



## ASX ANNOUNCEMENT

25 October 2022

### Share Purchase Plan

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**25 October 2022** – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announced today that it is pleased to offer shareholders the opportunity to participate in a Share Purchase Plan (**SPP**) to raise an amount between \$8.0 million and \$10.0 million.

Following the 2021 acquisition of Satipharm and its patent-protected micro-encapsulation technology, Cann Group executed a successful technology transfer to install a pilot-scale Satipharm manufacturing line at its new flagship Mildura facility, which has since received a Good Manufacturing Practice (**GMP**) licence from the Therapeutic Goods Administration (**TGA**), allowing products made in Mildura to be provided for human therapeutic use.

In parallel, Cann Group launched a Phase III placebo-controlled, randomised clinical trial investigating whether low-dose Satipharm CBD capsules are effective for treating mild sleep disturbances, targeting an over-the-counter Schedule 3 drug registration.

In April 2022, Haleon (formerly GSK Consumer Healthcare), the world's largest consumer healthcare company, secured an exclusive evaluation and option agreement to commercialise over-the-counter Satipharm CBD capsules in Australia and potentially other markets globally. Cann and Haleon have been negotiating the terms of a definitive agreement while Cann's clinical trial is ongoing.

Funds from the SPP will contribute to the Company's strategic investment in expanding GMP manufacturing capabilities at Mildura. This is in preparation for the scaling up of production which is needed to respond to the expected significant demand for Satipharm products, including over-the-counter CBD products once they become available as registered S3 medicines. Investments will also contribute to:

- Commercial scale encapsulation and packaging
- The development of THC-containing Satipharm products
- Increasing capacity and efficiency for GMP dried flower packing

Funds will also be used to assist with working capital over the medium term, while the Company pursues both the scale-up of manufacturing capability and the preparation and submission of a registration dossier.

Cann Group CEO, Peter Crock, said positive progress on the Company's Satipharm CBD commercialisation program supports a decision to proceed with the investment required to scale-up manufacturing at Cann's flagship Mildura facility.

"Our pivotal phase III clinical trial is now fully enrolled, with results expected early in the new calendar year. Those results, if positive, will support our regulatory submission to the TGA which we are on schedule to file in the first quarter of 2023.

Given this progress, it is vital that we are in a position to commence large scale manufacture of the product when regulatory approvals are secured.

We remain very focused on continuing to grow revenues towards a cash flow positive position. However, this is a critical period in the company's product development and commercialisation phase and it is important that we have the funding in place to continue the positive momentum we are seeing as Cann is positioned for strong future profitable growth."

### ***Details of the SPP Offer***

Eligible shareholders will have the opportunity to apply for a minimum of \$500 and up to a maximum \$30,000 of new fully paid ordinary shares (**New Shares**) at \$0.22 per share, which is an 18.80% discount to the 5 day volume weighted average price of Cann's shares up to and including 24 October 2022 and an 18.52% discount to the closing price of Cann's shares on 24 October 2022, without incurring brokerage.

In determining the proposed amount that Cann seeks to raise under the SPP, Cann has considered the relatively large retail component on its share register and has sought to provide an equitable opportunity for its retail shareholders to participate in this offer. Cann reserves the right to accept more than \$10.0 million, subject to compliance with relevant ASX Listing Rules, and also reserves the right to scale back acceptances on a pro rata basis, based on securities applied for under the SPP Offer.

Eligible shareholders are those holders of fully paid ordinary shares in Cann as at 7.00pm (Melbourne time) on Monday 24 October 2022 (**Record Time**) and whose address on the share register is in Australia, New Zealand or Ireland, provided that:

- (a) such shareholder is not a US person or acting for the account or benefit of a person in the United States; and
- (b) for shareholders with addresses in New Zealand, such persons must also hold fully paid ordinary shares in Cann as at 7.00pm (Melbourne time) on the day before the SPP Offer opens, being Sunday 30 October 2022.

The SPP offer period is expected to open on Monday, 31 October 2022 and to close at 5.00pm (Melbourne time) on Friday, 18 November 2022, subject to the Company's right to close the SPP offer early or to extend the SPP offer period, at its absolute discretion.

The SPP offer document and application form are expected to be dispatched to eligible shareholders on Monday, 31 October 2022 via post or email in accordance with their communication preferences. Shareholders receiving email communications can download the SPP offer booklet and personalised SPP application form from the SPP offer open date at the Company's website ([www.canngrouponlimited.com](http://www.canngrouponlimited.com)).

Key dates for the SPP are set out below. These dates are indicative only and may be varied by Cann.

<b>Event</b>	<b>Date</b>
Record Date	Monday, 24 October 2022
SPP Offer opens	Monday, 31 October 2022
SPP Offer closes	5:00pm (Melbourne time) Friday, 18 November 2022
Completion announcement date (and notice of scale backs, if any)	Wednesday, 23 November 2022

Event	Date
Allotment Date	Friday, 25 November 2022
Dispatch Holding Statements	Monday, 28 November 2022

For further information regarding the SPP Offer please contact your stockbroker or professional adviser, or Ms Deborah Ambrosini, Cann Group Limited Chief Financial Officer on +61 3 9095 7088.

**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 the proprietary Gelpell delivery system for cannabinoids. Cann has established research and cultivation facilities in Melbourne and is developing 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)