeovers Panel and equivalent bodies in jurisdictions outside Australia.

Implementation Date means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date agreed to in writing between LGP and Cannatrek.

Ineligible Foreign Holder means a Scheme Shareholder:

(a) who (as at the Scheme Record Date) is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia, Canada, the Netherlands, Singapore, the United Kingdom or the United States of America; or

(b) whose address shown in the Cannatrek Share Register (as at the Scheme Record Date) is a place outside Australia, Canada, the Netherlands, Singapore, the United Kingdom or the United States of America or who is acting on behalf of such a person,

unless LGP determines it is lawful (by the laws of the relevant place) and not unduly onerous or unduly impracticable to issue that Scheme Shareholder with LGP Shares on implementation of the Scheme.

LGP has the meaning given in Recital B.

LGP Group means LGP and its Related Entities (but excluding members of the Cannatrek Group) and **LGP Group Member** means any of them.

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LGP Share means one ordinary share in the share capital of LGP.

LGP's Constitution means the constitution of LGP, as amended from time to time.

Marketable Parcel has the meaning given in the ASX Listing Rules.

Net Cash means, in relation to Cannatrek, the aggregate amount of:

(a) cash, cash equivalents and short term interest bearing deposits (where the terms 'cash' and 'cash equivalents' are as defined in the Australian Accounting Standards and any authoritative interpretations issued by the AASB); *less*

(a) Financial Indebtedness.

New LGP CV Shares means a contingent value share in the capital of LGP to be issued under the Scheme as part of the Scheme Consideration on the terms set out in Schedule 7 of the Scheme Implementation Deed.

New LGP Ordinary Shares means LGP Shares to be issued under the Scheme as part of the Scheme Consideration.

New LGP Shares means New LGP Ordinary Shares and New LGP CV Shares.

Proceeds means the gross proceeds of the sale of the Sale Shares under clause 6.5(a)(ii) or 6.5(a)(v) (as applicable), after deducting applicable brokerage, duty and other selling costs, taxes and charges.

Registered Address means, in relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Cannatrek Share Register as at the Scheme Record Date.

Sale Agent means a nominee appointed by LGP.

Sale Shares means the New LGP Shares to which Ineligible Foreign Holders or Cash Out Shareholders would have been entitled under this Scheme but for the operation of clause 6.5.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Cannatrek and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by LGP and Cannatrek (such agreement not to be unreasonably withheld or delayed) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Cannatrek and LGP.

Scheme Consideration means, subject to clause 6.5 of this Scheme:

(a) 1.835806 New LGP Ordinary Shares for each 1 Scheme Share held by the relevant Scheme Shareholder; and

(b) 0.727502 New LGP CV Shares for each 1 Scheme Share held by the relevant Scheme Shareholder.

Scheme Implementation Deed means the Scheme Implementation Deed dated 14 January 2026 between LGP and Cannatrek.

Scheme Meeting means the meeting of Cannatrek Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment or postponement of that meeting.

Scheme Orders means the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

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Scheme Record Date means 7:00pm on the second Business Day after the Effective Date or such other time and date after the Effective Date agreed to in writing between Cannatrek and LGP.

Scheme Shareholder means a person who is registered in the Cannatrek Share Register as the holder of one or more Scheme Shares, excluding any Excluded Shareholder.

Scheme Shares means the Cannatrek Shares on issue as at the Scheme Record Date.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, from Scheme Shareholders as transferors to LGP (or LGP Group Member, as applicable) as transferee, which may be a master transfer of all or part of the Scheme Shares held by Scheme Shareholders.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

Takeovers Panel means the Australian Takeovers Panel constituted under the Australian Securities and Investments Commission Act 2001 (Cth).

Trading Day means a 'trading day' as defined in the ASX Listing Rules.

Transaction Costs means any adviser costs, service fees, finder's fees or other costs or fees (in each instance inclusive of any applicable GST) relating to the transactions contemplated under this deed incurred or payable by Cannatrek in connection with (or that are otherwise conditional on or triggered by) the sale and purchase of the Scheme Shares.

Trust Account means an Australian dollar denominated trust account held with an Australian bank operated by LGP (or by the Cannatrek Share Registry on behalf of LGP) as trustee for the Ineligible Foreign Holders and Cash Out Shareholders.

1.2 Interpretation

(a) Headings are for convenience only and do not affect interpretation.

(b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.

(c) The following rules apply unless the context requires otherwise.

(i) The singular includes the plural, and the converse also applies.

(ii) A gender includes all genders.

(iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.

(v) A reference to a clause is a reference to a clause of this Scheme.

(vi) A reference to an agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.

(vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.

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(viii) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).

(ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(x) A reference to *dollars* or $ is to Australian currency.

(xi) Words and phrases not specifically defined in this Scheme have the same meanings (if any) given to them in the Corporations Act.

(xii) A reference to time is to Melbourne, Australia time.

(xiii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

2. Conditions

2.1 Conditions Precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) as at 8.00am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent relating to the approval of the Court set out in clause 3.1(e) of the Scheme Implementation Deed) has been satisfied or waived in accordance with the Scheme Implementation Deed;

(b) as at 8.00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll has been terminated in accordance with its terms;

(c) the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Cannatrek and LGP;

(d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and that are agreed to by Cannatrek and LGP have been satisfied or waived; and

(e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date.

3. Lapsing

This Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Cannatrek and LGP otherwise agree in writing.

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4. Scheme becoming Effective

Subject to clause 2, this Scheme will take effect on and from the Effective Date.

5. Implementation of Scheme

(a) If the conditions precedent in clause 2.1 are satisfied or waived, Cannatrek must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Orders as soon as possible and in any event before 5.00pm on the Business Day immediately following the day on which the Scheme Orders are entered, or such other date as agreed by Cannatrek and LGP.

(b) On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clause 6, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to LGP, without the need for any further act by any Scheme Shareholder (other than acts performed by Cannatrek or any of its directors and officers as attorney and agent for Scheme Shareholders under this Scheme), by:

(i) Cannatrek delivering to LGP for execution a duly completed (and, if necessary, stamped) Scheme Transfer to transfer all of the Scheme Shares to LGP, duly executed by Cannatrek (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 8.3;

(ii) LGP, duly executing the Scheme Transfer as transferee and delivering it to Cannatrek (or the Cannatrek Share Registry) for registration; and

(iii) Cannatrek, immediately after receipt of the Scheme Transfer under clause 5(b)(ii) (but subject to stamping of the Scheme Transfer, if required), entering, or procuring the entry of, the name and address of LGP, in the Cannatrek Share Register as the holder of all of the Scheme Shares.

6. Scheme Consideration

6.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to be issued the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

6.2 Consideration under the Scheme

(a) Before 5.00pm on the Implementation Date, LGP must issue to each Scheme Shareholder who is not an Ineligible Foreign Shareholder or a Cash Out Shareholder such number of New LGP Shares which it is required to issue to Scheme Shareholders and the Sale Agent under this Scheme by:

(i) procuring that the name of each Scheme Shareholder entitled to receive New LGP Shares under this Scheme is entered in LGP's register of members as the holder of the New LGP Shares to which the Scheme Shareholder is entitled (using the same holding name and address and other details as the holding of the relevant Scheme Shares); and

(ii) procuring that the name of Sale Agent is entered in LGP's register of members as the holder of the Sale Shares (using such holding details as are notified by the Sale Agent).

(b) Subject to this Scheme becoming Effective, LGP must ensure that:

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(i) each New LGP Ordinary Share issued as Scheme Consideration will at the time it is issued rank equally with all LGP Shares then on issue and each New LGP CV Shares will at the time it is issued rank equally with all other New LGP CV Shares issued; and

(ii) each New LGP Share issued as Scheme Consideration:

(A) be duly and validly issued in accordance with applicable laws and LGP's Constitution; and

(B) be issued fully paid and free from any Encumbrances and interests of third parties of any kind, whether legal or otherwise.

(c) Each Scheme Shareholder that becomes a shareholder of LGP will be taken, automatically through this Scheme, to have agreed to become a member of LGP in accordance with LGP's Constitution.

(d) On or before the date that is 2 Business Days after the Implementation Date, LGP must send, or procure the sending of, a certificate, allotment advice or holding statement (or equivalent document) to each Scheme Shareholder entitled to receive New LGP Shares under this Scheme, reflecting the issue of such New LGP Shares.

6.3 Fractional entitlements

(a) If the number of Cannatrek Shares held by a Scheme Shareholder at the Scheme Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration comprising LGP Shares includes a fractional entitlement to a LGP Share, the entitlement will be rounded as follows:

(i) if the fractional entitlement is less than 0.5, it will be rounded down the nearest whole number of New LGP Shares; and

(ii) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to the nearest whole number of New LGP Shares.

(b) Where the calculation of the Proceeds to be paid to an Ineligible Foreign Holder or Cash Out Shareholder under clause 6.5 would result in the Ineligible Foreign Holder or Cash Out Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

6.4 Share splitting

If LGP is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of which holds a number of Scheme Shares that results in a fractional entitlement to Scheme Consideration) have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding, LGP may give notice to those Scheme Shareholders:

(a) setting out the names and Registered Addresses of all of them;

(b) stating that opinion; and

(c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given:

(d) the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme and Deed Poll, be taken to

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hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the Scheme and Deed Poll, be taken to hold no Scheme Shares; and

(e) LGP, in complying with the other provisions of the Scheme and Deed Poll relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders names in the notice under the terms of the Scheme and Deed Poll.

