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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EU (WITHDRAWAL) ACT 2018 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE FUNDRAISE WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION (AS DEFINED IN MAR), AS PERMITTED BY MAR. THIS INSIDE INFORMATION IS SET OUT IN THIS ANNOUNCEMENT. THEREFORE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION RELATING TO THE COMPANY AND ITS SECURITIES.



9 May 2023

**Kanabo Group plc**  
("Kanabo", the "Group" or the "Company")

#### **Fundraise of £2.54 million and Broker Option**

Kanabo Group plc (LSE: KNB), the patient focused healthcare technology and cannabis company, is pleased to announce the completion of a fundraise (the "Fundraise") to raise approximately £2.54 million via the issue of 88,194,443 new Ordinary Shares ("Fundraise Shares"). Additionally, the Company has also agreed to issue investors warrants to purchase up to 44,097,220 new Ordinary Shares. Participants in the fundraising include a new institutional investor as well as the Group's recently appointed Non-Executive Chairman, Ian Mattioli, Chief Executive Officer, Avihu Tamir and other Directors and Officers of the Company. The issue of the shares to the Directors and Officers of the Company in the Fundraise, is conditional upon the approval by the Company's shareholders of certain resolutions to be proposed at the annual general meeting of the Group (the "AGM").

#### **Avihu Tamir, Chief Executive Officer of Kanabo, commented:**

"We are delighted to be announcing this fresh capital injection, which further endorses the strength and quality of our business and highlights the confidence we have in our growth strategy. This raise will not only accelerate the roll-out of our online platform but will also enable our team to pursue a number of exciting commercial opportunities.

"As we continue to further develop our commercial footprint, I look forward to updating shareholders on our progress over the course of the year."

#### **Key Highlights and Rationale**

The Fundraise proceeds will be allocated towards the following strategic initiatives for Kanabo:

1. Expansion of digital health services division:

Kanabo intends to drive growth by extending the reach of its digital health services, addressing the growing need

for accessible and personalised healthcare.

2. Investment in technology and network growth:

To meet the increasing demand for consultation services, Kanabo will further invest in technology and expand its pharmacy network, ensuring efficient delivery of medications.

3. Product development focused on pain management:

Kanabo plans to invest in developing pain management solutions using medicinal cannabis products and other treatments that are not available through traditional channels.

4. General working capital:

The remaining proceeds will be used for general working capital purposes, supporting the company's daily operations and strategic plans.

By focusing on these initiatives, Kanabo aims to strengthen its position in the digital healthcare sector and capitalise on the rising demand for medicinal cannabis products and digital health services.

#### Details of the Subscription

Kanabo Group plc has raised approximately £2.54 million via the issue of 88,194,443 new ordinary shares of 2.5p each ("Ordinary Shares") at a price of 2.88p per share ("Fundraise Price"). The Fundraise Price was calculated based on a 30-day VWAP from the day that commercial terms were agreed with investors.

Each Fundraise Share issued pursuant to the Fundraise has half a warrant (the "Warrants") attached, granting the holder the right to subscribe for an additional half a new ordinary share at an exercise price of 5.76 pence for a period of 24 months following Admission. As such, the Company has agreed to issue investors Warrants to purchase up to 44,097,220 new Ordinary Shares. The Warrants cannot be exercised in the first 90 days of admission of the Fundraise Shares and are subject to a prospectus being published and the receipt of approval at a General Meeting of the Company.

The £2.54 million subscription is composed of a £2.0 million invested by the alternative asset management fund Seamróg Em Multi-Strat Sub-Fund ("Seamróg Em"), which is regulated by the Central Bank of Ireland, and a £0.54 million investment by officers and directors of the Company of which further details can be found below. Application will be made for admission of the new Ordinary Shares issued as part of the Fundraise to the Standard List of the London Stock Exchange ("Admission").

Seamróg Em will be issued with 69,444,444 new Ordinary Shares at the Fundraise Price, which will represent 13.6 % of the issued share capital of the Company following completion on the Fundraise. Additionally, the Company has issued Seamróg Em with 34,722,222 Warrants.

#### Directors' participation in the Fundraise

Board members Mr Ian Mattioli (Non-Executive Chair), Mr David Tsur (Deputy Chair), Mr Avihu Tamir (Chief Executive Officer) and Executive team member Mr Suleman Sacranie (Chief Technology Officer and Founder of the GP Service) (together "Directors and Officers") have all participated in the subscription.

