
1-PAGE LIMITED (TO BE RENAMED 'EUROPEAN CANNABIS CORPORATION LTD')

ACN 112 291 960

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00AM
DATE: Wednesday, 12 September 2018
PLACE: Suite 6, 295 Rokeby Rd
Subiaco WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00PM (WST) on Monday, 10 September 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – REMOVAL OF THE COMPANY FROM THE OFFICIAL LIST OF THE ASX

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 17.11, and for all other purposes, the Company be removed from the Official List of the ASX on a date to be decided by the ASX (being a date as soon as practicable after this Resolution 1 is passed) and the Directors be authorised to do all things reasonably necessary to give effect to the removal of the Company from the Official List of the ASX.”

2. RESOLUTION 2 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – ACQUISITION OF HAPA

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the acquisition of STAK HAPA (ID: 857 669 102) (a company incorporated in the Netherlands), as described in the Explanatory Statement.”

Short Explanation: If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL FOR THE HAPA VENDORS TO INCREASE THEIR VOTING POWER IN THE COMPANY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the HAPA Vendors voting power in the Company to increase from 0% up to 37.28% pursuant to the Company issuing 90,000,000 Consideration Shares to the HAPA Vendors (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the HAPA Vendors (or their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in

accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by BDO Corporate Finance for the purposes of the Shareholder approval required under Item 7 of Section 611 of the Corporations Act. The Independent Expert's Report opines on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. **BDO Corporate Finance has determined the issue of Shares to the HAPA Vendors (or their nominee) and the resulting Voting Acquisition by the HAPA Vendors (or their nominee) and their associates is FAIR and REASONABLE to the non-associated Shareholders in the Company.**

4. RESOLUTION 4 – ISSUE OF INCENTIVE OPTIONS TO MR ANDREW CHAPMAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,500,000 Options to Andrew Chapman (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 4 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF INCENTIVE OPTIONS TO MR TOD MCGROUTHER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,500,000 Options to Tod McGrouther (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS TO MR HARRY KARELIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the completion of the Acquisition, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to European Cannabis Corporation Ltd.”

Dated: 9 August 2018

By order of the Board

**Arron Canicais
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 2950.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

If Resolution 1 is passed Resolutions 2 and 6 will be withdrawn.

Resolutions 2 to 6 (inclusive) (or Resolutions 3 to 5 (inclusive) should Resolution 1 be passed) are referred to as Essential Resolutions throughout this Notice. The Essential Resolutions are inter-conditional on each other Essential Resolution being approved.

Resolution 7 is conditional on the Essential Resolutions being approved.

If any of Essential Resolutions are not passed, then Resolution 7 will be withdrawn.

1. BACKGROUND TO ACQUISITION OF HAPA

1.2 General Background

The Company was incorporated on 21 December 2012 and was admitted to the Official List of the ASX on 20 April 2006. Since ASX listing, the Company has focussed on developing and marketing software products for HR departments to support them in sourcing and qualifying job candidates, as well as in engaging their current workforce.

Early in 2017 the Board suspended the operations of its US subsidiary, One-Page Company Inc. (**US Subsidiary**) and completed a layoff of the majority of its work force. At that time, the Board began an exploration process to discern if there were interested buyers for the US Subsidiary or if it was more beneficial to fully wind down the operation of the Company. As announced on 13 December 2017, the Company executed a sale agreement to dispose of the US Subsidiary (**Disposal**). Shareholder approval for the Disposal was obtained at the Company's General Meeting held 31 October 2017.

Details of the Company's most recent activities are set out in its Half Year Financial Report (for the half year ended 31 July 2017) lodged with ASX on 22 January 2018.

For the past twelve (12) months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for shareholders.

As announced on 2 February 2018, the Company has entered into a Binding Share Sale Agreement (**Acquisition Agreement**), pursuant to which the Company has agreed to acquire 100% of the issue capital of STAK HAPA (ID: 857669102) (a company incorporated in the Netherlands) (**STAK HAPA**) (**HAPA Shares**), the parent company of the HAPA Medical Group based in Germany (**HAPA**) from the shareholders of STAK HAPA (the **HAPA Vendors**) (free from all encumbrances) including HAPA (**Acquisition**).

