



## ASX ANNOUNCEMENT

Q4 – 30 JUNE 2025

# QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

### Highlights:

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**Produced 2.05 tonnes of dried flower, up 41% from the previous quarter – the highest quarterly production to date**

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**Full-year FY25 production reached 5.94 tonnes, up 33% on the prior year and well above the stated target range of 5.0–5.5 tonnes**

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**Sales reached \$2.51 million, an 8% increase on the previous quarter, bringing unaudited FY2025 revenue to \$11.31 million**

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**13% improvement in net operating cash outflows compared to the previous quarter (and 56% compared to the PCP), reflecting continued effective cost management**

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**61% improvement in net operating cash outflows (before interest) for the year despite higher production levels**

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**\$1.15 million in interest was capitalised during the quarter, up from \$1.03 million in the previous quarter, reflecting continued lender support**

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**\$1.86 million of new debt and equity funding was obtained this quarter**

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**31 July 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 June 2025 (**Current Quarter** or **CQ**). The prior quarter is 31 March 2025 (**Prior Quarter** or **PQ**) and the previous corresponding period is the quarter ended 30 June 2024 (**PCP**).

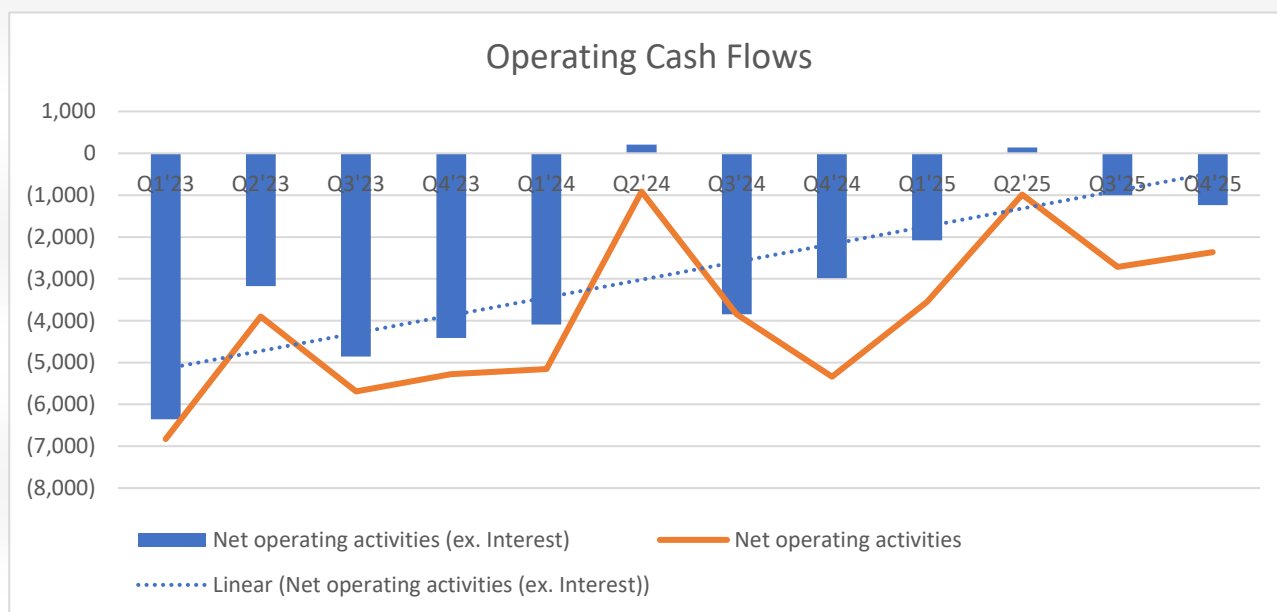
“This quarter, we’ve delivered record production driven by full-capacity cultivation and operational improvements, while introducing new cultivars and progressing sustainability and export initiatives,” said Jenni Pilcher, CEO. “FY2025 was a year of reset and scale-up, laying the foundation for a stable, efficient business. As we enter FY2026, our focus is on delivering a restructured balance sheet, maximising revenue and delivering an EBITDA-positive outcome for our stakeholders.”