The Company does not have sufficient headroom to issue the new Ordinary Shares to be allocated to the Directors and Officers as part of the Fundraise. As a result, the Directors and Officers have agreed that the new Ordinary Shares to be issued to them will be conditional upon the approval by the Company's shareholders of certain resolutions to be proposed at the AGM. Notice of the AGM will be set out in a circular to be issued shortly. Settlement of the Directors' and Officers' participation is expected to occur on or around 15 May, with the new Ordinary Shares to be issued subject to the AGM. The Company will issue further announcements in this regard.

The number of shares subscribed for by each of these Directors and the conversion of the Fee Shares, are set out below:

<i>Director/Officer</i>	<i>Number of Existing Ordinary Shares</i>	<i>Number of New Ordinary Shares subscribed for</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Number of new Warrants issued</i>	<i>Percentage of enlarged share capital on Admission</i>
Mr Ian Mattioli	500,000	17,361,111	17,861,111	8,680,555	3.5%
Mr David Tsur	9,061,102	173,611	9,234,713	86,805	1.8%
Mr Avihu Tamir	97,263,870	520,833	97,784,703	260,416	19.1%

Mr Suleman Sacranie	10,651,230	694,444	11,345,674	347,222	2.2%
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### Broker Option

In order to provide qualified Kanabo shareholders ("Existing Shareholders") and other qualified investors with an opportunity to participate on the same basis as the investors in the Fundraise, the Company has granted Peterhouse a Broker Option over 6,944,444 new Ordinary Shares (or such other number of new Ordinary Shares as agreed between the Company and Peterhouse) ("Broker Option Shares"). Full take up of this number of new Ordinary Shares under the Broker Option would raise a further £200,000 for the Company, before expenses.

Existing Shareholders who hold shares in the Company and are on the register of members as at the close of business on 5 May 2023, will be given a priority right to participate in the Broker Option and all orders from such Existing Shareholders will be accepted and processed by Peterhouse, subject to scale-back in the event of over-subscription under the Broker Option. The Broker Option has not been underwritten. Peterhouse is entitled to participate in the Broker Option as principal.

The Broker Option is exercisable by Peterhouse on more than one occasion, at any time from the time of this announcement to 4.45 p.m. UK time on 9 May 2023, at its absolute discretion, following consultation with the Company. There is no obligation on Peterhouse to exercise the Broker Option or to seek to procure subscribers for the Broker Option. Peterhouse may also, subject to prior consent of the Company, allocate new shares after the time of any initial allocation to any person submitting a bid after that time.

The Broker Option Shares are not being made available to the public and none of the Broker Option Shares are being offered or sold in any jurisdiction where it would be unlawful to do so. No Prospectus will be issued in connection with the Broker Option.

To subscribe for Broker Option Shares, Existing Shareholders and other qualified investors should communicate their bid to Peterhouse via their stockbroker as Peterhouse cannot take direct orders from individual private investors. Existing Shareholders or other interested parties who wish to register their interest in participating in the Broker Option Shares should instruct their stockbroker to call Peterhouse on STX: 76086 or 020 7469 0938 or 020 7469 0936 or 020 7220 9797. Each bid should state the number of Broker Option Shares the Existing Shareholder wishes to subscribe for at the Issue Price.

### Admission

Application will be made to the Financial Conduct Authority for Admission of the 69,444,444 new Ordinary Shares issued to Seamróg Em to the London Stock Exchange (the "LSE"). It is expected that Admission will take place at 8.00 a.m. on or around 12 May 2023 and that dealings in the 69,444,444 new Ordinary Shares on the LSE will commence at the same time. The remaining new Ordinary Shares to be issued as part of the Fundraise, including the Ordinary Shares to be issued to Directors and Officers and the Broker Option shares will be applied for Admission in due course.

When issued, the Fundraise Shares will be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares in the share capital of the Company, including the right to receive all dividends and other distributions declared, made, or paid on or in respect of such shares after the date of issue of the Fundraise Shares.

### Total voting rights

Following Admission of the Fundraise Shares, the Company will have 511,110,499 Ordinary Shares in issue, each share carrying the right to one vote. This figure includes the Ordinary Shares to be issued to Directors and Officers but excludes any Ordinary Shares to be issued as part of the Broker Option.

Kanabo is a company incorporated in England and Wales with company number 10485105. The Ordinary Shares are registered with ISIN GB00BYQCS703, SEDOL code BYQCS70 and TIDM KNB.

