

18 March 2026

ASX Market Announcements Office
ASX Limited
Level 4, North Tower
Rialto Building
525 Collins Street
Melbourne VIC 3000

Attention: Ms Melissa Kostopoulos

Dear Melissa

CLEANSING NOTICE – ISSUE OF CONVERTIBLE SECURITIES

This cleansing notice (**Cleansing Notice**) is given by Cann Group Limited (**Company**) under section 708A(12C)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82*.

The Company hereby confirms that:

- (a) the convertible notes described below will be issued without disclosure to an investor under Part 6D.2 of the Corporations Act; and
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the convertible notes issued by the Company on the terms described below, to be on-sold to retail investors without further disclosure.

This Cleansing Notice is important and should be read in its entirety.

1. BACKGROUND

1.1 Convertible Securities Agreement

As announced on 16 March 2026, the Company has entered into a convertible securities agreement (**Convertible Securities Agreement**) with Obsidian Global GP, LLC (**Obsidian**), a United States based investment group, to provide the Company with funding of A\$750,000.

The Company and Obsidian have agreed that, the funding will be provided shortly to the Company in exchange for the issue of 527,100 convertible notes (each with a face value of US\$1.15) (**Notes**).

For further information in relation to the Convertible Securities Agreement, please refer to the Company announcement dated 16 March 2026.

A summary of the rights, privileges and restrictions attaching to the Notes is set out in Schedule 1 of this Cleansing Notice.

2. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

(a) in relation to the Notes:

- (i) the effect of the issue on the Company;
- (ii) a summary of the rights and liabilities attaching to the Notes; and
- (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Notes; and

(b) any information that:

- (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
- (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - B. the rights and liabilities attaching to the Shares; and
- (iii) other information relating to the Company's status as a disclosing entity.

3. THE EFFECT OF THE ISSUE ON THE COMPANY

3.1 Effect of the issue on the Company

The principal effect of the issue of the Notes on the Company will be:

- (a) increase the Company's cash reserves by A\$750 thousand (before costs associated with the Notes);
- (b) an increase of the number of unquoted convertible notes on issue from nil to 527,100;
- (c) the Company having a liability for the aggregate maximum redemption amount of the Notes (being 105% of face value, in aggregate US\$551 thousand (currently equivalent to A\$787 thousand) (**Redemption Amount**); and
- (d) if the Notes are converted at the lowest possible conversion price, a maximum increase in the number of fully paid ordinary shares in the capital of the Company (**Shares**) on issue from 1,596,783,332 to 1,783,366,665.

Issue	Number of Shares
Shares on issue at 18 March 2026	1,596,783,332
Maximum shares issued on conversion of notes	186,583,333 ¹
Total shares on issue	1,783,366,665

¹ Inclusive of Placement Shares as described separate cleaning statement released on or about the same date as this cleaning statement.

3.2 Pro-forma Consolidated Statement of Financial Position

To illustrate the effect of the issue of the Notes on the Company, a pro-forma Consolidated Statement of Financial Position (**Pro-forma Accounts**), which is set out below, has been prepared based on the financial position of the Company's 31 December 2025 auditor reviewed accounts.

The Pro-forma Accounts shows the effect of the issue of the Notes as if they had been issued on 31 December 2025, and no other transactions, in addition to the issue of the Notes, have occurred.

The accounting policies adopted in the preparation of the Pro-forma Accounts are the same as those used in the preparation of the 31 December 2025 Financial Accounts that were subject to an independent audit review. The historical and Pro-forma Accounts are presented in an abbreviated form, insofar as they don't include all of the disclosures required by Australian Accounting Standards applicable to Full-Year Financial Statements. The Pro-forma Accounts have not been subjected to independent audit or review.

The Pro-forma Accounts have been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities on the basis that the issue of the Notes were issued on 31 December 2025. The Company advises that the Pro-forma Accounts does not reflect the current financial position of the Company as at the date of this Cleansing Notice, and that the information is provided for illustrative purposes only.

The Pro-forma Accounts show the impact that the issue of the Notes and associated securities would have had on the Company's financial position as at 31 December 2025, if these securities were issued on that date, taking into account the following transaction:

- (a) The issue of the Notes to Obsidian for the investment of A\$750 thousand in cash, but with a Face Value of US\$551 thousand;
- (b) The costs of the issue of the Notes of A\$10,000; and
- (c) the issue of 8,416,667 Shares (New Placement Shares).