## FINANCIAL UPDATE

Net cash outflows from operating activities for the Current Quarter were \$2.36 million representing a 13% improvement over the Prior Quarter of \$2.71 million. This quarter included:

- Receipts from customers totalled \$2.86 million and were broadly in line with the Prior Quarter of \$3.04 million
- Payments to suppliers totalled \$4.16 million, down 6% on the Prior Quarter of \$4.41 million
- \$0.33 million was received as a government grant to fund a CO<sub>2</sub> efficiency project
- \$0.12 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:



During the quarter, the Company completed a private placement (which was oversubscribed), raising \$0.71 million. Additionally, it secured a \$1.15 million loan from Radium Capital, collateralised against its anticipated FY2025 R&D tax credit. Further funding was obtained through the capitalisation of \$1.12 million in interest. The Company's discussions with its primary lenders regarding restructuring its debt facilities are well advanced.

## COMMERCIAL UPDATE

### Cann Group Expands National Footprint and Strengthens Market Position

Cann Group has broadened national distribution through new pharmacy and retail agreements, increasing access to its Australian-grown medicinal cannabis products. Implementation at new retail sites is underway, positioning the Company for continued growth into FY26.

The Botanitech™ product range showed strong momentum, with record monthly sales in April for our lead product, successful pricing strategies for value lines, and the launch of two new cultivars. Preparations for a new gummy range also progressed.

Cann strengthened B2B relationships through expanded supply agreements, new product formats, and increased order volumes. Demand for bulk flower exceeded 1,000kg in the quarter, underpinning long-term strategic partnerships.

Operational improvements in contract manufacturing included packaging updates, irradiation reviews, and pricing adjustments to align with market needs.

Cann continues to make progress with its export plans, initially focussing on Europe. Export remains a strategic focus to counter domestic market pressures, including oversupply of imported unregulated product from select overseas countries, aggressive discounting, and shifting regulatory dynamics.

Despite external challenges, such as unregulated imports, Cann Group remains committed to delivering high-quality products and supporting the sustainable growth of Australia's medicinal cannabis sector.

## PRODUCTION & PRODUCT DEVELOPMENT

### Production Growth and Innovation Drive Operational Performance

Cann Group achieved a record quarterly output of 2.05 tonnes of dried flower, a 41% increase over the Prior Quarter. Annual production reached 5.94 tonnes, up 33% year-on-year, driven by full-capacity cultivation and post-harvest efficiencies.

Five new cultivars with varying THC profiles (16–30% w/w) and a mix of Indica, Sativa, and hybrid strains have been introduced and are gaining market traction.

To maintain plant health and genetic integrity, the Company continues its tissue culture regeneration program, which is relocating from La Trobe University to the Mildura site, pending regulatory approval.

Sustainability initiatives progressed, including a government-funded CO<sub>2</sub> recovery project to reduce emissions and operating costs. UVC light trials are also underway to support access to European markets by reducing microbiological loads.

**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@canngrouponlimited.com](mailto:contact@canngrouponlimited.com)

Steven Notaro  
Company Secretary  
Cann Group Limited  
+61 3 9095 7088  
[contact@canngrouponlimited.com](mailto:contact@canngrouponlimited.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.canngrouponlimited.com](http://www.canngrouponlimited.com) | [www.satipharm.com](http://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 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,855	13,054
1.2 Payments for		
(a) research and development	-	(5)
(b) product manufacturing and operating costs	(1,743)	(5,793)
(c) advertising and marketing	(1)	(38)
(d) leased assets	-	-
(e) staff costs	(2,191)	(9,656)
(f) administration and corporate costs	(224)	(3,737)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid <sup>1</sup>	(1,122)	(5,429)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives <sup>2</sup>	330	2,595
1.8 Other (provide details if material) <sup>3</sup>	(268)	(604)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,364)</b>	<b>(9,612)</b>

1 Interest paid for the quarter includes \$1.11 million (\$3.057 million YTD) that has been capitalised to the Company's loans (also showing as proceeds from borrowings in the financing activities section)

