



ASX ANNOUNCEMENT

Q1 – 30 SEPTEMBER 2025

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Q1 HIGHLIGHTS:

EBITDA-positive result for month of August 2025

Net operating cash outflows near break-even (-\$0.20m), 92% improvement on PQ

9% increase in cash receipts, to \$3.12 million

23% decrease in payments to suppliers and staff, to \$3.18 million

\$1.23 million interest was capitalised to loans, with majority to be settled as part of debt restructure transaction

\$0.56 million of new debt funding was obtained via R&D Tax Loan and major financier

\$1.78 million R&D Tax Refund received 28 October, net receipt of \$0.28 million after repaying loan

Important dates are included at the end of this release, including shareholder webinar

29 October 2025 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ended 30 September 2025 (**Current Quarter** or **CQ**). The prior quarter is 30 June 2025 (**Prior Quarter** or **PQ**) and the previous corresponding period is the quarter ended 30 September 2024 (**PCP**).

Jenni Pilcher, CEO states “This quarter, we’ve delivered a near break-even result for free cash flow and achieved our first EBITDA positive monthly (August) result. Both outcomes are the result of an increase in bulk dried flower sales and continued cost savings being realised across the business.

Next quarter (Q2), we expect to settle our debt restructure and equity raising transaction which was announced to market on 27 October. This is a transformational transaction that will see

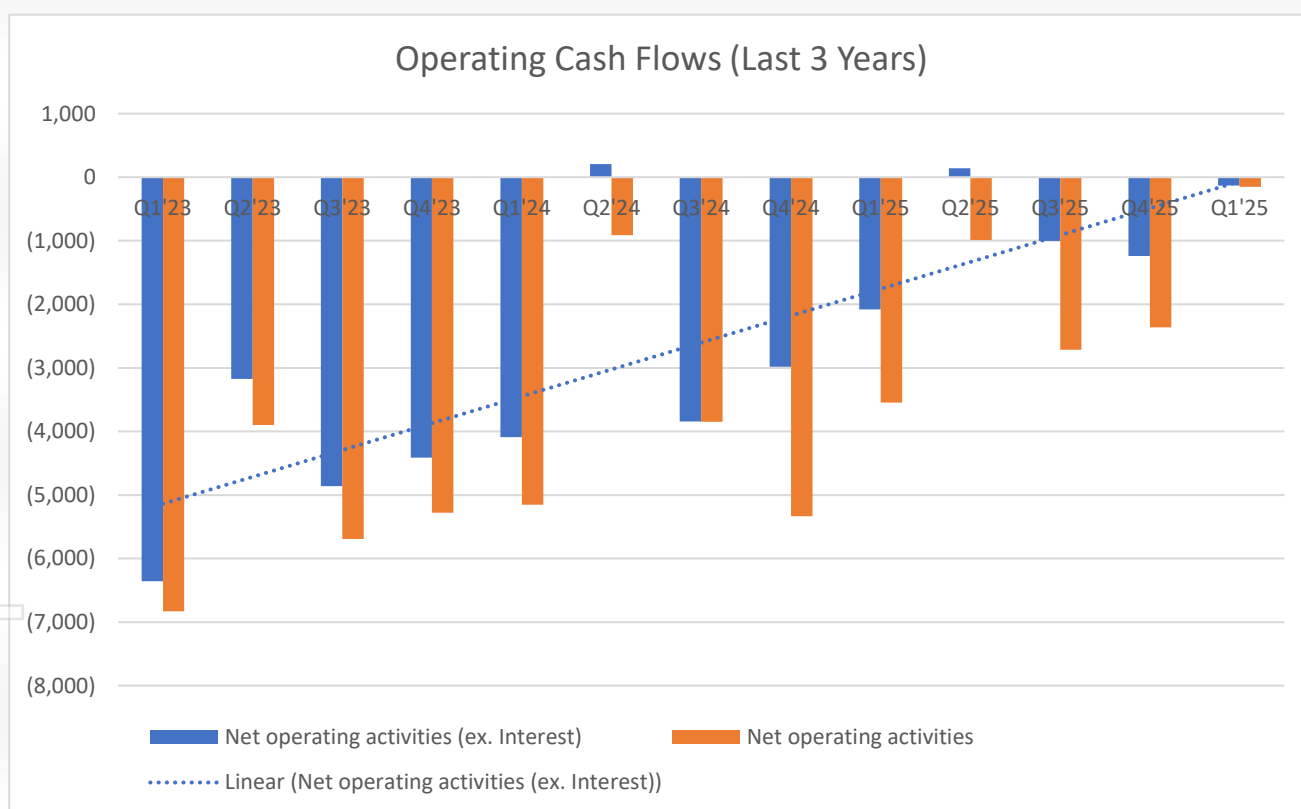
the Company's borrowings fall from \$75 million (approximately) to \$14.5 million (approximately) and contribute at least \$2 million in working capital to the business. With the substantially strengthened balance sheet, new institutional investor support, and positive operating trajectory, Cann is well positioned to execute on its revenue and EBITDA guidance for FY26."