6.5 Ineligible Foreign Holders and Cash Out Shareholders

(a) LGP will be under no obligation under the Scheme or Deed Poll to provide and will not provide, any New LGP Shares to Ineligible Foreign Holders or Cash Out Shareholders, and instead, unless Cannatrek and LGP otherwise agree:

(i) on or before the Implementation Deed, LGP must issue the New LGP Shares which would otherwise be required to be provided to the Ineligible Foreign Holders or Cash Out Shareholders (as applicable) under the Scheme or Deed Poll to the Sale Agent;

(ii) LGP must procure that, as soon as reasonably practicable after the Implementation Date and, in any event, not more than 15 Business Days after the Implementation Date, the Sale Agent, sells or procures the sale, in the ordinary course of trading on ASX, of all the New LGP Ordinary Shares issued to the Sale Agent, in such manner, at such price and on such other terms as the Sale Agent determines in good faith;

(iii) as soon as reasonably practicable after the last sale of New LGP Ordinary Shares in accordance with clause 6.5(a)(ii), LGP must procure that Sale Agent remits the Proceeds into the Trust Account (for payment by LGP to the Ineligible Foreign Holders or Cash Out Shareholders (as applicable) in accordance this Scheme);

(iv) as soon as practicable following payment into the Trust Account of the Proceeds, LGP must pay, or procure the payment, from the Trust Account to each Ineligible Foreign Holder or Cash Out Shareholders (as applicable) such amount of cash as is due to that Scheme Shareholder as Scheme Consideration in respect of the New LGP Ordinary Shares forming part of their Sale Shares, being in the case of each such person the amount "A" calculated in accordance with the following formula and rounded to the nearest whole cent:

$$\boldsymbol{A = \left(\frac{B}{C}\right) x\ D}$$

where:

A = the amount to be paid to each relevant Ineligible Foreign Holder and Cash Out Shareholder;

B = the number of LGP New Ordinary Shares that would have been issued to that Ineligible Foreign Holder or Cash Out Shareholder had they not been an Ineligible Foreign Holder or Cash Out Shareholder and which were issued to the Sale Agent;

C = the total number of LGP New Ordinary Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and Cash Out Shareholders which were issued to the Sale Agent; and

D = the Proceeds;

(v) LGP must procure that, as soon as reasonably practicable and, in any event, not more than 15 Business Days after the issue of the LGP Shares (if any) issued to the

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Sale Agent on conversion of the New LGP CV Shares (**Converted Shares**), the Sale Agent, sells or procures the sale, in the ordinary course of trading on ASX, of all the Converted Shares (if any) issued to the Sale Agent, at such price and on such other terms as the Sale Agent determines in good faith;

(vi) as soon as reasonably practicable after the last sale of Converted Shares (if any) in accordance with clause 6.5(a)(v), LGP must procure that Sale Agent remits the Proceeds into the Trust Account (for payment by LGP to the Ineligible Foreign Holders or Cash Out Shareholders (as applicable) in accordance this Scheme);

(vii) as soon as practicable following payment into the Trust Account of the Proceeds, LGP must pay, or procure the payment, from the Trust Account to each Ineligible Foreign Holder or Cash Out Shareholders (as applicable) such amount of cash as is due to that Scheme Shareholder as Scheme Consideration in respect of the Converted Shares, being in the case of each such person the amount "A" calculated in accordance with the following formula and rounded to the nearest whole cent:

$$A = \left(\frac{B}{C}\right) x\ D$$

where:

A = the amount to be paid to each relevant Ineligible Foreign Holder and Cash Out Shareholder;

B = the number of Converted Shares that would have been issued to that Ineligible Foreign Holder or Cash Out Shareholder had they not been an Ineligible Foreign Holder or Cash Out Shareholder and which were issued to the Sale Agent;

C = the total number of Converted Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and Cash Out Shareholders which were issued to the Sale Agent; and

D = the Proceeds.

(b) None of Cannatrek, LGP or Sale Agent gives any assurance as to the price that will be achieved for the sale of LGP Shares described in clause 6.5(a) above. The sale of New LGP Ordinary Shares and Converted Shares by the Sale Agent will be at the risk of the Ineligible Foreign Holders and Cash Out Shareholders.

(c) Payment of the amount calculated in accordance with clause 6.5(a) to an Ineligible Foreign Shareholder or Cash Out Shareholder (as applicable) satisfies in full the Ineligible Foreign Shareholder's or Cash Out Shareholder's (as applicable) right to Scheme Consideration.

(d) Unless otherwise directed by the Ineligible Foreign Shareholder or Cash Out Shareholder (as applicable) before the Scheme Record Date, the amount referred to in clause 6.5(a)(iv) and 6.5(a)(vii) must be paid by LGP doing any of the following at its election:

(i) sending it (or procuring that it is sent) to the Scheme Shareholder's registered address by cheque in Australian currency drawn out of the Trust Account; or

(ii) depositing it via an electronic funds transfer (or procuring that it is deposited via an electronic funds transfer) it into an account with any Australian ADI (as defined in the Corporations Act) notified to LGP (or Cannatrek Share Registry) by an appropriate authority from the Ineligible Foreign Holder or Cash Out Shareholder.

(e) If there is any surplus in the amount held by LGP in the Trust Account, that surplus less any bank fees and other bank charges will be to the account of LGP. Any interest on the amounts deposited in the Trust Account (less bank fees and other charges) will be to LGP's account.

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(f) Where the issue of New LGP Shares to which a Scheme Shareholder (other than an Ineligible Foreign Shareholder or a Cash-Out Shareholder) would otherwise be entitled under this Scheme would result in a breach of applicable law:

(i) LGP will issue the maximum possible number of New LGP Shares to the Scheme Shareholder without giving rise to such a breach; and

(ii) any further New LGP Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 6, as if a reference to Ineligible Foreign Shareholders or Cash Out Shareholder (as applicable) also included that Scheme Shareholder and references to that person's New LGP Shares in that clause were limited to the New LGP Shares issued to the Sale Agent.

(g) If any amount is required under any applicable law or by any Government Agency to be:

(i) withheld from an amount payable under clause 6.5(a)(iv) and paid to that entity or authority; or

(ii) retained by LGP out of an amount payable under clause 6.5(a)(iv),

its payment or retention by or on behalf of LGP will constitute the full discharge of LGP's obligations under this clause with respect to the amount so paid or retained until it is no longer required to be retained.

(h) Each Ineligible Foreign Holder and each Cash Out Shareholder appoints LGP as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) (or equivalent) that the Sale Agent is required to provide to Ineligible Foreign Holders and Cash Out Shareholder under the Corporations Act, or any other applicable law.

6.6 Joint holders

In the case of Scheme Shares held in joint names:

(a) the New LGP Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Cannatrek, the holder whose name appears first in the Cannatrek Share Register as at the Scheme Record Date or to the joint holders; and

(c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Cannatrek, the holder whose name appears first in the Cannatrek Share Register as at the Scheme Record Date or to the joint holders.

6.7 Cancellation and re-issue of cheques

(a) LGP may cancel a cheque issued under this clause 6 if the cheque:

(i) is returned to LGP or the Cannatrek Share Registry; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to LGP or the Cannatrek Share Registry (which request

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may not be made until the date which is 20 Business Days after the Implementation Date), LGP must reissue a cheque that was previously cancelled under clause 6.7(a).

6.8 Unclaimed monies

The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (Vic)).

6.9 Orders of a court or Government Agency

(a) If written notice is given to Cannatrek or LGP (or the Cannatrek Share Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Cannatrek or LGP in accordance with this clause 6, then Cannatrek or LGP shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(ii) prevents Cannatrek or LGP from providing consideration to any particular Scheme Shareholder in accordance with this clause 6, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Cannatrek or LGP shall be entitled to (as applicable):

(A) where the relevant Scheme Shareholder is an Ineligible Foreign Shareholder or Cash Out Shareholder (as applicable), to retain an amount, in Australian currency, equal to the relevant Scheme Shareholder's share of any Proceeds; and/or

(B) not issue, or to issue to a trustee or nominee, the relevant securities or retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, until such time as issuance or payment in accordance with this clause 6 is permitted by that (or another) court or direction or otherwise by law.

(b) To the extent that issuances or amounts are so deducted or withheld in accordance with clause 6.9(a), such deducted or withheld issuances or amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

7. Dealings in Cannatrek Shares

7.1 Dealings in Cannatrek Shares by Scheme Shareholders

For the purpose of establishing the identity of the Scheme Shareholders, subject to the Constitution, dealings in Cannatrek Shares and other alterations to the Cannatrek Share Register will be recognised by Cannatrek provided that registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the Cannatrek Share Registry by 5.00pm on the day which is the Scheme Record Date at the place where the Cannatrek Share Register is located (in which case Cannatrek must register such transfers or transmission applications before 7.00pm on that day), and Cannatrek will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders nor for any other purpose (other than to transfer to LGP, pursuant to this Scheme and any subsequent transfers by LGP, and its successors in title), any transfer or transmission application in respect of Cannatrek Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

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7.2 Register

(a) Cannatrek will, until the Scheme Consideration has been provided and the name and address of LGP, has been entered in the Cannatrek Share Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Cannatrek Share Register in accordance with this clause 7, and the Cannatrek Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.

