

AusCann Leadership Post-implementation of CannPal Acquisition

8 January 2021 - **AusCann Group Holdings Limited** (ASX: AC8) (AusCann or 'the Company') announces that upon successful implementation of AusCann's proposed acquisition of 100% of the issued share capital of CannPal Animal Therapeutics Limited (ASX: CP1) (CannPal) under a scheme of arrangement (Transaction), the Founder and Managing Director of CannPal, Mr Layton Mills, will lead the combined company.

The decision to appoint Mr Mills as CEO, which will take effect from completion of the Transaction, was reached following a combined meeting of the Boards of CannPal and AusCann. Mr Nick Woolf has decided to tender his resignation as CEO, but has agreed to stay with AusCann as Interim CEO until completion of the Transaction, and thereafter in an advisory capacity to assist with an orderly transition of the CEO role until 30 June 2021 (unless agreed earlier). There will be no change in Mr Woolf's remuneration during this period.

Details of Mr Mills' engagement will be announced to the market in accordance with ASX Listing Rule 3.16.4 as soon as the engagement has been finalised.

AusCann Chairman, Mr Max Johnston, said: "Since Nick joined us in August 2020 he has been instrumental in moving forward the development of a robust pipeline with advancement of studies of the existing hard-shell capsules based on the Neuvis® platform, initiating formulation work of a novel CBD only variant and engaging an experienced US-based team to develop additional product candidates addressing unmet health needs. In addition to this, Nick has also taken significant steps toward making AusCann more cost effective and efficient in utilisation of its assets and operations. We thank him for all his efforts in taking AusCann forward during his tenure whilst also progressing the proposed acquisition of CannPal. I am pleased that Nick has agreed to provide continuity during the prospective transition and wish him well in his future endeavours."

AusCann Chief Executive Officer, Mr Nick Woolf, said: "The combination of AusCann and CannPal has clear synergies including multiple revenue streams and the leverage of data in the animal health space for the development of human medicines and vice versa. Both companies have established a strong network of alliances that should accelerate success. I look forward to working with Mr Mills during his onboarding and supporting the acquisition and implementation over the next six months. I believe that the medicinal cannabis industry in Australia has significant growth potential and the combined company will be well placed to benefit from this."

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This ASX announcement was authorised for release by the Board of AusCann.

For more information, please contact

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ABOUT AUSCANN

AusCann Group Holdings Limited (ASX:AC8) is an Australian-based pharmaceutical company focused on the development, production, and distribution of cannabinoid-based medicines within Australia and internationally. AusCann transforms the way medicinal cannabis is dispensed today by making standardised, controlled dose products, providing educational support to healthcare professionals and generating clinical evidence that is accessible to patients, physicians and healthcare providers. AusCann is developing a pipeline of proprietary differentiated cannabinoid-based pharmaceutical products. The Company's first product was successfully launched in Australia in 2020 and is available under special access provisions for medicines.

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