HAPA is an early mover in the German medicinal cannabis market and is focused on offering its own pharmaceutical Good Manufacturing Practice-grade (**GMP-grade**) Tetrahydrocannabinol (**THC**) & cannabidiol (**CBD**) product lines to German patients through a HAPA owned network of medical cannabis clinics throughout Germany (the **HAPA Business**).

A summary of the full terms of the Acquisition Agreement are set out in section 1.7 of this Explanatory Statement.

The Acquisition is conditional on (amongst other things) the Company obtaining all necessary Shareholder approvals to effect the Acquisition.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition. Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and settlement of the Acquisition Agreement (**Settlement**) will not occur.

A summary of the Resolutions is as follows:

- (a) removal of the Company from the Official List of the ASX (*Resolution 1*);
- (b) as the Company is currently a software and technology business, the Acquisition, if successfully completed, will represent a change to the Company's nature and scale of activities in that it will operate a medicinal cannabis business, being the HAPA Business, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (*Resolution 2*);
- (c) the Acquisition, if successfully completed, will result in the HAPA Vendors (or their nominee) acquiring a 37.28% interest in the Company by virtue of the issue of the Consideration Shares, for which Shareholder approval is required under Section 611 (Item 7) of the Corporations Act (*Resolution 3*);
- (d) the approval to issue an aggregate 15,000,000 Incentive Options to Directors, Messrs Andrew Chapman and Tod McGrouther on the terms and conditions set out in Schedule 2 (*Resolutions 4 & 5*);
- (e) the approval to issue 12,500,000 Incentive Options to industry consultant, Mr Harry Karelis, on the terms and conditions set out in Schedule 2 (*Resolution 6*); and
- (f) the change of the Company's name to "European Cannabis Corporation Ltd" at Settlement (*Resolution 7*).

1.3 Appropriate enquiries of STAK HAPA and the HAPA Business

The Board confirms that the Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses and prospects of STAK HAPA and the HAPA Business for the Board to be satisfied that the transaction is in the interest of the Company and Shareholders.

1.4 Directors' recommendation and voting intention

All of the Directors are of the opinion that the Acquisition is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Essential Resolutions. The Directors' recommendations are based on the reasons outlined in Section 1.16.

Each of the Directors intends to vote all of their Shares in favour of each of the Resolutions in which they are entitled to vote.

1.5 Overview of the HAPA Medical Group

(a) General

STAK HAPA was formally incorporated in 2017 following the introduction of the new German legislation allowing for medicinal cannabis to become available to patients, to position HAPA as an early mover to take advantage of the emerging market for cannabinoid medicines in Germany.

Since incorporation, the HAPA team have worked swiftly to develop the business to create a vertically integrated business model where HAPA can supply pharmaceutical grade THC and CBD based products to patients. This has included building relationships with third party suppliers of raw material, specialty GMP-grade pharmaceutical manufacturers and German pharmaceutical distributors.

The HAPA team have focused on building relationships and applying for and securing the necessary licences and permits to operate the business in Germany, including the establishment of secure sources of supply of pharmaceutical grade medical cannabis flower and oil. HAPA's maiden clinic in Berlin is now open and is experiencing very strong patient bookings, reflecting significant growth in registered patient numbers since federal legalization in German approximately 12 months ago. This is a key milestone for HAPA and cements its position as an early mover in the German medical cannabis market. Additional HAPA clinics are expected to open in other key cities over the next six months.

HAPA was founded by seasoned executives and has built a team with strong regulatory and medical experience. The two founders of HAPA will become Directors of the Company following completion of the Acquisition.

(b) Background to medicinal cannabis in Germany

Legislation which legalised the broad use of medicinal cannabis in Germany was passed in March 2017. The change allows doctors to prescribe cannabis, mainly the dried cannabis flower or cannabis extracts, to seriously ill patients even if other treatment options are available. No additional special permit is required. Self-cultivation of cannabis and recreational use remain prohibited in Germany. Before the amendment, medical cannabis was only available to seriously ill patients with a special permit.