(b) As from the Scheme Record Date (and other than for LGP, following the Implementation Date), each entry in the Cannatrek Share Register as at the Scheme Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.

(c) As soon as possible on or after the Scheme Record Date, and in any event within two Business Days after the Scheme Record Date, Cannatrek will ensure that details of the names, Registered Addresses and holdings of Cannatrek Shares for each Scheme Shareholder as shown in the Cannatrek Share Register are available to LGP.

7.3 Effect of share certificates and holding statements

As from the Scheme Record Date (and other than for LGP, following the Implementation Date), all share certificates and holding statements for Scheme Shares (other than statements of holding in favour of LGP) will cease to have effect as documents of title in respect of those Scheme Shares.

7.4 No disposals after Record Date

If this Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5.00pm on the Scheme Record Date (other than to LGP, in accordance with this Scheme and any subsequent transfers by LGP, and its successors in title), and any attempt to do so will have no effect and Cannatrek shall be entitled to disregard any such disposal, purported disposal or agreement.

8. General provisions

8.1 Further assurances

(a) Each Scheme Shareholder and Cannatrek will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.

(b) Without limiting Cannatrek's other powers under this Scheme, Cannatrek has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

8.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

(a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to LGP, in accordance with the terms of this Scheme;

(b) agrees to the variation, cancellation or modification of the rights attaching to their Cannatrek Shares constituted by or resulting from this Scheme;

(c) agrees to, on the direction of LGP, destroy any holding statements or share certificates relating to their Cannatrek Shares;

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(d) acknowledges and agrees that this Scheme binds Cannatrek and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting) and, to the extent of any inconsistency, overrides the Constitution; and

(e) irrevocably consents to Cannatrek and LGP doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

8.3 Appointment of Cannatrek as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Cannatrek and each of its directors, officers and secretaries (jointly and each of them severally) as that Scheme Shareholder's agent and attorney for the purpose of:

(a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfer) under clause 5(b)(i); and

(b) enforcing the Deed Poll against LGP,

and Cannatrek accepts such appointment. Cannatrek, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 7.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.4 Warranty by Scheme Shareholders

(a) Each Scheme Shareholder is deemed to have warranted to LGP, and, to the extent enforceable, to have appointed and authorised Cannatrek as that Scheme Shareholder's agent and attorney to warrant to LGP, that:

(i) all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to LGP, pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to LGP, pursuant to this Scheme; and

(iii) they have no existing right to be issued any Cannatrek Shares, or any options, performance rights, securities or other instruments exercisable, or convertible, into Cannatrek Shares.

Cannatrek undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to LGP, on behalf of that Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to LGP, will, at the time of transfer of them to LGP, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning

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of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

(b) Immediately upon the issue of the Scheme Consideration in the manner contemplated by clause 6.2, LGP, will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Cannatrek of the name and address of LGP, in the Cannatrek Share Register as the holder of the Scheme Shares.

8.6 Appointment of LGP as attorney and agent for Scheme Shareholders

(a) Immediately upon the provision of the Scheme Consideration in the manner contemplated by clause 6 and until the time LGP is registered in the Cannatrek Share Register as the holder of all Scheme Shares, each Scheme Shareholder:

(i) without the need for any further act by that Cannatrek Shareholder, irrevocably appoints LGP as its proxy to (and irrevocably appoints LGP, as its agent and attorney for the purpose of appointing any director or officer of LGP, as that Cannatrek Shareholder's proxy and, where appropriate, its corporate representative to):

(A) attend shareholders' meetings of Cannatrek;

(B) exercise the votes attaching to the Cannatrek Shares registered in the name of the Cannatrek Shareholder; and

(C) sign any Cannatrek Shareholders' resolution;

(ii) must take all other action in the capacity of an Cannatrek Shareholder as LGP, reasonably directs; and

(iii) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), LGP, and any person nominated by LGP, under clause 8.6(a) may act in the best interests of LGP, as the intended registered holder of the Scheme Shares.

(b) Until the time LGP is registered in the Cannatrek Share Register as the holder of all Scheme Shares, no Cannatrek Shareholder may attend or vote at any meetings of Cannatrek Shareholders or sign any Cannatrek Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 8.6.

8.7 Alterations and conditions to Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, Cannatrek may, by its counsel or solicitors, and with the prior written consent of LGP:

(a) consent on behalf of all persons concerned, including each Cannatrek Shareholder, to those alterations or conditions; and

(b) each Scheme Shareholder agrees to any such alterations or conditions to which Cannatrek has consented.

8.8 Enforcement of Deed Poll

Cannatrek undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against LGP on behalf of and as agent and attorney for the Scheme Shareholders.

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8.9 Consent

Each of the Scheme Shareholders consents to Cannatrek doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Cannatrek or otherwise.

8.10 Notices

(a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Cannatrek, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Cannatrek's registered office or by the Cannatrek Share Registry, as the case may be.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Cannatrek Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.11 Duty

LGP will:

(a) pay all Duty payable under Australian law in connection with the Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected or made under the Deed Poll, including the transfer by Scheme Shareholders of the Scheme Shares to LGP, pursuant to this Scheme; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

8.12 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Cannatrek nor LGP nor any director, officer or secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

8.13 Governing law and jurisdiction

This document is governed by the laws of Victoria. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there and courts of appeal from them in connection with matters concerning this document. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

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Annexure 4 – Deed Poll

[Attached]

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K&L GATES

Project Emerald
Deed Poll

By Little Green Pharma Ltd
ACN 615 586 215

in favour of each Scheme Shareholder

K&L Gates
Melbourne office
Ref: Project Emerald

Docusign Envelope ID: DF46D1A2-876F-4093-B2E0-84882C4D0B78

Deed Poll

This Deed Poll is made on 18 February 2026

By

Little Green Pharma Ltd ACN 615 586 215 of 13A Bedbrook Place, Shenton Park WA 6008 (**LGP**)

In favour of

Each Scheme Shareholder

Recitals

A. LGP and Cannatrek Ltd ACN 056 175 369 (**Cannatrek**) have entered into a Scheme Implementation Deed dated 14 January 2026 (the **Scheme Implementation Deed**).

B. Cannatrek has agreed in the Scheme Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, LGP, will acquire all of the Scheme Shares from Scheme Shareholders for the issue of the Scheme Consideration.

C. In accordance with the Scheme Implementation Deed, LGP is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that LGP will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

Terms defined in the Scheme have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this Scheme' in that clause are references to 'this Deed Poll'.

2. Nature of Deed Poll

LGP acknowledges that:

(a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder appoints Cannatrek and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this Deed Poll against LGP on behalf of that Scheme Shareholder.

3. Conditions precedent and termination

3.1 Conditions precedent

The obligations of LGP under this Deed Poll do not become binding on LGP unless and until the Scheme becoming Effective.

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3.2 Termination

If the Scheme Implementation Deed is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of LGP under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Cannatrek and LGP otherwise agree in writing.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

(a) LGP is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and

(b) each Scheme Shareholder retains any rights, powers or remedies that the Scheme Shareholder has against LGP in respect of any breach of LGP's obligations under this Deed Poll that occurred before termination of this Deed Poll.

4. Compliance with Scheme obligations

4.1 Obligations of LGP

Subject to clause 3, each of LGP covenants in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of LGP, under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

5. Representations and warranties

LGP makes the following representations and warranties:

(a) (**Status**) It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.

(b) (**Power**) It has the power to enter into and perform its obligations under this Deed Poll, and to carry out the transactions contemplated by this Deed Poll.

(c) (**Corporate authorisations**) It has taken all necessary corporate action to authorise the entry into and performance of this Deed Poll by it and to carry out the transactions contemplated by this Deed Poll.

(d) (**Document binding**) This Deed Poll is its valid and binding obligation enforceable in accordance with its terms.

(e) (**Transactions permitted**) The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree binding on it; or

(ii) its constitution or other constituent documents to which it is a party.

6. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

(a) LGP having fully performed its obligations under this Deed Poll; and

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(b) termination of this Deed Poll under clause 3.

7. Further assurances

LGP will, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8. General

8.1 Notices

Any notice, demand, consent or other communication (a ***Notice***) given or made under this Deed Poll:

(a) must be in writing and signed by a person duly authorised by the sender;

(b) must be delivered to LGP:

(i) by prepaid post (or, if posted to an address in another country, by registered airmail) or by hand to the address below; or

(ii) by email to the email address below or the email address last notified by the intended recipient to the sender:

Address: 13A Bedbrook Place, Shenton Park WA 6008

Attention: Alistair Warren

Email: a.warren@lgp.global and notices@lgpharma.com.au

(c) will be conclusively taken to be duly given or made:

(i) in the case of delivery in person, on the date of the delivery;

(ii) in the case of delivery by post, six Business Days after the date of posting (if posted to an address in the same country) or ten Business Days after the date of posting (if posted to an address in another country); and

(iii) in the case of delivery by email, the earlier of:

(A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

(B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient; and

(C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, during that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

(iv) on a day that is not a business day in the place to which the Notice is sent or later than 5:00pm (local time), then it will be taken to have been duly given or made at the start of business on the next business day in that place; or

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(v) before 9:00am (local time) on a business day in the place to which the Notice is sent, then it will be taken to have been duly given or made at 9:00am (local time) on that business day in that place.

8.2 No waiver

(a) No failure to exercise nor any delay in exercising any right, power or remedy by LGP or by any Scheme Shareholder operates as a waiver.