### Enquiries:

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#### About Kanabo Group Plc

Kanabo Group Plc (LSE:KNB) is a healthtech company committed to revolutionising patient care through its innovative technology platform and disruptive product offerings. Since its inception in 2017, Kanabo has been focused on researching, developing, and commercialising regulated medicinal cannabis-derived formulations and therapeutic inhalation devices.

Kanabo's NHS-approved online telehealth platform, The GP Service, provides patients with video consultations, online prescriptions, and primary care services. The Company is a leader in its field, focusing on improving patient outcomes and providing more accessible healthcare experiences.

In March 2023, Kanabo successfully launched its Pain Clinic, Treat It, under the expert guidance of its technological and product expertise. Treat It initially focuses on chronic pain management using plant-based medicine and treatments that are currently unavailable through traditional channels.

At Kanabo Group Plc, we are dedicated to providing patients with the highest quality medical treatments and more accessible healthcare experiences.

Visit [www.kanabogroup.com](http://www.kanabogroup.com) for more information.

#### Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1	Details of the person discharging managerial responsibilities / person closely associated			
a)	Name	Ian Mattioli		
2	Reason for the notification			
a)	Position/status	Director		
b)	Initial notification /Amendment	Initial notification		
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor			
a)	Name	Kanabo Group plc		
b)	LEI	213800XPJFSNWJIYKN52		
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted			
a)	Description of the financial instrument, type of instrument  Identification code	Ordinary Shares of 2.5 pence each  ISIN: GB00BYQCS703		
b)	Nature of the transaction	Subscription for 17,361,111 new Ordinary Shares		
c)	Price(s) and volume(s)	Price	No. of shares	
		2.88 pence	17,361,111	
d)	Aggregated			

	information	
	- Aggregated volume	17,361,111
	- Price	2.88 pence
e)	Date of the transaction	9 May 2023
f)	Place of the transaction	Outside a trading venue

1	Details of the person discharging managerial responsibilities / person closely associated			
a)	Name	David Tsur		
2	Reason for the notification			
a)	Position/status	Director		
b)	Initial notification /Amendment	Initial notification		
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor			
a)	Name	Kanabo Group plc		
b)	LEI	213800XPJFSNWJIYKN52		
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted			
a)	Description of the financial instrument, type of instrument	Ordinary Shares of 2.5 pence each		
	Identification code	ISIN:GB00BYQCS703		
b)	Nature of the transaction	Subscription for 173,611 new Ordinary Shares		
c)	Price(s) and volume(s)	Price	No. of shares	
		2.88 pence	173,611	
d)	Aggregated information			
	- Aggregated volume	173,611		
	- Price	2.88 pence		
e)	Date of the transaction	9 May 2023		
f)	Place of the transaction	Outside a trading venue		

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Avihu Tamir
2	Reason for the notification	
a)	Position/status	Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	

a)	Name	Kanabo Group plc			
b)	LEI	213800XPJFSNWJIYKN52			
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted				
a)	Description of the financial instrument, type of instrument  Identification code	Ordinary Shares of 2.5 pence each  ISIN: GB00BYQCS703			
b)	Nature of the transaction	Subscription for 520,833 new Ordinary Shares			
c)	Price(s) and volume(s)	Price	No. of shares		
		2.88 pence	520,833		
d)	Aggregated information				
	- Aggregated volume	520,833			
	- Price	2.88 pence			
e)	Date of the transaction	9 May 2023			
f)	Place of the transaction	Outside a trading venue			

1	Details of the person discharging managerial responsibilities / person closely associated			
a)	Name	Suleman Sacranie		
2	Reason for the notification			
a)	Position/status	Officer		
b)	Initial notification /Amendment	Initial notification		
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor			
a)	Name	Kanabo Group plc		
b)	LEI	213800XPJFSNWJIYKN52		
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted			
a)	Description of the financial instrument, type of instrument  Identification code	Ordinary Shares of 2.5 pence each  ISIN: GB00BYQCS703		
b)	Nature of the transaction	Subscription for 694,444 new Ordinary Shares		
c)	Price(s) and volume(s)	Price	No. of shares	
		2.88 pence	694,444	
d)	Aggregated information  - Aggregated volume  - Price	694,444  2.88 pence		
e)	Date of the	9 May 2023		

e)	Date of the transaction	5 May 2023
f)	Place of the transaction	Outside a trading venue

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