FINANCIAL UPDATE

Net cash outflows from operating activities for the Current Quarter were \$0.198 million, representing a 92% improvement over the Prior Quarter of \$2.36 million. This quarter included:

- Receipts from customers of \$3.12 million, up 9% on PQ of \$2.86 million
- Payments to suppliers & staff of \$3.18 million, down 23% on PQ of \$4.16 million
- \$0.11 million was paid to Directors (including the Managing Director) as related parties

The chart below demonstrates the continuing improvement in operating cash flows since the start of FY2023, as the business nears positive cash operating cash flow:



During the quarter, the Company capitalised \$1.23 million of interest costs on its borrowings. This has been reported within financing activities, with a corresponding increase in proceeds from borrowings, as this interest will form part of the refinance transaction and is not considered normal business operations. In addition to the capitalised interest, the Company secured \$0.56 million of borrowings, including \$0.26 million from its R&D Tax Loan and \$0.3 million was provided as a temporary borrowing from the Company's major financier. Both amounts are expected to be repaid next quarter.

OPERATIONS

Cann Group strengthened its market position during the quarter, with Botanitech™ achieving record unit sales despite challenging market conditions and cost pressures. Growth was driven by strong patient and pharmacy demand for the INC range and positive sentiment across the broader Botanitech portfolio.

Preparations were finalised for the launch of two new gummy products and additional New Release Genetics (NRG), expected to further diversify the range and support continued momentum into FY26. Botanitech pricing remains highly competitive, reinforcing its reputation for reliability, quality, and accessibility.

The brand entered compassionate access programs for concession patients, improving affordability for those who may otherwise find treatment costs prohibitive. Outreach initiatives have been implemented and are increasing awareness across brand-agnostic platforms.

Cann delivered its first commercial supply under an exclusive agreement with a well-established Australian brand and fulfilled a substantial order for another major partner, with ongoing discussions to extend both relationships. Purchase orders for bulk flower sales exceeded \$1 million, supported by repeat orders from large domestic customers for both bulk and packaged flower. New channels were established to move low-value aged flower and trim into downstream processing and lower-priced flower markets.

Export discussions progressed with distributors in the UK, Poland and Malta, with Cann working closely with partners to navigate the complex regulatory frameworks required to participate in the UK and European export markets.

The Company expanded its national distribution footprint, signing new clinic agreements and extending pharmacy partnerships nationwide to enhance product availability and drive further sales growth.

New elite genetics were prioritised, with the first cultivar scheduled for commercial cultivation in early 2026, supporting Cann's focus on innovation and product differentiation.

Production for the first quarter was deliberately curtailed to 772kg (trimmed dried flower weight, or TDFW) to suit the conditions of the winter growth period and allow a deep clean and reset of the facility. By the end of the quarter, the facility was back to full capacity to take advantage of prime growing conditions during Spring and Summer. This production program is on track to deliver the stated production level of 7.7 tonnes (TDFW) for FY2026.