(b) A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy.

A waiver is not valid or binding on the person granting that waiver unless made in writing and signed by the person granting the waiver.

8.3 Remedies cumulative

The rights, powers and remedies of LGP and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

(a) either:

(i) before the Second Court Date, the amendment or variation is agreed to in writing by Cannatrek and LGP (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); or

(ii) on or after the Second Court Date, the amendment or variation is agreed to in writing by Cannatrek and LGP (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and is approved by the Court; and

(b) LGP enters into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.5 Assignment

(a) The rights and obligations of LGP and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt, or purport, to do so without the prior consent of LGP and Cannatrek.

(b) Any purported dealing in contravention of clause 8.5(a) is invalid.

8.6 Duty

LGP will:

(a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on onthe transfer by Scheme Shareholders of the Scheme Shares to LGP, pursuant to the Scheme; and

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(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.6(a).

8.7 Governing law and jurisdiction

This Deed Poll is governed by the laws of Victoria. LGP submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

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Executed and delivered as a Deed Poll.

Executed by **Little Green Pharma Ltd ACN 615 586 215** in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

Signed by:
Paul Long
E570CAED2E224FC...
Signature of director

Paul Long
Name (please print)

Signed by:
295C451661D942B...
Signature of director

Angus Caithness
Name (please print)

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Annexure 5 – Notice of Meeting

[Attached]

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NOTICE OF SCHEME MEETING

Cannatrek Ltd

ACN 056 175 369

Notice is given that by an order of the Federal Court of Australia made on 3 March 2026 pursuant to section 411(1) of the *Corporations Act 2001* (*Cth*) (**Corporations Act**) a meeting of the holders of ordinary shares in Cannatrek Ltd ACN 056 175 369 (**Cannatrek**) will be held on 10 April 2026 at 9.30am (Melbourne time) at the offices of K&L Gates, Level 25, 525 Collins Street, Melbourne, Victoria and online at https://meetings.lumiconnect.com/300-701-212-756 (**Scheme Meeting**).

Cannatrek Shareholders wishing to vote, or their attorneys or in the case of a Cannatrek Shareholder or proxy which is a corporation, corporate representatives, must attend in person at the offices of K&L Gates at this time or virtually at https://meetings.lumiconnect.com/300-701-212-756 to participate in the Scheme Meeting.

The Court has also directed that Brent Dennison or, if they are unable or unwilling to participate in the Scheme Meeting, Paula Butler, act as Chair of the meeting.

PURPOSE OF MEETING

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification) to be made between Cannatrek and Cannatrek's ordinary shareholders to effect the acquisition of 100% of the issued shares of Cannatrek by Little Green Pharma Ltd ACN 615 586 215 (**LGP**).

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with this Notice of Meeting, forms part of this Scheme Booklet.

SCHEME RESOLUTION

The Scheme Meeting will be asked to consider, and if thought fit, to pass the following resolution (**Scheme Resolution**):

> *"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth):*
>
> *(a) the scheme of arrangement proposed between Cannatrek Ltd ACN 056 175 369 (**Cannatrek**) and the holders of its fully paid ordinary shares (**Scheme**), the terms of which are contained and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without any modifications, alterations or conditions agreed in writing between Cannatrek and Little Green Pharma Ltd ACN 615 586 215 (**LGP**) and approved by the Federal Court of Australia or any modifications, alterations or conditions as thought just by the Federal Court of Australia and to which Cannatrek and LGP agree in writing); and*
>
> *(b) the Board of Directors of Cannatrek are authorised, subject to the terms of the Scheme Implementation Deed:*
>
> (i) *to agree to any modifications, alterations or conditions with LGP;*
>
> (ii) *to agree to any modifications, alterations or conditions as are thought just by the Federal Court of Australia; and*
>
> (iii) *subject to approval of the Scheme by the Federal Court of Australia, to implement the Scheme with any such modifications, alterations or conditions."*

By order of the Board

_____

Paula Butler
Company Secretary

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EXPLANATORY NOTES

These notes should be read in conjunction with this Notice of Scheme Meeting.

1. **Terminology**

(a) Capitalised terms which are defined in the Scheme Booklet which accompanies this Notice of Scheme Meeting have the same meaning when used in this Notice (including these notes) unless the context requires otherwise.

(b) This Notice of Scheme Meeting should be read in conjunction with the entire Scheme Booklet of which this Notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Scheme Booklet includes a copy of the Scheme (refer to Annexure 3) and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme (the explanatory statement being all Sections of the Scheme Booklet, other than this Annexure 5).

2. **Quorum**

The constitution of Cannatrek provides that the quorum for a meeting of the Company's members is 2 members that are entitled to vote at the meeting, unless the Company only has one member that is entitled to vote, in which case the quorum is 1 (in person or by proxy, attorney or representative).

3. **Chair**

The Court has directed that Brent Dennison act as Chair of the Scheme Meeting or, failing him, Paula Butler.

4. **Voting intentions**

The Cannatrek Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each Cannatrek Director who holds Cannatrek Shares, or on whose behalf Cannatrek Shares are held, intends to vote, or cause to be voted, all Cannatrek Shares they hold or control in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

5. **Majority required**

In accordance with section 411(4)(a)(ii) of the Corporations Act, for the Scheme of Arrangement to become Effective the Scheme Resolution must be passed by:

(a) a majority in number (more than 50%) of Cannatrek Shareholders present and voting (whether personally, by proxy, attorney or, in the case of a Cannatrek Shareholder or a proxy who is a corporation, by corporate representative) at the Scheme Meeting; and

(b) at least 75% of the total number of Cannatrek Shares voted at the Scheme Meeting (whether personally, by proxy, attorney or, in the case of a Cannatrek Shareholder or a proxy who is a corporation, by corporate representative).

The vote of the Scheme Meeting will be conducted by poll.

6. **Court approval**

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme of Arrangement (with or without any modifications or conditions agreed between Cannatrek and LGP or any modifications or conditions required by the Court to which Cannatrek and LGP agree) must be approved by an order of the Federal Court of Australia and an office copy of the orders must be lodged with ASIC. If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majorities and the conditions precedent in the Scheme of Arrangement are satisfied or waived (as applicable), Cannatrek will apply to the Court for the necessary orders to give effect to the Scheme of Arrangement.

7. **Entitlement to vote**

The Court has ordered that, for the purposes of the Scheme Meeting, Cannatrek Shares will be taken to be held by the persons who are registered as Cannatrek Shareholders at 7:00 pm (Melbourne time) on 8 April 2026. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Cannatrek Shareholders will have one vote for every Cannatrek Share held.

8. **Voting at the meeting**

You may vote by participating in the Scheme Meeting or by appointing an attorney or corporate representative to participate in the Scheme Meeting and vote for you. Alternatively, Cannatrek Shareholders who are entitled to vote at the Scheme Meeting may vote by appointing a proxy to participate and vote on their behalf, using the Proxy Form accompanying this notice or by appointing a proxy online.

(a) Jointly held Cannatrek Shares

If more than one shareholder votes in respect of jointly held Cannatrek

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Shares, only the vote of the shareholder whose name appears first in the Cannatrek Register will be counted whether the vote is given personally, by attorney or proxy.

(b) Voting in person or online

Cannatrek Shareholders wishing to vote, or their attorneys or in the case of a Cannatrek Shareholder or proxy which is a corporation, corporate representatives, must:

(i) (if in person) attend the office of K&L Gates, Level 25, 525 Collins Street, Melbourne, Victoria at 9.30am (Melbourne time) on 10 April 2026; or

(ii) (if online) attend and vote online at https://meetings.lumiconnect.com/300-701-212-756 at 9.30am (Melbourne time) on 10 April 2026.

Cannatrek Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the Scheme Meeting once they have disclosed their name and address.

Cannatrek Shareholders and proxyholders who attend online will be able to follow the proceedings, cast a live vote and ask questions online in real time.

(c) Voting by proxy

Cannatrek Shareholders wishing to appoint a proxy to vote on their behalf at the Scheme Meeting must either complete and sign the personalised Proxy Form which accompanies this Notice of Meeting or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Completed Proxy Forms must be received by the Cannatrek Share Registry by 9.30am (Melbourne time) on 8 April 2026 in any of the following ways:

(iii) **By mail** in the enclosed reply-paid envelope (or the self-addressed envelope, for Cannatrek Shareholders whose registered address is outside Australia) mailed to the Cannatrek Share Registry at:

Cannatrek Ltd
C/- Boardroom Pty Limited,
GPO Box 3993, Sydney NSW 2001

(iv) **Online** if you wish to appoint your proxy online, you should do so by visiting https://www.votingonline.com.au/cannatrekscheme26.

Online appointments of proxies must be done by 9.30am (Melbourne time) on 8 April 2026

(v) **By Hand:**
To Boardroom Pty Limited,
Level 8, 210 George Street,
Sydney NSW 2000

A proxy need not be a Cannatrek Shareholder.

If you appoint a proxy and subsequently wish to attend the meeting yourself (either in person or online), the proxy will retain your vote and you will be unable to vote yourself unless you notify the Cannatrek Share Registry of the revocation of your proxy appointment before the commencement of the Scheme Meeting. You may notify the Cannatrek Share Registry by calling 1300 737 760 (within Australia), +61 2 9290 9600 (outside Australia).

