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Market Announcements Platform
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Refinancing / Extension of Convertible Notes and Re-investment

Cann Global Ltd (**ASX: CGB, Company**) is pleased to advise that the Company has entered into agreements for the refinancing of the convertible notes currently on issue through an assignment and variation arrangement (**Refinancing**) between the Company, L1 Capital Global Opportunities Master Fund (**L1**) and Obsidian Global GP, LLC (**Obsidian**), whereby Obsidian has agreed to buy out the convertible notes from L1 (**Existing Notes**).

Upon L1 receiving the funds from Obsidian, L1 has agreed to re-invest a further \$862,000 (before costs) into the Company by way of a placement of \$250,000 for 25,000,000 new shares at 1c per share (**New Shares**) (with with 1:1 free attaching 2.5c, 3 year options) and \$612,000 in return for 680,000 new convertible notes issued jointly by CGB and CGB's wholly owned subsidiary Medical Cannabis Research Group Pty Ltd (**MCRG**) to be repaid in the first instance by MCRG in 8 months from the issue date, or otherwise by CGB (**New L1 Notes**).

Proceeds from the Capital-Raising are expected to be applied towards furthering the commercialisation of the MS research being undertaken by MCRG in conjunction with the Technion in Haifa, Israel, and for general working capital.

The New Shares will be issued at a price of \$0.01 per share, while the New L1 Notes are to be issued with a face value of \$0.90 per note and otherwise on the terms set out in Annexure 1.

As set out in the annexure, the notes may be converted into ordinary shares of either MCRG (in the event that MCRG becomes separately listed) or, CGB. No decision has yet been made regarding any potential separate listing of MCRG. Any potential future listing of MCRG (and conversion of the notes into MCRG shares) is expected to be subject to ASX and shareholder approvals, including in relation to Listing Rule 11.4.

Re-financing

The Company has entered into an agreement with L1 and Obsidian whereby Obsidian will acquire all of the 2.6 Million convertible notes issued to L1 during late 2019 (see ASX announcement dated 5 November 2019). Pursuant to the terms of the refinancing, the terms of the notes will be amended such that their maturity date will now be 80 days from execution to enable shareholder approval to issue replacement notes that will extend the maturity date to 31 March 2021 (**Replacement Notes**). Other changes to the terms of the notes will be as set out in Annexure 2.

Concurrently with the assignment and amendment of the Existing Notes, and in consideration for the refinancing, the Company will issue 375,556 additional notes (on the same terms and conditions as existing notes) and 25,000,000 fully paid ordinary shares (**Refinancing Shares**)

to Obsidian, which will be held by Obsidian as collateral shares. L1 will retain its existing holding of 25 Million collateral shares issued during 2019 to be transferred as collateral for the additional financing being provided.

Shareholder approval will not be required for the Capital-Raising securities, Refinancing Shares or additional notes, which will be issued using the Company's existing capacity under Listing Rule 7.1. As mentioned above, Shareholder approval will be sought for the Replacement Notes.

Commenting on the transactions, CGB's Managing Director Sholom Feldman said: *"We are very pleased with the continued support to the Company and its business being demonstrated by L1, particularly in supporting the advancing of the significant research being undertaken by the Company through its subsidiary MCRG which has the potential to help millions of people worldwide, as well as welcoming the confidence in the Company being shown by Obsidian through this significant investment."*

Authority and Contact Details

This announcement has been authorised for release by Pnina Feldman, Executive Chairperson.

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Annexure 1 – Details of New L1 Notes

Background

As advised in the accompanying announcement the Company, jointly with its subsidiary Medical Cannabis Research Group Pty Ltd (**MCRG**) has issued 680,000 secured convertible notes (**Notes**) to L1 Capital Global Opportunities Master Fund (**Investor**).

Proceeds from the issue of the convertible notes are expected to be applied towards furthering the commercialisation of the MS research being undertaken by MCRG in conjunction with the Technion in Haifa, Israel, and for general working capital.

