

Completion of Small Shareholding Sale Facility

12 February 2021 - AusCann Group Holdings Limited (ASX: AC8) (**AusCann** or **the Company**) is pleased to announce that it has completed the small shareholding sale facility (**Facility**) for shareholders with holdings valued at less than A\$500 which was announced to ASX on 17 July 2020. The Facility provided these shareholders with an opportunity to sell their shares in AusCann without incurring brokerage or handling costs.

As at market close on 16 July 2020 (**Record Date**), the Company had 23,079 shareholders of which 14,622 of these shareholders had a market value of less than A\$500 (**Unmarketable Parcels**), which represented 17,782,490 fully paid ordinary shares. On 28 October 2020, the Company suspended the Facility following the appointment of Corporate Advisory firm Kidder Williams who were engaged by the Company to explore potential strategic acquisition opportunities. This allowed shareholders holding Unmarketable Parcels as at the Record Date with a further opportunity to take back their shares rather than having their shares sold through the Facility. On 16 November 2020, the Company announced it had entered into a scheme implementation deed with CannPal Animal Therapeutics Limited (ASX:CP1) (**CannPal**) under which AusCann will acquire 100% of the issued share capital of CannPal under a scheme of arrangement. The Scheme of Arrangement Booklet was released to the ASX by CannPal on 3 February 2021 and the Scheme meeting will be held on 8 March 2021.

The final number of shares eligible to be sold under the small shareholder sale facility was 7,964,285 fully paid ordinary shares, representing approximately 2.5% of AusCann's total issued capital, from 7,748 shareholders.

Following the release of the Scheme of Arrangement Booklet by CannPal on 3 February 2021, Euroz Hartleys Securities Limited completed the sale of the 7,964,285 fully paid ordinary shares on market at an average selling price of approximately A\$0.18 per share. Payment will be remitted to shareholders on Friday, 19 February 2021. All costs of the sale of these shares were borne by the Company. Shareholders should allow time to receive their payment in the mail given the current COVID-19 related postage delays.

Following completion of the small shareholding sale facility, the Company now has 15,977 shareholders. The Facility has resulted in a substantial reduction in shareholders which will assist in reducing the administrative costs of managing small shareholdings in future and also provided eligible shareholders with a facility to dispose of their small holdings in a cost effective manner.

If you require any further information in relation to the Facility, please contact the Company's share registry, Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

ENDS

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.