If a proxy appointment is signed by a Cannatrek Shareholder but does not name the proxy or proxies in whose favour it is given, the Chair will act as proxy.

You are entitled to appoint up to two proxies to participate in the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. Replacement Proxy Forms can also be obtained from the Cannatrek Share Registry.

If you hold Cannatrek Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form.

(d) Undirected proxies

If a Cannatrek Shareholder nominates the Chair of the Scheme Meeting as that Cannatrek Shareholder's proxy, the person acting as Chair of the Scheme Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Scheme Meeting.

If a proxy appointment is signed or validly authenticated by that Cannatrek Shareholder but does not name the proxy or proxies in whose favour it is given, the Chair of the Scheme Meeting will act as proxy in respect of

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any or all items of business to be considered at the Scheme Meeting.

Proxy appointments in favour of the Chair of the Scheme Meeting, the Company Secretary or any Cannatrek Director which do not contain a direction as to how to vote will be voted in favour of the Scheme Resolution at the Scheme Meeting (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

The Chair intends to vote undirected proxies of which she is appointed as proxy in favour of the Scheme Resolution (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

(e) Voting by attorney

If you wish to appoint an attorney to vote at the Scheme Meeting the original or a certified copy of the power of attorney under which the attorney has been appointed must be received by the Cannatrek Share Registry no later than 9.30am (Melbourne time) on 8 April 2026 (or if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting).

Any power of attorney granted by a Cannatrek Shareholder will, as between Cannatrek and that Cannatrek Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Cannatrek Shareholder is received by the Cannatrek Share Registry by 9.30am (Melbourne time) on 8 April 2026.

Your appointment of an attorney does not preclude you from attending, participating and voting at the Scheme Meeting. The appointment of your attorney is not revoked merely by your participation and taking part in the Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.

(f) Voting by corporate representative

To vote by corporate representative at the Scheme Meeting, a Cannatrek Shareholder or proxy who is a corporation should obtain a *Certificate of Appointment of Corporate Representative* from the Cannatrek Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged with the Cannatrek Share Registry before 9.30am (Melbourne time) on 8 April 2026.

The appointment of a representative may set out restrictions on the representative's powers. The appointment must comply with section 250D of the Corporations Act.

The original *Certificate of Appointment of Corporate Representative*, a certified copy of the *Certificate of Appointment of Corporate Representative*, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

9. **Technical difficulties**

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Cannatrek Shareholders impacted, and the extent to which participation in the business of the Scheme Meeting is affected. Where the chair considers it appropriate, the Chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

10. **Advertisement**

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by contacting the Cannatrek Share Registry.

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Cannatrek GROUP

All Correspondence to:

By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

By Fax: +61 2 9290 9655

Online: www.boardroomlimited.com.au

By Phone: (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

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YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:30am (Melbourne time) on Wednesday, 8 April 2026.**

TO APPOINT A PROXY ONLINE

STEP 1: VISIT https://www.votingonline.com.au/cannatrekscheme26

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy
You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy, you must:
(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(b) return both forms together in the same envelope.

STEP 2: VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate
Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3: SIGN THE FORM

The form **must** be signed as follows:
Individual: This form is to be signed by the securityholder.
Joint Holding: where the holding is in more than one name, all the securityholders should sign.
Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4: LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting therefore **before 9:30am (Melbourne time) on Wednesday, 8 April 2026.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply-Paid Envelope or:

Online	https://www.votingonline.com.au/cannatrekscheme26
By Fax	+ 61 2 9290 9655
By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
In Person	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting in-person, please bring this form with you to assist registration.

Cannatrek Limited
ACN 056 175 369

☐ **Your Address**
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Cannatrek Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the **Scheme Meeting** of the Company to be held **both in-person at K&L Gates, Level 25 South, 525 Collins St, Melbourne VIC 3000 and online at https://meetings.lumiconnect.com/300-701-212-756** on **Friday, 10 April 2026 at 9:30am (Melbourne time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies **in favour** of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Scheme Resolution

The Scheme Meeting will be asked to consider, and if thought fit, to pass the following resolution (**Scheme Resolution**):

"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth):

*a) the scheme of arrangement proposed between Cannatrek Ltd ACN 056 175 369 (**Cannatrek**) and the holders of its fully paid ordinary shares (**Scheme**), the terms of which are contained and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without any modifications, alterations or conditions agreed in writing between Cannatrek and Little Green Pharma Ltd ACN 615 586 215 (**LGP**) and approved by the Federal Court of Australia or any modifications, alterations or conditions as thought just by the Federal Court of Australia and to which Cannatrek and LGP agree in writing); and*

b) the Board of Directors of Cannatrek are authorised, subject to the terms of the Scheme Implementation Deed:
(i) to agree to any modifications, alterations or conditions with LGP;
(ii) to agree to any modifications, alterations or conditions as are thought just by the Federal Court of Australia; and
(iii) subject to approval of the Scheme by the Federal Court of Australia, to implement the Scheme with any such modifications, alterations or conditions."

For	Against	Abstain*
☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…….. Contact Daytime Telephone……..... Date / / 2026

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Cannatrek Limited

2026 Scheme Meeting Online Guide
Friday, 10 April 2026 at 9:30am (Melbourne time)

Scan to join the meeting

Attending the meeting virtually

Those attending online will be able to view the meeting.
Shareholders and Proxyholders can ask questions and submit votes in real time.

To participate online, visit https://meetings.lumiconnect.com/300-701-212-756 on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

To log in, you may require the following information:

Meeting ID: 300-701-212-756

Australian residents
Voting Access Code
(VAC)

Postcode
(postcode of your registered address)

Overseas residents
Voting Access Code
(VAC)

Country Code
(three-character country code)
e.g. New Zealand - **NZL**; United Kingdom - **GBR**; United States of America - **USA**; Canada - **CAN**

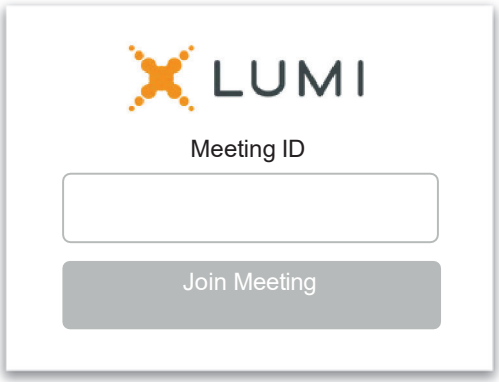
A full list of country codes can be found at the end of this guide.

Appointed Proxies
To receive your unique username and password, please contact Boardroom on 1300 737 760.

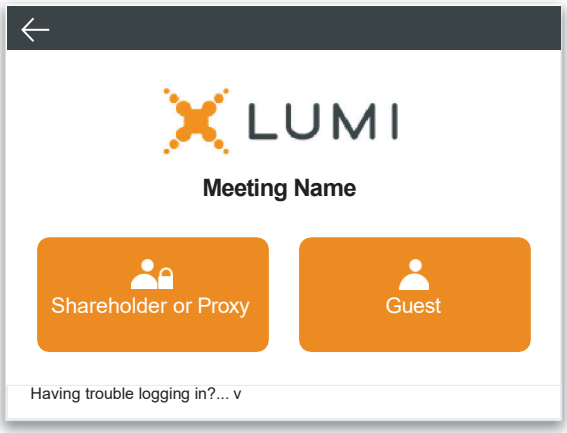
Guests
To register as a guest, you will need to enter your name and email address.

Registering for the meeting

1 To participate in the meeting, follow the direct link at the top of the page. Alternatively, visit **meetings.lumiconnect.com** and enter the unique 12-digit Meeting ID, provided above.



2 To proceed into the meeting, you will need to read and accept the Terms and Conditions and select if you are a Shareholder / Proxy or a Guest. Note that only shareholders and proxies can vote and ask questions in the meeting.



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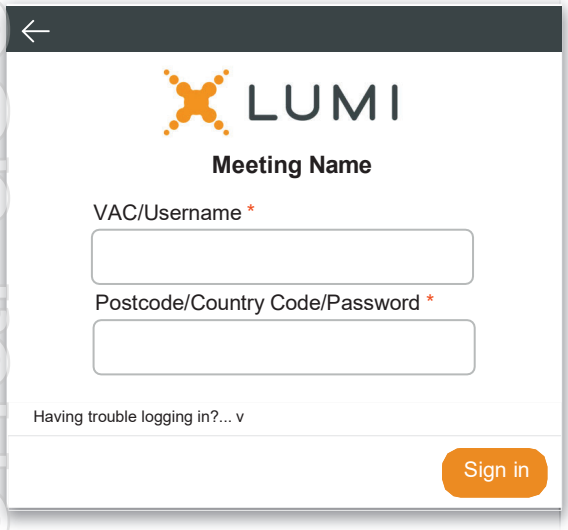
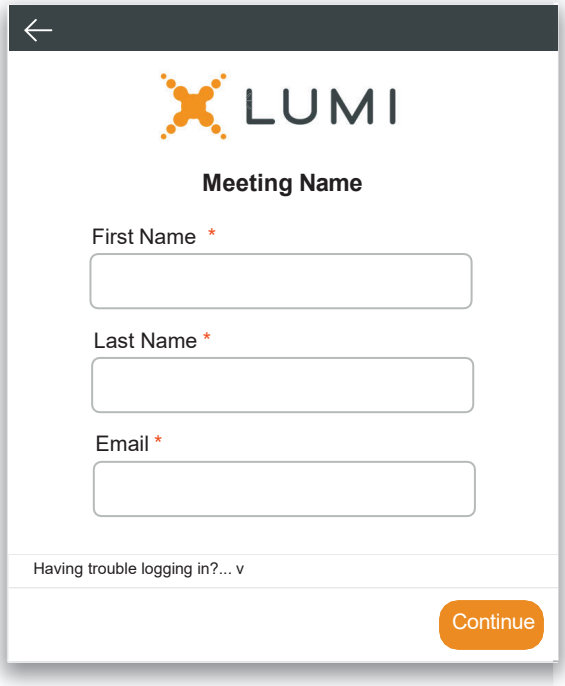
3 **To register as a Shareholder,** enter your VAC and Postcode or Country Code and press Sign in.