The Notes have an initial term of 120 days, with a resolution to be put to CGB Shareholders to approve the issue of longer-term replacement convertible notes (**Replacement Notes**) at a General Meeting of Shareholders to be held prior to the maturity date of the Notes.

In the event that MCRG becomes separately listed prior to the Maturity Date of the New L1 Notes (or Replacement Notes as the case may be), the New L1 Notes may be converted into ordinary shares of MCRG. It is acknowledged that any future separate listing of MCRG will be subject to the approval of ASX and (if required) CGB Shareholders.

Further material details on the terms and conditions of the Notes and Replacement Notes are as set out below:

Interest: 0% p.a. (except on Event of Default 10%)

Face Value: \$1 per Note

Purchase Price: \$0.90 per Note

Drawdown Fee: 3% of Face Value

Maturity

Notes	The date which is 8 months after the Issue Date, provided that the Investor may extend the Maturity Date of the Convertible Securities by up to the date which is 12 months after the Issue Date by giving written notice to the Company
Replacement Notes (subject to Shareholder Approval)	12 months from issue date of initial Notes

Conversion and Repayment

Conversion into CGB Shares: 85% of the average of the daily VWAPs during the 5 Actual Trading Days prior to the Conversion Notice Date, rounded down to the nearest A\$0.001

Conversion into MCRG Shares: 80% of the IPO Price

Maximum Share Number

The number of CGB shares which may be issued upon conversion of the Notes is subject to a maximum of 25,000,000 shares. This restriction will not apply to the Replacement Notes (subject to Shareholder Approval)

Collateral Shares

The Company has issued to the Investor 25,000,000 Collateral Shares, on the basis that the value of the Collateral Shares will be set off against the Company's obligations with respect to the Convertible Securities in accordance with the agreement between the parties. If at any time the Collateral Shareholding Number multiplied by the then-current Collateral Price is less than \$250,000, the Investor may on a single occasion give notice to CGB requiring CGB to issue CGB Shares to the Investor as additional Collateral Shares so that (following the issue) the Collateral Shareholding Number multiplied by the then-current Collateral Price will be at least \$250,000, provided that the maximum amount of CGB Shares that the Investor may require CGB to issue in this manner is \$150,000 divided by the then-current Collateral Price. The Collateral Price is defined as 85% of the average of the daily VWAPs of CGB Shares during the 5 Actual Trading Days prior to the date of a Collateral Purchase Notice.

Annexure 2 – Details of Amendments to Convertible Note Terms

As advised in the Company's announcement dated 5 November 2019 the Company has issued 2,600,000 secured convertible notes (**Notes**) to an Investor.

Subsequently, the Company has negotiated an assignment and amendment of the terms of those notes, including requirements that additional notes and Refinancing Shares are issued to the investor. Other amendments include the following:

- the Maturity Date for the convertible securities (including the additional notes) is amended to 80 days after the Execution Date;
- the date by which Shareholder Approval to issue the Replacement Notes (as defined in the Convertible Securities Agreement) is amended to 80 days after the Execution Date;
- all Convertible Securities are to be held in US\$ using the Exchange Rate at Completion and any payments for redemption of Convertible Securities are to be made in US\$.

Annexure 3 – Summary of proposed issues (all issues to be under Company's 15% capacity under Listing Rule 7.1)

New Securities

	Shares (CGB)	Unlisted Options (CGBAF)	New L1 Notes	Existing Convertible Notes (CGBAE)
L1 Placement	25,000,000	25,000,000	-	-
Refinancing Securities	25,000,000	-	-	375,556
New L1 Notes	-	-	680,000	-
Total	50,000,000	25,000,000	680,000	375,556

Aggregate Maximum number of Shares on conversion of notes (and additional Collateral Shares if applicable)

Unless and until shareholder approval is granted for the issue of Replacement Notes, the aggregate maximum number of shares which can be issued under the relevant convertible note agreements upon conversion of convertible notes and/ or, where applicable, any requirement to issue additional Collateral Shares is as follows:

New L1 Notes	25,000,000
Existing Convertible Notes (CGBAE)	200,000,000
Total	225,000,000