

ASX ANNOUNCEMENT

7 November 2022

Cann Group and Haleon progress negotiations on commercial terms for OTC Satipharm CBD product

7 November 2022 – Cann Group Limited (ASX: CAN) (**Cann** or the **Company**) announced today that it has positively progressed negotiations with GlaxoSmithKline Consumer Healthcare Australia Pty Ltd (trading as Haleon) on terms relating to the commercialisation of Cann's proprietary Satipharm CBD capsules (**Product**) for over-the-counter (**OTC**) use.

As announced on 6 April 2022, Cann and Haleon have an exclusive evaluation and option agreement in place regarding the potential commercialisation of the Product for OTC distribution in Australia/New Zealand and, potentially, other markets globally. In parallel with Haleon's evaluation of the commercial potential of the Product, both parties have been negotiating the terms of a potential definitive exclusive agreement for the marketing, sale and distribution of the Product.

Cann has now agreed and signed a non-binding term sheet in relation to these matters with Haleon. The non-binding term sheet identifies proposed milestone payments, sales-related payments and manufacturing margins to be paid to Cann and confirms the intended grant of exclusive rights to Haleon for the marketing, sales, distribution and promotion of the Product within Australia and New Zealand and an exclusive right of first negotiation to obtain an exclusive licence to commercialise the Product in other jurisdictions.

The parties will continue with the negotiation of a definitive agreement in parallel with Haleon's evaluation of the Product. A Phase III clinical study to support registration of the Product in Australia is underway with recruitment targets having recently been met. The results of the study are expected to be available early in calendar year 2023, after which Haleon will determine if it wishes to take up its option to market and distribute the Product. (Shareholders should refer to the announcement on 6 April 2022 for details of the option agreement.)

Authorised for release by Deborah Ambrosini, Company Secretary, Cann Group Limited.

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About Cann Group

Cann Group Limited (ABN 25 603 949 739) is enhancing patients' lives by developing, producing, and supplying innovative cannabis medicines. The Company has built world-class research, cultivation and GMP manufacturing facilities in Melbourne, and a state-of-the-art large-scale cultivation and GMP manufacturing facility near Mildura, Victoria. Cann Group supplies a range of dried flower and oil products, as well as active pharmaceutical ingredients and extracts, to customers in Australia and around the world. Cann Group also owns Satipharm and its patent-protected capsule technology.

Learn more at: www.canngrouponlimited.com | www.satipharm.com