To register as a Proxyholder, you will need your username and password as provided by Boardroom. In the 'VAC/Username' field enter your username and in the 'Postcode/Country Code/Password' field enter your password and press Sign in.



To register as a Guest, enter your name and other requested details and press Continue.



Navigation

Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and open the virtual meeting.

A link to the virtual meeting will be provided on the home page. Click the link to open the meeting. The meeting will open in a separate browser tab on your device.

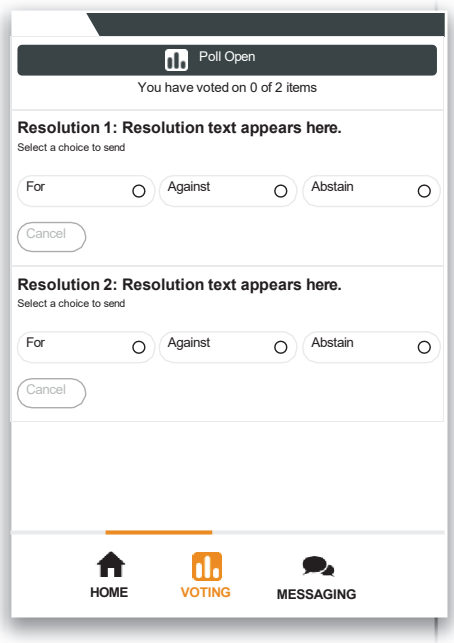
To Vote and ask Questions during the meeting, navigate back to the browser tab with the LUMI AGM platform open.

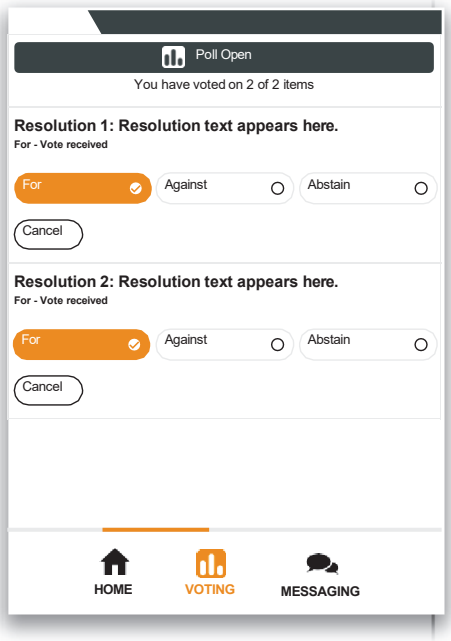
Voting

4 When the Chair declares the poll open:

- A voting icon will appear on screen and the meeting resolutions will be displayed.
- To vote, select one of the voting options. Your response will be highlighted.
- To change your vote, simply select a different option to override.

There is no need to press a submit or send button. Your vote is automatically counted. Votes may be changed up to the time the Chair closes the poll.

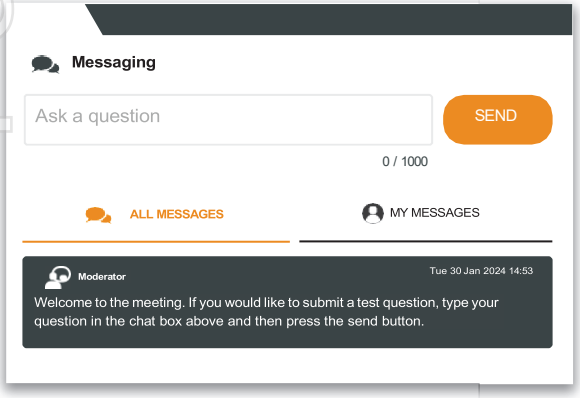




Text Questions

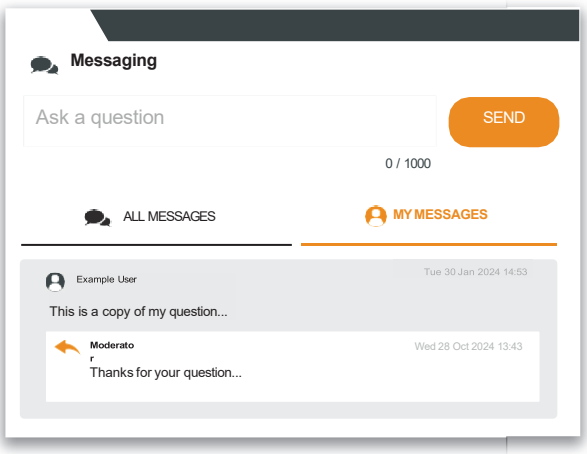
5 To ask a written question, tap on the messaging icon, type your question in the box at the top of the screen and press the send button SEND.

Confirmation that your message has been received will appear.



6 Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

A copy of your sent questions, along with any written responses, can be viewed by selecting "MY MESSAGES".



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Country Codes - BoardRoom

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW	Aruba
AFG	Afghanistan
AGO	Angola
AIA	Anguilla
ALA	Aland Islands
ALB	Albania
AND	Andorra
ANT	Netherlands Antilles
ARE	United Arab Emirates
ARG	Argentina
ARM	Armenia
ASM	American Samoa
ATA	Antarctica
ATF	French Southern
ATG	Antigua & Barbuda
AUS	Australia
AUT	Austria
AZE	Azerbaijan
BDI	Burundi
BEL	Belgium
BEN	Benin
BFA	Burkina Faso
BGD	Bangladesh
BGR	Bulgaria
BHR	Bahrain
BHS	Bahamas
BIH	Bosnia & Herzegovina
BLM	St Barthelemy
BLR	Belarus
BLZ	Belize
BMU	Bermuda
BOL	Bolivia
BRA	Brazil
BRB	Barbados
BRN	Brunei Darussalam
BTN	Bhutan
BUR	Burma
BVT	Bouvet Island
BWA	Botswana
CAF	Central African Republic
CAN	Canada
CCK	Cocos (Keeling) Islands
CHE	Switzerland
CHL	Chile
CHN	China
CIV	Cote D'ivoire
CMR	Cameroon
COD	Democratic Republic of Congo
COK	Cook Islands
COL	Colombia
COM	Comoros
CPV	Cape Verde
CRI	Costa Rica
CUB	Cuba
CYM	Cayman Islands
CYP	Cyprus
CXR	Christmas Island
CZE	Czech Republic
DEU	Germany
DJI	Djibouti
DMA	Dominica
DNK	Denmark
DOM	Dominican Republic
DZA	Algeria
ECU	Ecuador
EGY	Egypt
ERI	Eritrea
ESH	Western Sahara
ESP	Spain
EST	Estonia
ETH	Ethiopia
FIN	Finland
FJI	Fiji
FLK	Falkland Islands (Malvinas)
FRA	France
FRO	Faroe Islands
FSM	Micronesia
GAB	Gabon
GBR	United Kingdom
GEO	Georgia
GGY	Guernsey
GHA	Ghana
GIB	Gibraltar
GIN	Guinea
GLP	Guadeloupe
GMB	Gambia
GNB	Guinea-Bissau
GNQ	Equatorial Guinea
GRC	Greece
GRD	Grenada
GRL	Greenland
GTM	Guatemala
GUF	French Guiana
GUM	Guam
GUY	Guyana
HKG	Hong Kong
HMD	Heard & McDonald Islands
HND	Honduras
HRV	Croatia
HTI	Haiti
HUN	Hungary
IDN	Indonesia
IMN	Isle Of Man
IND	India
IOT	British Indian Ocean Territory
IRL	Ireland
IRN	Iran Islamic Republic of
IRQ	Iraq
ISL	Iceland
ISM	British Isles
ISR	Israel
ITA	Italy
JAM	Jamaica
JEY	Jersey
JOR	Jordan
JPN	Japan
KAZ	Kazakhstan
KEN	Kenya
KGZ	Kyrgyzstan
KHM	Cambodia
KIR	Kiribati
KNA	St Kitts And Nevis
KOR	South Korea
KWT	Kuwait
LAO	Lao Pdr
LBN	Lebanon
LBR	Liberia
LBY	Libyan Arab Jamahiriya
LCA	St Lucia
LIE	Liechtenstein
LKA	Sri Lanka
LSO	Kingdom of Lesotho
LTU	Lithuania
LUX	Luxembourg
LVA	Latvia
MAC	Macao
MAF	St Martin
MAR	Morocco
MCO	Monaco
MDA	Republic Of Moldova
MDG	Madagascar
MDV	Maldives
MEX	Mexico
MHL	Marshall Islands
MKD	Macedonia Former Yugoslav Rep
MLI	Mali
MLT	Malta
MMR	Myanmar
MNE	Montenegro
MNG	Mongolia
MNP	Northern Mariana Islands
MOZ	Mozambique
MRT	Mauritania
MSR	Montserra
MTQ	Martinique
MUS	Mauritius
MWI	Malawi
MYS	Malaysia
MYT	Mayotte
NAM	Namibia
NCL	New Caledonia
NER	Niger
NFK	Norfolk Island
NGA	Nigeri
NIC	Nicaragua
NIU	Niue
NLD	Netherlands
NOR	Norway
NPL	Nepal
NRU	Nauru
NZL	New Zealand
OMN	Oman
PAK	Pakistan
PAN	Panama
PCN	Pitcairn Islands
PER	Peru
PHL	Philippines
PLW	Palau
PNG	Papua New Guinea
POL	Poland
PRI	Puerto Rico
PRK	North Korea
PRT	Portugal
PRY	Paraguay
PSE	Palestinian Territory
PYF	French Polynesia
QAT	Qatar
REU	Reunion
ROU	Romania Federation
RUS	Russia
RWA	Rwanda
SAU	Saudi Arabia
SDN	Sudan
SEN	Senegal
SGP	Singapore
SGS	Sth Georgia & Sandwich Isl
SHN	St Helena
SJM	Svalbard & Jan Mayen
SLB	Soloman Islands
SCG	Serbia & Outlying
SLE	Sierra Leone
SLV	El Salvador
SMR	San Marino
SOM	Somalia
SPM	St Pierre and Miqueion
SRB	Serbia
STP	Sao Tome and Principle
SUR	Suriname
SVK	Slovakia
SVN	Slovenia
SWE	Sweden
SWZ	Swaziland
SYC	Seychelles
SYR	Syrian Arab Republic
TCA	Turks & Caicos
TCD	Chad
TGO	Congo
THA	Thailand
TJK	Tajikistan
TKL	Tokelau
TKM	Turkmenistan
TLS	East Timor Republic
TMP	East Timor
TON	Tonga
TTO	Trinidad & Tobago
TUN	Tunisia
TUR	Turkey
TUV	Tuvalu
TWN	Taiwan
TZA	Tanzania
UGA	Uganda
UKR	Ukraine
UMI	United States Minor Outlying
URY	Uruguay
USA	United States of America
UZB	Uzbekistan
VNM	Vietnam
VUT	Vanuatu
WLF	Wallis & Fortuna
WSM	Samoa
YEM	Yemen
YMD	Yemen Democratic
YUG	Yugoslavia Socialist Fed Rep
ZAF	South Africa
ZAR	Zaire
ZMB	Zambia
ZWE	Zimbabwe

