

Q3 – 31 MARCH 2026



QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Q3 HIGHLIGHTS:

Cann Group breaks into UK Market with its first dried flower export

German AMRadV licenses obtained supporting dried flower export

Trump administration reclassifies medical marijuana as a less dangerous drug¹ creating opportunities for Cann as a local, GMP producer

B2B Q3 purchase orders highest this financial year, with momentum continuing into Q4

Cash outflows from operations YTD improve 82% over the PCP to \$1.3M as the business benefits from cost optimisation and scale

Revenue on the rise – up 42% on PQ to \$2.32M (YTD \$6.84M)

Payments to suppliers down 25% on PCP and 8% on PQ

Strategic partnering options are being explored, discussions underway

29 April 2026 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ended 31 March 2026 (**Current Quarter** or **CQ**). The prior quarter is 31 December 2025 (**Prior Quarter** or **PQ**) and the previous corresponding period is the quarter ended 31 March 2025 (**PCP**).

CANN KICKS OFF EUROPEAN EXPORTS

Cann has officially commenced product exports to the United Kingdom. This month, Cann successfully exported ~120kg of medicinal cannabis flower from its Mildura facility to the UK, marking its first entry of own-grown flower into that market and a significant milestone in the Company's international growth strategy. The milestone highlights the Company's ability to

¹ Forbes by Zachary Folk and Conor Murray Apr 23, 2026 (EDT)

meet strict international regulatory and GMP standards, produce high-quality products at scale, and manage complex export logistics.

Building on this momentum, Cann has also (via its commercial partner) secured approval and issuance of AMRadV licences from the German Federal Institute for Drugs and Medical Devices (BfArM), permitting the treatment with ionising radiation of two medicinal cannabis products cultivated and produced by the Company. The AMRadV licences are a critical component of the overall suite of permissions required for the export of Cann flower to Germany, further strengthening its footprint in the European market.

With AMRadV approvals now in place for Germany, the Company is well-positioned to accelerate distribution across one of Europe's largest and most influential markets, likely in the second half of this year.

These achievements support Cann's strategy to expand globally and demonstrates the strength and transferability of its Australian manufacturing and quality systems.

U.S. MOVE TO RECLASSIFY MEDICAL MARIJUANA AS A LESS DANGEROUS DRUG

The Trump administration's acting attorney general Todd Blanche signed an order last Thursday reclassifying FDA-approved and state-licensed medical marijuana as a less dangerous drug, placing it in the less strictly regulated Schedule III category¹.

The move would shift state-licensed medical marijuana from Schedule I (no accepted medical use) to Schedule III (drugs such as Tylenol with codeine), bringing federal policy more in line with many states that already permit medical use. As a Schedule III substance, marijuana would be classified as having a moderate to low risk of dependence, similar to drugs like anabolic steroids, ketamine, and low-dose codeine products.

The change is intended to support more research into marijuana's safety and effectiveness, improving patient care and giving doctors better data. A hearing is set for June to consider broader reclassification.

This move will be positive for the medicinal cannabis sector in Australia as it will provide stronger clinical evidence base for the drug and greater medical legitimacy. It could also attract greater investment via institutional capital. Cann, as an Australian producer already operating under strict pharmaceutical-grade standards could benefit from supplying into or collaborating with the US market over time.

B2B BUSINESS GROWING, PRODUCTION STABLE OVER SUMMER

The Company had its strongest quarter for B2B orders so far in FY2026. Revenue recognition is upon delivery of product which means some of these orders will fall into next quarter's revenue.

The B2B business growth can be attributed to the following:

- Economies of scale and cost control means Cann can offer competitively priced flower against “cheap” imports
- Many customers are facing supply chain uncertainty and stricter import controls which has created opportunities for Cann to supply locally at short notice
- Concerns about the use of plant growth regulators (PGRs) in Thai flower highlight the Company’s strong quality controls as a competitive advantage
- New revenue stream created by commercialising trim material, which accounted for 6% of this quarter’s orders and is expected to grow
- One new white label customer was onboarded this quarter. In addition, GMP contract packing discussions across multiple parties are ongoing.

Production remained stable this quarter despite difficult summer conditions, with environmental systems performing well overall.

BOTANITECH HOLDING ITS OWN IN DOMESTIC MARKET

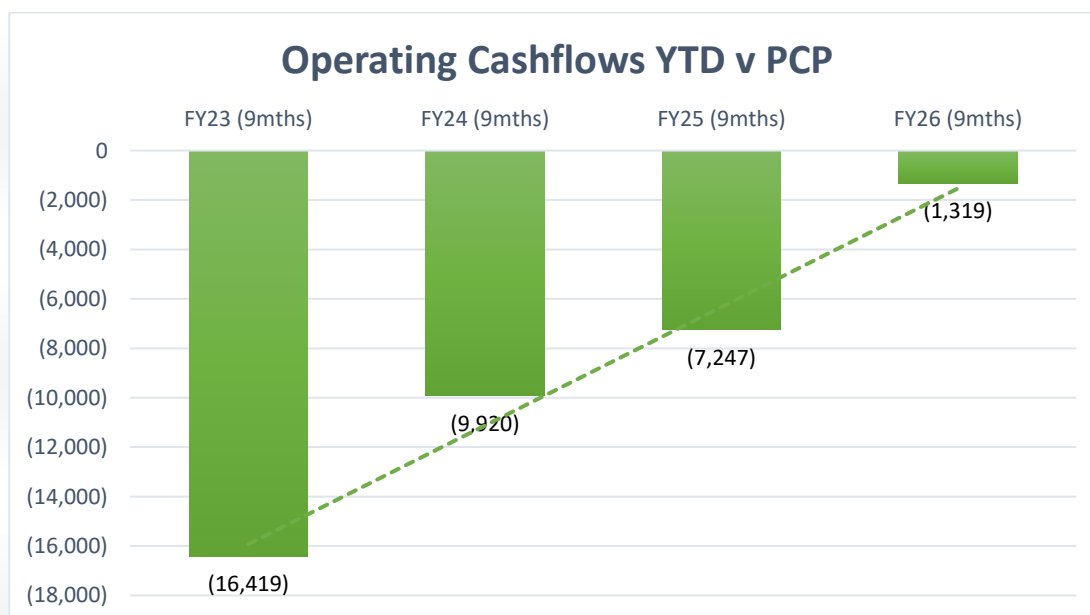
The domestic market remains highly competitive, with pricing pressure and regulatory uncertainty leading to more cautious prescribing, especially for higher THC products.