	31 December 2025 Actual	Adjustment for issue of Notes	31 December 2025 Proforma
	000'\$	000'\$	000'\$
Current Assets			
Cash and cash equivalents	955	740	1,695
Other current assets	7,969		7,969
Total Current Assets	8,924	740	9,664
Non-Current Assets			
Total Non-Current Assets	46,619	-	46,619
TOTAL ASSETS	55,543	740	56,283
Current Liabilities			
Other current liabilities	21,025	-	21,025
Convertible note liability	-	682	682
Total Current Liabilities	21,025	682	21,707
Non-Current Liabilities			
Other non-current liabilities	235	-	235
Total Non-Current Liabilities	235	-	235
TOTAL LIABILITIES	21,260	682	21,942
NET ASSETS	34,283	58	34,341
Equity			
Issued capital	197,317	58	197,375
Other reserves	2,404	-	2,404
Accumulated losses	(165,438)	-	(165,448)
TOTAL EQUITY	34,283	58	34,341

3.3 Potential effect on capital structure

- (a) As at the date of this Cleansing Notice, the total number of issued Shares is 1,596,783,332 (after the issue of New Placement Shares noted above).
- (b) The capital structure of the Company will be affected by the conversion of Notes by the Noteholder.
- (c) Subject to limits on the conversion under the Convertible Securities Agreement, the Notes can be at the election of Obsidian, converted into Shares (at the applicable conversion price) at any time after their issue and prior to 18 months from the date of issue of the Notes (the **Maturity Date**).

(d) Further the Notes

- (i) may be redeemed at the election of Obsidian, if the Company undertakes a fund raising in excess of A\$2.5 million, up to a maximum of 20% of those funds raised (in which case the Redemption Amount will be reduced to 100% of the Face Value);
- (ii) may be redeemed at the election of the Company (in amounts of not less than A\$175,000) at any time before the Maturity Date (subject to Obsidian not seeking to convert the same); or
- (iii) must be redeemed by the Company at the Maturity Date.

(e) The effect on the capital structure of the Company upon (1) issue and (2) conversion of the Notes is as follows:

Upon issue

Convertible Notes	Number
Convertible notes on issue at the date of this Cleansing Notice	Nil
Notes to be issued under the Convertible Securities Agreement	527,100
Total convertible notes on issue following issue of the Notes under the Convertible Securities Agreement	527,100

Upon Conversion

Shares	Number
Shares on issue at the date of the Cleansing Notice	1,596,783,332
Shares issued upon conversion of the Notes ⁽¹⁾	186,583,333
Total shares on issue following conversion of the Notes	1,783,366,665

Note 1: This assumes that all the Notes are converted at the lowest possible Conversion Price. The actual number of Shares to be issued on conversion will be calculated in accordance with the conversion formula for the Notes, as detailed in Schedule 1.

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE NOTES

The Shares issued to the Noteholder on the conversion of the Notes under the Convertible Securities Agreement will rank equally in all respects with all of the Company's existing Shares.

Under the Convertible Securities Agreement, the Company is required to apply to ASX for quotation of the Shares issued on conversion of any Notes.

Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which can be inspected free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) General meetings

Directors may call a meeting of Shareholders whenever they think fit, by Board resolution. Shareholders may call a meeting as provided by the Corporations Act. All Shareholders are entitled to a notice of meeting.

A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is three eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the ASX Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a company) to speak and to vote at general meetings of the Company.

(b) Voting rights

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any Share held by the Shareholder and a fraction of a vote (for the amount paid) for every partly paid Share.

A poll may be demanded by the chairperson of the meeting, any five Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

(c) Dividends

The Directors may, in accordance with the Corporations Act, declare and authorise the distribution from the profits of the Company, dividends to be distributed to Shareholders according to their rights and interests attaching to the shares. The Directors may, before declaring any dividend, set aside reserves out of the profits of the Company which at the Directors' discretion may be used in the business of the Company or be invested in such investments as the Directors think fit. Except to the extent that the terms of issue of shares provide otherwise, each dividend must be distributed according to the amount paid up on the Share in a manner calculated in accordance with the Constitution.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements and the relevant settlement rules of the ASX, and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia.

Where the Shares are classified by the ASX as 'Restricted Securities' certain restrictions on transfer will also apply.

(f) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(g) Directors

The business of the Company is to be managed by or under the direction of the Directors.

Directors are not required under the Constitution to hold any Shares.

Unless changed by the Company in general meeting, the minimum number of Directors is three and the maximum is 15. The existing Directors may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director will hold office until the conclusion of the next general meeting (at which meeting he or she may be eligible for election as a Director).

The Constitution contains provisions relating to the rotation and election of directors. No Director other than the Managing Director may hold office later than the third annual general meeting after his or her appointment or election, without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed director must be received at the Company's registered office not later than 35 Business Days before the meeting.

(h) Variation of shares and rights attaching to shares

The rights and privileges attached to any Shares may be varied in accordance with the requirements of the Corporations Act, and the Company's share capital may be altered in any manner permitted by law.