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Annexure 6 – New LGP CV Shares – Terms of Issue

[Attached]

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New LGP CV Shares terms

1. Definitions

In this document, unless the context requires otherwise:

$ means AUD.

30-Day VWAP means the volume weighted average price of Shares calculated over the 30 consecutive trading days on which trades of Shares are recorded on ASX.

ASX means ASX Limited or the market operated by it, as the context requires.

Baseline Ratio means 4/9ths (being 4 divided by 9).

Board means the board of directors of the Company.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria.

Cannatrek Liability means, in relation to Cannatrek:

(a) Tax relating to the period prior to the Implementation Date;

(b) the amount of any Loss suffered, incurred or arising out of, or in connection with any litigation, prosecution, arbitration or other dispute resolution proceedings relating to any facts, matters or circumstances during the period prior to the Implementation Date, provided that the relevant claim or proceedings have been threatened or commenced within 6 months of the Implementation Date;

(c) the amount of any bad debt expense relating to any accounts receivable on the balance sheet as at the Implementation Date; and

(d) the amount of any Loss suffered, incurred or arising out of or in connection with any investigation, or similar proceedings by any Government Agency, provided that the relevant investigation has been threatened or commenced within 6 months of the Implementation Date.

Company means Little Green Pharma Ltd ACN 615 586 215.

Contingent Amount means:

(a) the Cannatrek Liability, as at the Contingent Amount Determination Date (if any); less

(b) the LGP Liability, as at the Contingent Amount Determination Date (if any),

subject to clause 2.17.

Contingent Amount Certificate has the meaning given in clause 2.11(a).

Contingent Amount Determination Date means:

(a) subject to paragraph (b) below, the date which is the second anniversary of the Implementation Date; or

(b) if as at the date specified in (a) there is any Cannatrek Liability that has not been fully resolved to the satisfaction of LGP (acting reasonably), the date that is the earlier of:

(i) determination of such unresolved Cannatrek Liability; and

(ii) the fourth anniversary of the Implementation Date.

Contingent Amount Dispute has the meaning given in clause 2.11(c).

Control has the meaning given to that term in Section 50AA of the Corporations Act.

Conversion Date means the date which is 5 Business Days after the Contingent Amount is determined in accordance with clause 2.11.

Conversion Ratio means the ratio at which each CV Share converts into Shares, which:

(a) if the Contingent Amount is less than $8 million but greater than $2 million, is equal to the relevant conversion ratio for the corresponding Contingent Amount set out in Part A of Schedule 1:

(b) if the Contingent Amount is equal to or less than $2 million, but equal to or greater than negative $2 million, is equal to the Baseline Ratio:

(c) if the Contingent Amount is less than negative $2 million, but greater than negative $8 million, is equal to the relevant conversion ratio for the corresponding Contingent Amount set out in Part B of Schedule 1:

(d) if the Contingent Amount is less than or equal to negative $8 million, is equal to 1.

Corporations Act means the *Corporations Act 2001* (Cth).

CV Share means a convertible and redeemable preference share in the capital of the Company issued on the terms and conditions of this document.

Holder means a holder of a CV Share.

Holders' Representative means Brent Dennison (and/or his nominee).

Government Agency has the meaning given in the Scheme Implementation Deed.

Implementation Date has the meaning given in the Scheme Implementation Deed.

Independent Expert means any of EY, PricewaterhouseCoopers, Deloitte and KPMG.

LGP Liability means, in relation to LGP:

(a) Tax relating to the period prior to the Implementation Date;

(b) the amount of any Loss suffered, incurred or arising out of, or in connection with any litigation, prosecution, arbitration or other dispute resolution proceedings relating any facts, matters or circumstances during the period prior to the Implementation Date, provided that the relevant claim or proceedings have been threatened or commenced within 6 months of the Implementation Date;

(c) the amount of any bad debt expense relating to any accounts receivable on the balance sheet as at the Implementation Date; and

(d) the amount of any Loss suffered, incurred or arising out of or in connection with any investigation, or similar process, by any Government Agency, provided that the relevant investigation has been threatened or commenced within 6 months of the Implementation Date.

Listing Rules means the Listing Rules of ASX.

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Loss means any claim, demand, debt, action, lien, penalty, fine, charge, liability, proceeding, litigation, reasonable legal costs, damages, costs, expenses, judgement of any nature or any other loss.

Objection Notice has the meaning given in clause 2.11(c).

Objection Period has the meaning given in clause 2.11(c).

Pre-Rounding Amount has the meaning given in clause 2.17.

Redemption Amount means the aggregate amount payable to each Holder calculated by multiplying each CV Share of that Holder by $0.00001.

Redemption Notice means a notice given by the Company to a Holder in a form determined by the Company, of its intention to redeem the CV Share in accordance with clause 3.

Response has the meaning given in clause 2.11(e).

Scheme Implementation Deed means the scheme implementation deed between the Company and the Target in relation to the acquisition by the Company of all of the shares in the Target dated on or about 14 January 2026.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Scheme Shares has the meaning given the Scheme Implementation Deed.

Tax means all forms of taxes, excise, GST, stamp duty or other duties, fees, superannuation guarantee charge, imposts, deductions, charges, withholdings, rates, levies or other governmental impositions imposed, assessed or charged by any Government Agency, together with all interest, penalties, fines, expenses and other additional statutory charges relating to any of them, imposed or withheld by a Government Agency.

Target means Cannatrek Ltd ACN 056 175 369.

2. Rights attaching to CV Shares

2.1 CV Share

Each CV Share is a share in the capital of the Company issued on the terms and conditions of this document.

2.2 No voting rights

A CV Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company except as otherwise required by law.

2.3 No dividend rights

A CV Share does not entitle the Holder to any dividends.

2.4 No rights to return of capital

A CV Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

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2.5 Rights on winding up

A CV Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon a winding up.

2.6 Not transferable

A CV Share is not transferrable.

2.7 Reorganisation of capital

In the event the issued capital of the Company is reorganised or reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules and Corporations Act at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.

2.8 Application to ASX

The CV Shares will not be quoted on the ASX. However, the Company must:

(a) apply for the official quotation of a Share issued on conversion of a CV Share on ASX within the time period required by the Listing Rules; and

(b) within 2 Business Days, issue to the ASX a cleansing notice under section 708A(5) of the Corporations Act or a cleansing prospectus under section 708A(11) of the Corporations Act in respect of any Shares issued on conversion of a CV Share.

2.9 Participation in new issues

Subject to the rights under clause 2.7, a Holder of CV Shares is not entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

2.10 Conversion on change of control

Upon the occurrence, prior to the Contingent Amount Determination Date, of either:

(a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

(i) having received acceptances for not less than 50.1% of the Company's Shares on issue; and

(ii) been declared unconditional by the bidder; or

(b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or

(c) any other transaction under which a third party acquires Control of the Company,

(each a **Control Event**) then, provided that the Company's entry into binding transaction documents relating to the Control Event is approved by unanimous approval of the Board, each CV Share will convert into such number of Shares equal to the Baseline Ratio on Business Day following the occurrence of the Control Event.