Despite this, the Company increased sales revenues this quarter by 42% (over the PQ) and has successfully retained key accounts, onboarded new customers, and maintained strong engagement across its network, reinforcing the resilience of its commercial relationships.

In response to local market conditions, Cann has adjusted its Botanitech product portfolio by introducing lower THC options to match prescribing trends. It also expanded digital engagement with healthcare professionals through its new digital marketing team which provides for a scalable and compliant outreach model.

QUARTERLY CASHFLOW RESULT

Cash flows from operations (YTD) continue to improve year on year, with an 82% improvement over the PCP, to -\$1.32 million, as the business nears cash flow break-even:



Cash outflows from operations for the Quarter were \$1.31 million, a 52% improvement over the PCP. The result also saw improvement against the Prior Quarter as follows:

- Receipts from customers of \$2.30 million, up 12% on the PQ, as trading conditions improve following a softer than expected Prior Quarter
- Payments to suppliers & staff of \$3.29 million were down 8% on the PQ and 25% on PCP as the Company continues to be vigilant with its expense management, which includes \$0.29 million paid to Directors (including the Managing Director) as related parties.

OUTLOOK

This first successful export of medicinal cannabis flower into the United Kingdom is an important validation of Cann's operational and regulatory capabilities. It demonstrates that product manufactured at our Mildura facility meets the stringent standards required for leading international markets and reinforces Cann's ability to participate in global medicinal cannabis supply chains. With supply into UK and Germany, exported flower is expected to contribute meaningful revenues in FY2027.

For FY2026, the Company is anticipating revenue for the year will be in the range of \$9.2 - \$10 million, with a corresponding EBITDA loss of \$3.5 to \$4 million, the latter representing a 40% to 50% improvement on the prior year (FY2025).

The Company is actively engaged in discussions with a number of potential strategic partners, including M&A opportunities, aimed at unlocking new avenues for growth and enhancing shareholder value. These discussions span areas such as acquisitions, partnerships, distribution, product development, market expansion, and operational synergies, with a focus on delivering long-term commercial and strategic benefits. The Company expects to provide the market with an update on these activities prior to 30 June.

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

FOR ALL INFORMATION PLEASE CONTACT

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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 operates a state-of-the-art large-scale cultivation and GMP manufacturing facility, with integrated research capability, near Mildura, Victoria. Through its Botanitech and Mallee Bloom brands, together with bulk and white label, Cann Group supplies a range of dried flower, oil, vape and edible medicinal cannabis products to customers in Australia and around the world.

Learn more at: www.canngrouponlimited.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")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,301	7,478
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(993)	(3,442)
(c) advertising and marketing	-	(4)
(d) leased assets	-	-
(e) staff costs	(1,687)	(5,204)
(f) administration and corporate costs	(610)	(1,407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	(333)	(444)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,777
1.8 Other (provide details if material)	13	(81)
1.9 Net cash from / (used in) operating activities	(1,307)	(1,319)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(42)	(146)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(42)	(146)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,000
3.2	Proceeds from issue of convertible debt securities	750	750
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(727)
3.5	Proceeds from borrowings	-	9,849
3.6	Repayment of borrowings	(17)	(16,752)
3.7	Transaction costs related to loans and borrowings	-	(289)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ²	(2)	(59)
3.10	Net cash from / (used in) financing activities	716	1,772

² \$1,234k of interest accumulated and capitalised in Q1 has been transferred to proceeds from borrowings as it was written off.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	955	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,307)	(1,319)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(146)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	716	1,772

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	9	13
4.6	Cash and cash equivalents at end of period	330	330

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	330	845
5.2 Call deposits	-	110
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)	330	955

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	293
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, STI, and fee 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	14,887	14,887
7.2	Credit standby arrangements	-	-
7.3	Other (Corporate Credit Cards)	-	-
7.4	Total financing facilities	14,887	14,887
7.5	Unused financing facilities available at quarter end		-
7.6	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. <u>Private Credit Loan Facility</u> Loan matures 12 December 2027, with bullet repayment at maturity. Interest rate of 9.5% p/a payable monthly in arrears, and an additional 3% p/a capitalised monthly to the loan balance. Secured by first-ranking security interest over all present and after-acquired assets and undertakings, including fixed and floating charges and guarantees, pursuant to a General Security Deed.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,307)
8.2	Cash and cash equivalents at quarter end (item 4.6)	330
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	330
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.25

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.

8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions: 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? The Company expects receipts from customers to grow which will improve the net operating cash flows given its export strategy, however it contains risk. Cash payments to suppliers and employees will remain fairly consistent for the time being. 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 discussions with its debt provider for further funding and expects to be granted a reprieve from monthly interest payments for a period of time. The Company is currently completing its R&D Tax calculations to support a new loan secured by the R&D Tax Refund, as it has done successfully over the past three years. In addition, it is in discussions with its broker to explore other avenues of funding eg capital raise, rights issue, and other structure products.	
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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, provided the funding in 8.6.2 is secured.

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 April 2026.....

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.