IMPORTANT DATES

Date (2025)	Event
Thursday, 30 October	Capital Raise - SPP Offer Opens
Wednesday, 5 November	Investor Webinar
Monday, 17 November	Closing Date for SPP Offer (5:00pm Melbourne time)
Monday, 24 November	Capital Raise - Issue of New Shares under the SPP Offer
Friday, 28 November	AGM – HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne, VIC 3000 at 11:00am
Tuesday, 23 December (approximately)	EGM (Location, date, time will be confirmed via Notice of Meeting)

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

FOR ALL INFORMATION PLEASE CONTACT

Jenni Pilcher
CEO & Managing Director
Cann Group Limited
+61 3 9095 7088
contact@cann grouplimited.com

Steven Notaro
Company Secretary
Cann Group Limited
+61 3 9095 7088
contact@cann grouplimited.com

About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has research facilities and corporate headquarters in Melbourne and operates a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.cann grouplimited.com | www.satipharm.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Cann Group Limited

ABN

25 603 949 739

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,121	3,121
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(980)	(980)
(c) advertising and marketing	(2)	(2)
(d) leased assets	-	-
(e) staff costs	(1,826)	(1,826)
(f) administration and corporate costs	(376)	(376)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid ¹	(67)	(67)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(68)	(68)
1.9 Net cash from / (used in) operating activities	(198)	(198)

¹ Due to the Debt Restructure announced on the ASX on 27 October 2025, and to comply with AASB 107 "Statement of Cash Flows", \$1,219k of interest accumulated and capitalised in the period but not paid is shown as proceeds from borrowings in 3.9

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(9)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(9)
3.5	Proceeds from borrowings	1,841	1,841
3.6	Repayment of borrowings	(1)	(1)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ²	(1,268)	(1,268)
3.10	Net cash from / (used in) financing activities	563	563

² \$1,234k of interest accumulated and capitalised in the period, but not paid

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(198)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	563	563
4.5	Effect of movement in exchange rates on cash held	4	4
4.6	Cash and cash equivalents at end of period	370	370

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	370	10
5.2	Call deposits	-	-
5.3	Bank overdrafts ³	-	-
5.4	Other (bank guarantees)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	370	10

³ Due to the nature of the settlement terms outlined in the Debt Restructure announced on the ASX on 27 October 2025, and to comply with AASB 107 "Statement of Cash Flows", the closing bank overdraft balance of \$917k has been deemed borrowings and included in financing facilities given it largely represents capitalised interest and will be included in the pending debt forbearance and settlement deed.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ¹	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

¹ Salary payments made to Directors, including the CEO & Managing Director, in their capacity as directors being related parties for the current quarter.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	74,952	74,952
7.2	Credit standby arrangements	-	-
7.3	Other (Corporate Credit Cards)	50	50
7.4	Total financing facilities	75,002	75,002
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Present Loan Facilities <u>NAB Construction Facility (secured)</u> - \$52,916k (31 October 2025 expiry, BBSY + 2.64% (+0.35% facility fee) effective 24 May 2024 <u>NAB Working Capital Facility (secured)</u> - \$15,599k (31 October 2025 expiry, BBSY + 2.34% (+0.35% facility fee) effective 1 June 2024 <u>NAB Overdraft (fully utilised)</u> - \$917k (31 October 2025 expiry, 14.66%) <u>Private Credit Lender (secured)</u> - \$5,519k (15%)</p> <p>Future Loan Facilities All of the above loan facilities are subject to a debt restructuring transaction. Refer to the ASX announcement titled "Major Debt Restructure and Capital Raise" dated 27 October 2025 for more information.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(198)
8.2	Cash and cash equivalents at quarter end (item 4.6)	370
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	370
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>As announced on the ASX on 27 October 2025, the company has reduced operating costs and expects further reductions in FY26. Combined with revenue growth and improved margins, EBITDA is forecast to be positive in FY26. In addition, it will incur interest payable monthly on its new debt position, which is expected to take effect early in December.</p>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes, as announced on the ASX on 27 October 2025, the company has agreed to terms to settle the NAB Construction Facility, NAB Working Capital Facility and NAB Overdraft for \$15.3m as a full and final settlement. This will be funded through a \$9m subordinated loan with the Private Credit Lender, a \$6.5m capital raise via an institutional placement and a \$2.5m share purchase plan.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, as the funding outlined in 8.6.2 allows a pathway to positive EBITDA results, continue operations and meet business objectives.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 October 2025.....

Authorised by:The Board of Cann Group Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.