2 Includes R&D Tax Incentive Rebate received in Q2 relating to financial year ending 2024 of \$1.965 million.

3 GST payments to ATO

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(89)	(172)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	15
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(89)</b>	<b>(157)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	712	2,741
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	(64)	(141)
3.5	Proceeds from borrowings <sup>4</sup>	2,414	7,668
3.6	Repayment of borrowings	(604)	(2,054)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (net cash from finance leases)	(33)	(135)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,425</b>	<b>8,079</b>

4 Includes \$0.9 million of interest capitalised on the Company's construction loan.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(66)	1,639
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,364)	(9,612)

**Appendix 4C**

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(157)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,425	8,079
4.5	Effect of movement in exchange rates on cash held	104	61
4.6	<b>Cash and cash equivalents at end of period</b>	<b>10</b>	<b>10</b>

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

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <sup>1</sup>	119
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>		

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

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																
7.1	Loan facilities	67,717	67,717																
7.2	Credit standby arrangements	-	-																
7.3	Other (Corporate Credit Cards)	50	-																
7.4	<b>Total financing facilities</b>	67,767	66,673																
7.5	<b>Unused financing facilities available at quarter end</b>		50																
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>The loan facilities have been provided by the National Australia Bank, and have the following terms:</p> <table border="1"> <thead> <tr> <th>Facility</th><th>Limit</th><th>Expiry Date</th><th>Interest Rate (per annum)</th></tr> </thead> <tbody> <tr> <td>NAB Construction Facility (secured)</td><td>\$52.1m</td><td>30 Sept 2025</td><td>BBSY + 2.64% (+0.35% facility fee) effective 24 May 2024</td></tr> <tr> <td>NAB Working Capital Facility (secured)</td><td>\$15.6m</td><td>30 Sept 2025</td><td>BBSY + 2.34% (+0.35% facility fee) effective 1 June 2024</td></tr> <tr> <td>Private Credit Lender (secured)</td><td>\$5.3m</td><td>30 Sept 2025</td><td>15%</td></tr> </tbody> </table> <p>In addition, Cann has a leasing facility which has a revolving leasing limit (MAFA) of \$0.75m which will decrease when goods are financed but increase again when repayments are made. Each financing lease covered under the MAFA will have a different rate, determined by the Reserve Bank of Australia's then current rate and the nature of the item that is being leased. Cann can repay each lease over a period of 24 – 60 months.</p>			Facility	Limit	Expiry Date	Interest Rate (per annum)	NAB Construction Facility (secured)	\$52.1m	30 Sept 2025	BBSY + 2.64% (+0.35% facility fee) effective 24 May 2024	NAB Working Capital Facility (secured)	\$15.6m	30 Sept 2025	BBSY + 2.34% (+0.35% facility fee) effective 1 June 2024	Private Credit Lender (secured)	\$5.3m	30 Sept 2025	15%
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Private Credit Lender (secured)	\$5.3m	30 Sept 2025	15%																

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,364)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10
8.3	Unused finance facilities available at quarter end (item 7.5)	50
8.4	Total available funding (item 8.2 + item 8.3)	60

<b>8.5</b>	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.0
<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>		
<b>8.6</b>	<b>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</b>	
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?	
No, the entity expects net operating cash flows to continue to improve over the coming quarters. More specifically, this improvement is expected to come from the following:		
<ul style="list-style-type: none"> <li>The Company is expecting to receive its R&amp;D Tax Refund by no later than the end of Q2 FY2026 which will materially improve cash flows from operating activities.</li> <li>The Company is in advanced discussions with lenders to restructure its debt position, which if successful, will materially reduce the interest paid currently reported in operating activities.</li> <li>The Company continues to improve net cash outflows from operations with efficient cost management and also expects to see growth in its receipts from customers.</li> </ul>		
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, the Company is in advanced discussions with lender(s) to provide additional growth and working capital which it expects to finalise by the end of this quarter.		
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. The Company expects to complete a major restructure of its balance sheet on or before 30 September 2025 which will include an injection of additional funding.		
<i>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.</i>		

### 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: .....31 July 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.