

Cann Global Limited: Rights Issue Update

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Sydney, Australia - [Cann Global Ltd.](#) (ASX:CGB) today confirms that its Directors and largest shareholders intend to participate in the rights issues announced on 3 July 2020. The announcement included a 1 for 4 pro-rata non-renounceable Entitlement Offer for eligible shareholders of fully paid ordinary shares (New Shares) on the basis of 1 New Share for every 4 existing shares held at the record date of 9 July 2020 (Record Date), together with 1 for 2 free attaching options (New Options). Eligible shareholders may apply for Additional New Shares and Additional New Options in addition to their entitlement.

Shares under the Entitlement Offer will be issued at \$0.005 per New Share which represents a 34% discount to the 3 months VWAP of \$0.007574.

The maximum number of New Shares which will be issued under the Entitlement Offer is 847,497,261 raising up to approximately \$4.24 million (before expenses, based on the current capital structure of the Company). New Options will have an exercise price of 1.2 cents exercisable on or before 31 January 2022.

Proceeds from the Entitlement Offer, less expenses, will be used to progress existing research projects as well as to provide working capital for inventory purchases and marketing of existing products, and flexibility to invest in strategic growth projects.

Directors Pnina Feldman and Sholom Feldman intend to fully participate their shareholding in the rights issue. This commitment is testament to their confidence in the growth opportunities to which these funds are being partially applied.

In addition, two of Cann Global's largest shareholders, LBT Corp and founder and Director of CGB's subsidiary Medical Cannabis Limited Andrew Kavasilas, who together represent approximately 20% of issued shares, have indicated their intention to participate for their pro-rata share entitlement.

New Shares issued under the Entitlement Offer will rank equally with existing shares and the Company will apply for official quotation of the New Shares and New Options.

As the Entitlement Offer is non-renounceable, existing shareholders who do not take up their entitlement will not receive any value for their entitlement, and their proportionate interest in Cann Global will be diluted.

Cann Global continues to progress a number of initiatives within each of its five business divisions. In particular the plant-based food division is generating strong cash flow and is in a growth phase towards profitability. Part of the additional funds raised from the Entitlement Offer will be applied to building up further inventory to meet demand, and marketing initiatives to expand our product reach and further diversify the business.

The Company is also working with CGB's non-executive Director John Easterling, to produce the medicinal Cannabis formulations that have been used by Olivia Newton-John in her health challenges and to which she credits assisting her return to good health. Cann Global intends to produce these formulas in Australia and make it available to patients as soon as possible through the Special Access Scheme, Medical Cannabis program in Australia, and to also explore its potential to provide to patients globally. Cann Global intends to actively support Olivia's wish for clinical trials using these formulas to be conducted with cancer patients. This project is still in the early development stages and requires further capital investment to develop and take to market.

The Company continues to progress product development in their pharmaceutical and skin care divisions and their Cannabis cultivation operations in Asia and is focused on driving a return on investment for each of these divisions. The additional funds raised from the entitlement offer will support the continuation of these efforts.

Managing Director Sholom Feldman says, "The capital raised will strengthen our ability to invest further in our supply chain and a series of other strategic initiatives across our five divisions. Importantly, it will give us greater flexibility to invest in those opportunities that are driving the current sales momentum being experienced by the business, highlighted by the quarter-on-quarter growth delivered consistently over the past 18 months.

With a buoyant pipeline and commitment to invest for growth, this opportunity to strengthen our balance

sheet ensures that we remain strongly positioned to capture a growing share of the burgeoning medicinal cannabis market globally.

We are confident our strategy is the right one to unlock value for our shareholders, with this being another positive step forward to solidifying our position in the market."

About Cann Global Limited:

[Cann Global Ltd.](#)'s (ASX:CGB) primary focus is to legally grow and cultivate hemp to research and develop medicinal cannabis products to service an increasing demand in the Australian and global markets.

[Cann Global Ltd.](#) has a 100% shareholding in Medical Cannabis Ltd (MCL) and a management agreement with Medcan Australia Pty Ltd (Medcan) which operate a business cultivating, researching, developing and soon to be distributing medicinal cannabis products in Australia. Our Medical Cannabis division has been a key value driver for the Group.

The Group also retains an interest in its existing Bauxite Projects.

Source:

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