2.11 Determination of Contingent Amount

(a) The Company must, within 5 Business Days of the Contingent Amount Determination Date, calculate the Contingent Amount and notify the Holders'

Representative of the Contingent Amount in writing (**Contingent Amount Certificate**).

(b) For a period of 10 Business Days beginning on the day after the date on which the Contingent Amount Certificate is given to the Holders' Representative, the Company must ensure that the Holders' Representative (including any of its advisers) are given such access as is reasonably required to records in the possession of the Company to enable the Holders' Representative to consider the Contingent Amount Certificate.

(c) Within 15 Business Days after the date on which the Contingent Amount Certificate is given to the Holders' Representative (**Objection Period**), the Holders' Representative may dispute any amount set out in the Contingent Amount Certificate by giving notice (**Objection Notice**) to the Company stating the amount or amounts in dispute and the reasons for that dispute (**Contingent Amount Dispute**).

(d) If at the end of the Objection Period there is no Contingent Amount Dispute, the Contingent Amount set out in the Contingent Amount Certificate is final and binding on the parties.

(e) Within 5 Business Days after the Holders' Representative delivers an Objection Notice to the Company, the Company must deliver to the Holders' Representative a response in writing addressing each of the disputed matters (**Response**).

(f) If there is a Contingent Amount Dispute but it is not resolved by the parties nor referred to an Independent Expert in accordance with clause 2.11(g), the Contingent Amount set out in the Contingent Amount Certificate is final and binding on the parties and the Contingent Amount Dispute is taken to be resolved.

(g) If an Objection Notice is given under clause 2.11(c), then the Company and the Holders' Representative must use their reasonable endeavours to resolve the Contingent Amount Dispute between themselves. If the Company and the Holders' Representative are unable to resolve the Contingent Amount Dispute within 5 Business Days after the Response is given by the Company, the parties must by written submissions refer the Contingent Amount Dispute to an Independent Expert for determination.

(h) The Independent Expert must be instructed to decide the matters of disagreement and conclude its determination of the Contingent Amount and provide it to the Seller and the Buyer no later than 20 Business Days after referral of the dispute (or such other period agreed by the parties having regard to the matters in dispute).

(i) The parties must promptly supply the Independent Expert with any information, assistance and co-operation requested in writing by the Independent Expert in connection with its determination. All correspondence between the Independent Accountant and a party must be copied to the other parties.

(j) The Independent Expert will act as an expert and not as an arbitrator. The Independent Expert's written determination will be final and binding on the parties in the absence of manifest error and the Contingent Amount Certificate will be deemed to be amended, or will remain unamended, in either case in accordance with the Independent Expert's determination, and in that form will be taken to comprise the final Contingent Amount Certificate.

(k) The costs of a determination by the Independent Expert must be borne by the Company

2.12 Conversion of CV Shares

On the Conversion Date, each CV Share will convert into such number of Shares equal to the Conversion Ratio, except if the Contingent Amount is greater than or equal to $8

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million, in which case the CV Share held by a Holder will be redeemed in accordance with clause 3.1.

2.13 Ranking of Shares after conversion

The Shares issued on conversion of the CV Shares will on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

2.14 Holding statement to be issued

The Company will issue the Holder with a new holding statement for the Shares issued upon conversion of the CV Shares as soon as practicable following the conversion of the CV Shares into the Shares.

2.15 Fractional entitlements

If the number of Shares into which a Holder's CV Shares are to be converted includes a fractional entitlement to a Share, the entitlement will be rounded as follows:

(a) if the fractional entitlement is less than 0.5, it will be rounded down to zero Shares; and

(b) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to one Share.

2.16 No other rights

A CV Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2.17 Rounding - Contingent Amount

For the purposes of determining the value of the Contingent Amount, if the Cannatrek Liability less the LGP Liability (**Pre-Rounding Amount**) does not equal a multiple of $100,000, then:

(a) if the variance between the Pre-Rounding Amount and the nearest multiple of $100,000 is less than $50,000, the Contingent Amount will be rounded up or down (as applicable) to the nearest multiple of $100,000; and

(b) if the Pre-Rounding Amount is equal to a multiple of $50,000, the Contingent Amount will be rounded up to the nearest multiple of $100,000.

3. Redemption

3.1 Mandatory redemption

If on the Conversion Date it is determined that the Contingent Amount is greater than or equal to $8 million, at the Company's election, the Company must elect to:

(a) convert all CV Shares held by a Holder into one Share; or

(b) redeem each CV Share by:

(i) giving a Redemption Notice to the Holders; and

(ii) paying the Redemption Amount to the Holders.

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3.2 Effect of redemption on Holders

Subject to redemption occurring, the only right Holders will have in respect of CV Shares the subject of the redemption will be to obtain the Redemption Amount payable in accordance with these terms and upon payment of the Redemption Amount, all other rights conferred, or restrictions imposed by the relevant CV Share will no longer have effect.

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Schedule 1 – Conversion Ratios

Part A - If the Contingent Amount is less than $8 million but greater than $2 million

Contingent Amount (A$)	Conversion Ratio (x)
2,100,000	0.43623x
2,200,000	0.42804x
2,300,000	0.41989x
2,400,000	0.41176x
2,500,000	0.40367x
2,600,000	0.39560x
2,700,000	0.38757x
2,800,000	0.37956x
2,900,000	0.37158x
3,000,000	0.36364x
3,100,000	0.35572x
3,200,000	0.34783x
3,300,000	0.33996x
3,400,000	0.33213x
3,500,000	0.32432x
3,600,000	0.31655x
3,700,000	0.30880x
3,800,000	0.30108x
3,900,000	0.29338x
4,000,000	0.28571x
4,100,000	0.27807x
4,200,000	0.27046x
4,300,000	0.26288x
4,400,000	0.25532x
4,500,000	0.24779x
4,600,000	0.24028x
4,700,000	0.23280x
4,800,000	0.22535x
4,900,000	0.21793x
5,000,000	0.21053x
5,100,000	0.20315x
5,200,000	0.19580x
5,300,000	0.18848x
5,400,000	0.18118x
5,500,000	0.17391x
5,600,000	0.16667x
5,700,000	0.15945x
5,800,000	0.15225x
5,900,000	0.14508x
6,000,000	0.13793x
6,100,000	0.13081x
6,200,000	0.12371x

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6,300,000	0.11664x
6,400,000	0.10959x
6,500,000	0.10256x
6,600,000	0.09556x
6,700,000	0.08859x
6,800,000	0.08163x
6,900,000	0.07470x
7,000,000	0.06780x
7,100,000	0.06091x
7,200,000	0.05405x
7,300,000	0.04722x
7,400,000	0.04040x
7,500,000	0.03361x
7,600,000	0.02685x
7,700,000	0.02010x
7,800,000	0.01338x
7,900,000	0.00668x
8,000,000	0.00000x

Part B - If the Contingent Amount is less than negative $2 million, but greater than negative $8 million

Contingent Amount (A$)	Conversion Ratio (x)
(8,000,000)	1.00000x
(7,900,000)	0.98960x
(7,800,000)	0.97925x
(7,700,000)	0.96894x
(7,600,000)	0.95868x
(7,500,000)	0.94845x
(7,400,000)	0.93827x
(7,300,000)	0.92813x
(7,200,000)	0.91803x
(7,100,000)	0.90798x
(7,000,000)	0.89796x
(6,900,000)	0.88798x
(6,800,000)	0.87805x
(6,700,000)	0.86815x
(6,600,000)	0.85830x
(6,500,000)	0.84848x
(6,400,000)	0.83871x
(6,300,000)	0.82897x
(6,200,000)	0.81928x
(6,100,000)	0.80962x
(6,000,000)	0.80000x
(5,900,000)	0.79042x
(5,800,000)	0.78088x
(5,700,000)	0.77137x

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(5,600,000)	0.76190x
(5,500,000)	0.75248x
(5,400,000)	0.74308x
(5,300,000)	0.73373x
(5,200,000)	0.72441x
(5,100,000)	0.71513x
(5,000,000)	0.70588x
(4,900,000)	0.69667x
(4,800,000)	0.68750x
(4,700,000)	0.67836x
(4,600,000)	0.66926x
(4,500,000)	0.66019x
(4,400,000)	0.65116x
(4,300,000)	0.64217x
(4,200,000)	0.63320x
(4,100,000)	0.62428x
(4,000,000)	0.61538x
(3,900,000)	0.60653x
(3,800,000)	0.59770x
(3,700,000)	0.58891x
(3,600,000)	0.58015x
(3,500,000)	0.57143x
(3,400,000)	0.56274x
(3,300,000)	0.55408x
(3,200,000)	0.54545x
(3,100,000)	0.53686x
(3,000,000)	0.52830x
(2,900,000)	0.51977x
(2,800,000)	0.51128x
(2,700,000)	0.50281x
(2,600,000)	0.49438x
(2,500,000)	0.48598x
(2,400,000)	0.47761x
(2,300,000)	0.46927x
(2,200,000)	0.46097x
(2,100,000)	0.45269x

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Corporate Directory

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Website: www.boardroomlimited.com.au