Under the German regulatory framework, German patients are required to register as a patient for the receipt of medicinal cannabis products and the growth in the number of registered patients is far exceeding initial industry forecasts.

In Germany, the health insurance industry heavily subsidises the cost of cannabis related medicines. This is a key driver accelerating patient uptake and key differentiator between the Australia and Canadian markets where there is limited to no health insurance subsidies available to patients seeking to use medicinal cannabis as an alternative to existing subsidised medicines, such as opiates.

With a population of 83 million people, Germany is estimated to have the potential to become the world's largest single medical cannabis market.

(c) **Business Model**

HAPA over time intends to build a vertically integrated business where it has activities across the spectrum from cultivation, manufacturing, distribution of its medical products (both CBD-only as well as those containing THC), operation of medical clinics and conducting medical outreach/education programmes to physicians and patients as well as certain clinical trial activities.

In order to achieve this, HAPA's business model will be based on the combination of the following business segments:

(d) **Importation & Distribution**

HAPA already have a strategic relationship with Replek Farms Ltd, based in Macedonia, a specialist pharmaceutical company, for the provision of EU certified medical cannabis extract/oil products under HAPA's brand for sale in Germany and those pharmaceutical grade (GMP) CBD-only products are now sold within Germany. HAPA plans to extend its distribution throughout Germany in the coming months via partnering and distribution agreement.

HAPA hold licences for the importation and transportation into Germany and the distribution throughout Germany of GMP-grade CBD containing products from the relevant German authorities.

HAPA has also formed strong links with some of the leading pharmaceutical distribution companies in Germany providing appropriate channels for its products to gain market share.

HAPA has completed an audit of its facilities and staff as part of the process for obtaining a German pharmaceutical wholesale licence, with no material issues reported by the German authorities. The pharmaceutical wholesale licence will be the final step in obtaining a narcotics licence, which will enable HAPA to sell THC-containing products within Germany. Upon receiving a narcotics licence HAPA will also be eligible to apply for the narcotics import licences required for anyone who wishes to import narcotics in Germany. It is not possible to obtain a narcotics import licence without holding a narcotics licence.

(e) **Cultivation**

To allow for the cultivation of its own medical cannabis, HAPA has applied for an EU cultivation licence to grow cannabis in Greece under the new licensing regime operating in Greece and has commenced feasibility studies in relation to the cultivation assuming grant of the licence. HAPA has progressed the application for this licence by satisfying the financial and other requirements imposed by the Greek Government for the grant of the licence.

Should HAPA be successful with this licence application it will construct a purpose-built cultivation facility in Northern Greece (site already secured) reducing its reliance on third party suppliers and retaining more profit margin within HAPA.

In the interim, HAPA will continue to source medical cannabis from third party suppliers in Europe and elsewhere. Raw materials (that is, dried cannabis flower) is currently being sourced by HAPA from The Netherlands and HAPA is actively pursuing additional suppliers from within the European Union as well as from Australia and North & South America. Supply arrangements with a cannabis supplier in Europe have been agreed for the purpose of diversifying HAPA's supply of dried cannabis flower and cannabis oil for processing into pharmaceutical grade oils.

(f) **Manufacturing**

HAPA has a portfolio of branded CBD-only wellness products that are for sale within Germany. HAPA quickly sold out its initial test batch and is now taking steps to distribute a commercial batch.

(g) **HAPA Clinics**

As noted above, HAPA has now opened its first medical clinic in Berlin (the first specialist cannabis medical clinic in Germany), where patients are able to see a qualified medical practitioner who is able to prescribe HAPA products for use by those patients.

Sites for HAPA's next three clinics in Dortmund, Hamburg and Munich have been identified and development of these clinics has commenced. Importantly, sites, doctors and medical staff to operate in these clinics have been identified. These sites provide access to a population catchment area in excess of Australia's total population highlighting the significant opportunities available in the German market.

