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ASX ANNOUNCEMENT

24 July 2020

Results of \$14.3 million institutional placement to support near-term growth

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- Results of placement, raising \$14.3 million
 - Proceeds from capital raising will be used to fund the Cann business while it pursues near-term growth opportunities
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24 July 2020 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to confirm that it has completed the settlement and allotment of the shares pursuant to the institutional placement (**Placement**) as announced by the Company on Friday 17 July 2020 and which closed on Thursday 16 July 2020.

Placement Results

The Company received applications for 35,750,000 new fully paid ordinary shares (**New Shares**) amounting to total subscriptions of \$14,300,000 under the Placement.

In identifying investors to participate in the Placement, the Company looked to approach existing shareholders whose holdings were of a size where participation under the SPP would be insufficient to maintain their pro-rata ownership. In addition to this, the Company approached a broad range of institutional investors. Due to significant interest received in the offer, significant scale back was required when allocating available securities. The allocation policy sought to provide existing shareholders who bid into the Placement with their pro-rata allocation. Beyond this, remaining securities available under the offer were allocated to new shareholders, with a focus on investors who had expressed a desire to be long term supporters of the Company.

The proceeds from the Placement will be used to provide working capital to support the Company's near-term growth plans. Since announcing a strategic re-set in January 2020, Cann has secured multiple new offtake and supply agreements which support short-term revenues and de-risk its expansion plans.

New Shares issued under the Placement will be issued under Cann's available capacity under ASX Listing Rule 7.1 and in reliance on the ASX's COVID-19 temporary class waiver (**Class Waiver**).

Participation by related parties

The following directors and related parties participated in the Placement:

Name and position	Position	New Shares applied for
Allan McCallum	Chairman	500,000
Philip Jacobsen	Deputy Chairman	1,750,000
Doug Rathbone	Director	221,080

CANN GROUP LIMITED

Geoff Pearce	Director	200,000
Jenni Pilcher	Incoming Director	125,000
Total		2,796,080

The issue of New Shares to the related parties listed above is conditional upon the Company obtaining shareholder approval in accordance with Listing Rule 10.11 and the terms of the Class Waiver. The Company intends to hold an extraordinary general meeting (**EGM**) to obtain the requisite approval. Details of the EGM will be provided to shareholders shortly.

The number of shares on issue in the Company after the issue of New Shares under the Placement (excluding those issued to related parties) will be 32,953,920. An Appendix 2A in respect of the issue of shares under the Placement was provided to the ASX on Thursday 23 July 2020.

The New Shares issued under the Placement commenced trading today.

Share Purchase Plan Offer

In addition to the Placement, eligible shareholders will have the opportunity to apply for New Shares under the Company's share purchase plan (**SPP**) at an issue price of \$0.40 per New Share (being equal to the price offered to institutional investors in the Placement) in accordance with the terms of the SPP offer document announced to the ASX on Wednesday 22 July 2020.

The SPP offer period opened on Wednesday 22 July 2020 and is expected to close on Wednesday 12 August 2020.

Shareholders receiving email communications can download the SPP offer booklet and personalised SPP application form from the SPP offer open date at the Company's website (www.canngrouponlimited.com).

Further information

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

Tel: 1300 135 403 (within Australia)

Tel: +61 1300 135 403 (outside Australia)

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

For further information please contact:

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is building a world-class business focused on breeding, cultivating, manufacturing and supplying medicinal cannabis for sale and use within Australia and for approved overseas export markets. The company has established research and cultivation facilities in Melbourne and is developing a state-of-the-art cultivation facility near Mildura, Victoria. Cann Group has executed collaboration agreements that have enabled it to establish a leading position in plant genetics, breeding, extraction, analysis and production techniques required to facilitate the supply of medicinal cannabis for a range of diseases and medical conditions. The Company is commercialising a range of imported and locally sourced and manufactured medicinal cannabis products. **Learn more about Cann Group at www.canngrouponlimited.com**