

## ASX ANNOUNCEMENT

### Cann Raises \$750k via Convertible Note

**16 March 2026** – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announces that it has entered into a new convertible securities agreement (**CSA**) with Obsidian Global GP, LLC to raise \$750,000 before costs. A summary of the material terms is contained below.

The funds raised will provide working capital to assist the Company in achieving its target of EBITDA positive.

The CSA is compliant with ASX Listing Rule 6.1.

The key terms of the CSA are set out below:

<b>Purchase Price</b>	A\$750,000
<b>Legal Costs Contribution</b>	\$10,000
<b>Maturity Date</b>	The day which is 18 months after the Execution Date
<b>Number of Convertible Securities to be issued</b>	That number which is equivalent to the actual amount paid in US\$ by the Investor, so as to procure the transfer of the Purchase Price to the Company, rounded upwards to the next whole number.
<b>Face Value</b>	US\$1.15 per Convertible Security
<b>Coupon</b>	Nil
<b>Premium Conversion Price</b>	\$0.015
<b>Variable Conversion Price</b>	The lesser of: (a) 92% of the average of the lowest three (3) daily VWAPs during the 15 trading days prior to the date of delivery of the conversion notice; and (b) the Premium Conversion Price
<b>Default Conversion Price</b>	The lesser of: (a) 80% of the average of the lowest daily VWAP during the 10 trading days prior to the date of delivery of the conversion notice; and (b) the Premium Conversion Price
<b>Adjustment to Conversion Price</b>	The Conversion Price will adjust in the usual manner should the Company undergo a capital reorganisation. If the Company issues shares at a price or convertible securities with a conversion price lower than the Premium Conversion Price, the Premium Conversion Price shall be reduced to that lower price.

<b>Maximum Share Number</b>	The aggregate maximum number of fully paid ordinary shares in the Company ( <b>Shares</b> ) that the Company, without the Company first obtaining shareholder approval, may or is required to issue as the New Placement Shares, or one or more conversions, or other redemptions of the Convertible Securities issued is 195,000,000 Shares. Shareholder approval is required to be sought if additional Shares are required to be issued.
<b>Commitment Shares</b>	Nil.
<b>Placement Shares</b>	18,750,000 Shares, consisting of: <b>New Placement Shares:</b> 8,416,667 Shares; and <b>Existing Placement Shares:</b> 10,333,333 Shares (already on issue). The Placement Shares are issued for consideration which is payable within 15 trading days of termination of the Facility at a price per Share determined by reference to the prevailing VWAP less a discount of 8%, or the price obtained by selling the Shares on market at that time less a discount of 5%. Obsidian can also return the Shares to the Company for nil consideration.
<b>Options</b>	Subject to shareholder approval, on or before the Company's next Annual General Meeting, the Company must issue Obsidian 25,000,000 options. The Option exercise price is \$0.015 per option. The Options will expire two years after the issue date. If the issue of the Options is not approved by shareholders, the Company must pay A\$50,000 to Obsidian in lieu of the issue of the options.
<b>Conversion - optional</b>	Obsidian may elect at any time to convert Convertible Securities at the Premium Conversion Price or Variable Conversion Price (as elected by Obsidian) or the Default Price (if applicable)
<b>Redemption Amount</b>	105% of the amount outstanding in respect of the relevant Convertible Securities, unless the redemption is as a result of a fund raising in which case it will be 100% of the amount outstanding.
<b>Redemption - on fund raising</b>	If the Company undertakes a fund raising in excess of A\$2.5 million, Obsidian may elect to require the Company to apply up to 20% of those funds to redeem Convertible Securities
<b>Early redemption - company election</b>	The Company may elect to redeem all or part (such part to be not less than A\$175,000) of the outstanding Convertible Securities at any time. Obsidian may deliver a conversion notice which will take priority over the Company's early redemption election.
<b>Redemption at Maturity Date</b>	On the Maturity Date, the Company must redeem all of the outstanding Convertible Securities by paying Obsidian, the Redemption Amount in respect of those Convertible Securities.

-ENDS-

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

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**About Cann Group**

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

**Learn more at:** [www.canngrouplimited.com](http://www.canngrouplimited.com) | [www.satipharm.com](http://www.satipharm.com)

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