(h) **Growth Strategy**

Given the medical cannabis sector in Germany is essentially in start-up phase, HAPA is putting in place a solid foundation from which to pursue a high growth strategy. The certainty of capital provided by the proposed Acquisition is a crucial element to this growth strategy as is securing a reliable, scalable supply of raw material (ie. Cannabis flower).

The relationships and networks HAPA has access to via the Board of the Company and retained consultants provides HAPA with the potential to fast-track its business objectives and build a sustainable competitive advantage.

The observations of how the market has developed in countries such as Canada, California, Chile and Australia has been incorporated in HAPA's growth plans allowing HAPA to adopt the best in class approach from other markets.

The injection of working capital upon completion of the Acquisition will enable HAPA to grow its business by:

- (i) funding the expansion of its medical clinics into other German cities;
- (ii) funding the development of its own cannabis cultivation facility within Greece following receipt of its licences. HAPA has progressed the application for this licence by satisfying the

financial and other requirements imposed by the Greek Government for the grant of the licence. The licence is not material to the success of the HAPA Business, as supply has already been secured from third party suppliers, however this licence has the potential to lower the cost of goods to HAPA;

- (iii) funding working capital to acquire commercial quantities of cannabis raw material for subsequent processing into its medications from a range of suppliers in Europe, North & South America and in time Australia
- (iv) subject to receipt of a narcotics licence, increasing the range and quantity of its THC-containing products to meet the demand of patients within Germany;
- (v) increasing the production of its pharmaceutical-grade CBD-containing products to meet the demand within Germany; and
- (vi) increase its business offering to other EU countries with laws allowing for the usage of cannabis containing medicines for patient care.

(i) **Funding of the Company's Business Model**

Following Settlement of the Acquisition, the funds currently held by the Company are expected to be sufficient to execute the HAPA Business plan.

Further, in the short term, HAPA is generating revenue from its established medical clinics (Berlin active, Dortmund imminent) providing patient consultations as well as the supply and sale of its GMP-grade CBD & THC-containing healthcare products.

In the medium to longer term, HAPA will operate in all parts of the value chain and emulate companies operating in markets such as Canada and Australia.

The economics of the medical cannabis sector in Germany suggests a high level of profitability for those groups able to reliably source raw product, connect with patients and have effective distribution partners.

(j) **Current Licensing and Regulatory Requirements**

(i) **German Clinics / Pharmacy Licence**

As in most jurisdictions, the ability to own or operate medical clinics or pharmacies in Germany is subject to the granting of certain licences or approvals.

HAPA has secured the requisite licences or entered into suitable arrangements to ensure that its clinics and pharmaceutical business operations all comply with local laws and requirements.

(ii) **German Pharmaceutical Importation Licence**

HAPA hold licences for the importation and transportation into Germany and the distribution throughout Germany of GMP-grade CBD containing products.

As outlined above, HAPA has also applied for a narcotics licence which would enable it to distribute THC-containing products throughout Germany. Upon receipt of the narcotics licence, HAPA will also be able to apply for a narcotics importation licence, which will enable it to import THC-containing products into Germany from within and outside the EU. Narcotics importation licences are granted on a shipment-by-shipment basis only.

(k) **Additional Licensing and Regulatory Requirements**

(i) **German Pharmaceutical Wholesale Licence**

Any person or company in Germany that engages in the wholesale trading of medicinal products requires an authorisation to do so.

Pharmaceutical wholesalers are legally bound German legislation to purchase medicinal products from a manufacturer or a holder of a wholesale distribution authorisation only.

HAPA has completed an audit of its facilities and staff as part of the process for obtaining a German pharmaceutical wholesale licence, with no material issues reported by the German authorities. The pharmaceutical wholesale licence will be the final step in obtaining a German narcotics licence, which will enable HAPA to sell THC-containing products within Germany.

(ii) **German Narcotics Licence**

German legislation specifies that a licence is necessary for anyone who wants to cultivate, manufacture or trade in narcotics, or without engaging in their trade, to import, export, supply, sell, or otherwise place narcotics on the market. A narcotics licence may only be granted in regard to specified narcotics for scientific or other purposes of public interest in exceptional cases.

