

## ASX ANNOUNCEMENT

6 April 2022

### Evaluation and option agreement with GSK Consumer Healthcare

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- **GSK Consumer Healthcare to evaluate distribution and marketing of Cann's Satipharm CBD capsules in Australia and potentially other markets globally**
  - **Key terms of any definitive sales and marketing agreement to be contingent on factors including results of Cann's Phase 3 clinical trial and path to regulatory approval as well as GSK Consumer Healthcare's marketing evaluation**
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**6 April 2022** - Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announced today that it has entered into an exclusive evaluation and option agreement with GSK Consumer Healthcare in relation to the potential commercialisation of Cann's Satipharm CBD capsules for over-the-counter (OTC) distribution in Australia (S3 registration status) and, potentially, other markets globally.

During the period of exclusivity, GSK Consumer Healthcare will undertake an evaluation of commercial potential and will review the results of Cann's Phase 3 CBD clinical trial, which is currently underway. In parallel with this evaluation both parties will enter into negotiations on a definitive exclusive agreement for the marketing, sale and distribution of the Satipharm CBD product in Australia. GSK Consumer Healthcare also has potential interest in first rights to negotiate exclusivity periods to assess its interest in taking up commercialisation rights for markets outside of Australia.

**Cann's CEO, Peter Crock**, said GSK Consumer Healthcare's interest in securing an early option to the Satipharm CBD capsule is a strong validation of the features of the Satipharm delivery platform. *"Cann's ability to produce a CBD capsule that presents as a regular pharmaceutical and has proven benefits in terms of stability and bioavailability<sup>1</sup> has attracted interest from a number of potential distribution partners. We are delighted to have this opportunity to work with GSK Consumer Healthcare, which would bring industry leading expertise and market access to our CBD product platform if we enter into a definitive exclusive agreement."*

GSK Consumer Healthcare is led by its purpose of delivering better everyday health with humanity. A combination of deep human understanding and trusted science underpins the company's continuous exploration of opportunities to offer new solutions, including plant-based medicine for unmet consumer needs.

Recruitment is currently underway for Cann's Phase 3 CBD clinical trial, which is examining the efficacy of its proprietary CBD-Satipharm capsule for the short-term treatment of sleep disturbances and quality of life outcomes. The clinical trial is a randomised, double blind,

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<sup>1</sup> Atsmon J, Heffetz D, Deutsch L, Deutsch F, Sacks H. *Single-Dose Pharmacokinetics of Oral Cannabidiol Following Administration of PTL101: A New Formulation Based on Gelatin Matrix Pellets Technology*. Clin Pharmacol Drug Dev. 2018 Sep;7(7):751-758. doi: 10.1002/cpdd.408. Epub 2017 Nov 10. PMID: 29125702.

placebo-controlled study and part of a registration program undertaken by Cann to secure an Australian approval for an S3 product. Patients will be treated for four weeks, and results of the trial are anticipated to be available during the second half of calendar year 2022.

The Satipharm capsules are being manufactured in Cann's new state-of-the-art facility near Mildura. While small scale production is already commissioned and underway at Mildura, the evaluation process will scope the large-scale manufacturing requirements which would be necessary to support potential GSK Consumer Healthcare's supply requirements initially in Australia and, potentially, in other markets.

Key terms of the evaluation and option agreement are summarised below:

- Cann grants GSK Consumer Healthcare the exclusive right to evaluate Cann's Satipharm CBD capsules (excluding Cann's prescription CBD products) (**Product**) for the period of 60 days after the delivery of Cann's final clinical study report (**Evaluation Period**).
- In consideration of this grant of exclusivity, GSK Consumer Healthcare will pay Cann £100,000 as a non-refundable payment.
- Cann also grants to GSK Consumer Healthcare exclusive rights:
  - of first negotiation to obtain an exclusive licence under Cann's IP to commercialise the Product for use as a consumer healthcare product for "non-RX" or "OTC" use in humans (**Field**) in Australia; and
  - of first right of negotiation to obtain an exclusive licence under Cann's IP to commercialise the Product in the Field in respect of jurisdictions outside Australia, subject to further agreement on a fee and option period for this right.
- GSK Consumer Healthcare may exercise these rights upon written notice (**Exercise Notice**) any time during the Evaluation Period and will have an exclusive right for 90 days after the issuing of the Exercise Notice (subject to any extension agreed by the parties) to negotiate the definitive agreements (**Negotiation Period**).
- The parties agree that the EOA is not a firm or binding agreement to enter into any definitive agreement.
- Should GSK Consumer Healthcare fail to exercise its rights during the Evaluation Period, or fail to agree definitive agreements during the Negotiation Period, Cann is free to engage with other parties in relation to the Product.
- Cann also retains all rights to the Product in uses outside of the Field.

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

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**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. Cann also owns Satipharm, a Europe-based business exclusively licensed to manufacture, develop and market a proprietary delivery system for cannabinoids. Cann has established research, cultivation and GMP manufacturing facilities in Melbourne and has recently finalised the construction of a state-of-the-art cultivation and manufacturing facility near Mildura, Victoria. Cann Group has established 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 at:** [www.canngrouponlimited.com](http://www.canngrouponlimited.com) | [www.satipharm.com](http://www.satipharm.com)