

ASX ANNOUNCEMENT

23 November 2020

Cann Group secures approval for \$50 million bank debt facility

- **Credit-approved construction loan facility from National Australia Bank**
 - **Final documentation now being executed**
 - **Debt funding clears path to recommence construction on Mildura production facility**
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23 November 2020 - Cann Group Limited (ASX: CAN) announced today that it has received credit approval from National Australia Bank (NAB) for a \$50 million secured debt facility. The Company expects to complete execution of documentation with NAB within the next month.

The loan is a construction facility which will be used by Cann Group to complete the first stage of its state-of-the-art medicinal cannabis production site near Mildura. The loan is being provided through NAB's agribusiness division and represents a strong endorsement of Cann Group's strategic growth plans.

The approval of debt funding clears a path to recommence construction at the Mildura site, with work expected to be underway in February 2021. The first stage of Mildura has an estimated 9 month build time, with first product expected to be processed and released by March 2022.

The first stage of the project will provide annual capacity to produce 12,500 kgs of dry flower equivalent. The total projected cost of completing the first stage is \$112 million, with Cann Group having already expended approximately \$53 million on site works and the facility superstructure. The balance of projected costs – some \$59 million – will be funded via the new bank loan facility and current cash reserves. As announced in July, a Victorian Government Development grant of \$1.95 million will contribute to the project and help establish Cann as a major employer in the district, with 130 new jobs created once the facility is commissioned.

Cann Group CEO, Peter Crock, said specialist overseas contractors have been cleared to arrive in Australia in the new year as part of the workforce remobilisation program.

“The commissioning of production at Mildura is an important step in Cann’s plan to produce GMP certified medicinal cannabis at scale. The facility will utilise world-leading technology, providing Cann with a globally competitive unit price based on substantial economies of scale.



“Securing the support of a tier one bank is a strong validation of our strategic growth plans. Given the building demand for our products, we have the confidence to immediately ramp up production as soon as the facility is ready.”

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

For further information please contact:

Peter Crock
CEO
Cann Group Limited
+61 3 9095 7088
contact@canngrouponlimited.com

Clive Fanning
Head of Investor Relations
Cann Group Limited
+61 3 9095 7088
clive.fanning@canngrouponlimited.com

Matthew Wright
NWR Communications
+61 451 896 420
matt@nwrcommunications.com.au

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**

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