(i) Unmarketable parcels

The Company may procure the disposal of Securities where the member holds Securities of which the aggregate market value is less than a marketable parcel of Securities within the meaning of the ASX Listing Rules (i.e., a parcel of Securities with a market value of less than \$500). To invoke this procedure, the Company must first

give notice to the relevant member holding less than a marketable parcel of Securities and follow the relevant procedure under the Constitution.

(j) Share buy backs

The Company may buy-back Shares in itself in accordance with the provisions of the Corporations Act.

(k) Indemnity and insurance of Officers

Under the Constitution, the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, and against costs and expenses incurred by the officer in defending civil or criminal proceedings; unless the liability arises out of their own dishonesty, negligence, lack of good faith or breach of duty.

To the extent permitted by law, the Company may also pay the premium on any insurance policy for any person who is or has been, an officer against a liability incurred by that person in his or her capacity as an officer of the Company or a subsidiary of the Company.

(l) Changes to the Constitution

The Constitution can only be amended in accordance with the requirements of the Corporations Act.

(m) Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in the Constitution, no act may be done that is prohibited by the ASX Listing Rules, and authority is given for acts required to be done by the ASX Listing Rules. The Constitution will be deemed to comply with the ASX Listing Rules, as amended from time to time.

5. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors’ statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

(a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2025 (**Latest Annual Report**);

(b) any half-year financial report lodged by the Company with ASIC after the lodgment of the Latest Annual Report and before the lodgment of this Cleansing Notice with ASX; and

(c) any continuous disclosure notices given by the Company to ASX after the lodgment of the Latest Annual Report and before the lodgment of this Cleansing Notice with ASX.

A list of the continuous disclosure notices given by the Company to ASX after lodgment of the Latest Annual Report and before the lodgment of this Cleansing Notice with ASX is set out in the table below.

Date	Announcement
1 Oct 2025	Debt Facility Extension
15 Oct 2025	Further Debt Facility Extension
23 Oct 2025	Trading Halt
27 Oct 2025	Major Debt Restructure and Capital Raise
27 Oct 2025	Capital Raising Presentation
29 Oct 2025	Quarterly Activities / Appendix 4C Cash Flow Report
30 Oct 2025	Share Purchase Plan Offer Booklet
30 Oct 2025	Share Purchase Plan Offer Opens
31 Oct 2025	Further Debt Facility Extension
11 Nov 2025	NAB Forbearance & Settlement Deed + SPP Update
20 Nov 2025	Cann Group Raises \$2.5M via SPP
28 Nov 2025	Chair's Address to Shareholders
28 Nov 2025	CEO & Managing Director AGM Presentation
15 Dec 2025	Cann Successfully Completes Debt Restructure
22 Dec 2025	Prospectus
30 Jan 2026	Quarterly Activities / Appendix 4C Cash Flow Report
27 Feb 2026	Appendix 4D and Half Year Report
27 Feb 2026	Cann announces FY25 half year results
16 Mar 2026	Cann Raises \$750k via Convertible Note
16 Mar 2026	Proposed issue of securities - CAN
18 Mar 2026	Application for quotation of securities
18 Mar 2026	Cleansing notice

6. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and, in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

(a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(b) the rights and liabilities attaching to the Notes and the Shares.

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

SCHEDULE 1

Summary of the rights, privileges and restrictions attaching to the Notes

The key terms of the Convertible Securities Facility are set out below:

Purchase Price	A\$750,000
Maturity Date	The day which is 18 months after the Execution Date
Number of Convertible Securities to be issued	That number equal to the actual amount paid in US\$ being 527,100 Notes
Face Value	US\$1.15 per Convertible Security
Coupon	Nil
Premium Conversion Price	A\$0.015
Variable Conversion Price	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
Default Conversion Price	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
Adjustment to Conversion Price	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.
Maximum Share Number	The aggregate maximum number of fully paid ordinary shares in the Company (Shares) that the Company, without the Company first obtaining shareholder approval, may or is required to issue as the Commitment Shares, Placement Shares, or one or more conversions, or other redemptions of the Convertible Securities issued at the First Purchase is 195,000,000 Shares. Shareholder approval is required to be sought if additional Shares are required to be issued. The issue of Convertible Securities pursuant to any Subsequent Purchases will be subject to shareholder approval.
Placement Shares	The Company must issue 8,416,667 "New Placement Shares" to Obsidian within 5 days of the Execution Date.

	<p>Obsidian shall retain 10,333,333 “Existing Placement Shares” which were previously issued under Convertible Securities and Share Placement Agreement between the Parties executed on or about 20 November 2023, as varied by a Deed of Variation between the Parties executed on or about 27 February 2025 (Prior Agreement).</p> <p>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.</p>
Conversion - optional	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)
Redemption Amount	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.
Redemption - on fund raising	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.
Early redemption - company election	<p>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.</p> <p>Obsidian may deliver a conversion notice which will take priority over the Company's early redemption election.</p>
Redemption at Maturity Date	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.