The licence is limited to the extent necessary for the safety and control of the circulation of narcotics or the manufacture of drugs which are exempt, in whole or in part, from the legislation governing narcotics.

The holder of a licence accepts certain obligations along with the issuance of the licence. These include the obligations to keep requisite records and to submit notifications. Furthermore, the licence may be:

- (A) limited in time; or
- (B) be subject to conditions or to restrictions, or
- (C) be amended or become subject to additional restrictions or conditions after it has been granted.

Receipt of a narcotics licence will enable HAPA to increase the range and quantity of its THC-containing products to meet the demand of patients within Germany.

(iii) **German Narcotics Import licence**

Further to the general narcotics licence noted above, German legislation specifies that a licence is also required for anyone who wishes to import or export narcotics in Germany. Anyone who wishes to import narcotics must apply for an import licence in relation to each consignment.

An import licence is not transferable and is limited to a maximum of three months and, in the case of imports intended to be made by sea, to a maximum of six months. The time limits attaching to an import licence may be extended on request if the importer proves that the narcotics are already in transit.

Subject to grant of the general narcotics licence noted above, HAPA will be eligible to apply for narcotics import licences as required for the importation of THC-containing products into Germany.

(iv) **EU Cultivation Licence**

In March 2018 the Greece established laws for the production, manufacturing and sale of medical products containing cannabis.

As noted above HAPA has applied for an EU cultivation licence to grow cannabis in Greece under the new licensing regime operating in Greece and has commenced feasibility studies in relation to the cultivation assuming grant of the licence. HAPA has progressed the application for this licence by satisfying the financial and other requirements imposed by the Greek Government for the grant of the licence.

Should HAPA be successful with this licence application it will construct a purpose-built cultivation facility in Northern Greece (site already secured) reducing its reliance on third party suppliers and retaining more profit margin within HAPA.

(i) **Competitive Landscape**

On the basis that the legislation which legalised the broad use of medicinal cannabis in Germany was only passed in March 2017, HAPA considers the German market for medical cannabis is in an infant state.

HAPA acknowledges that the industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market to take advantage of the many opportunities for consolidation and scale advantages through the different market segments.

HAPA has positioned itself to act in multiple business segments intended to distinguish itself from other competitors in the market, including being the first entity to open a specialist cannabis medical clinic in Germany.

HAPA has identified the current and potential competition in the medical cannabis sector in Germany. Some have developed their activities in multiple business segments, while most are restricting

themselves to one only. As stated above, HAPA will distinguish itself through actively operating in various business segments.

(m) **Use of funds**

Following completion of the Acquisition, the Company expects to use its cash funds as follows:

ITEM	FY 2018 (€)	FY 2019 (€)	TOTAL
Salaries / Personnel	1,755,793	2,439,158	4,194,951
Medical clinic development	549,770	668,195	1,217,965
Regulatory costs	644,500	93,000	737,500
Pharmacy development	411,000	161,000	572,000
Medical Education	96,000	96,000	192,000
Cultivation facility	2,750,000	2,500,000	5,250,000
IT expenses	160,000	60,000	220,000
Marketing	226,600	201,600	428,200
Legal	78,000	78,000	156,000
Business development	540,550	440,100	980,650
Working capital	300,000	300,000	600,000
TOTAL	7,512,214	7,037,053	14,549,266

1.6 Delisting from the Official List

As announced on 23 July 2018, the Board sought approval of the ASX for the removal of the Company's Shares from the Official List of the ASX pursuant to ASX Listing Rule 17.11 (**Delisting**).

ASX has granted its approval for the Company to pursue Delisting subject to compliance with the conditions set out in section 2.1 below (together the **Delisting Conditions**).

The Delisting Approval is being sought from Shareholders pursuant to Resolution 1.

On 31 July 2018 the Company released an announcement confirming the Delisting Conditions and also indicated that the Company is finalising the terms of a share sale facility (**Share Sale Facility**) that will allow Shareholders to sell their Shares for a nominated period following the removal of Shares from the Official List and to receive the proceeds in Australian dollars.

Further details of the proposed Delisting are set out in section 2 of this Explanatory Statement.

1.7 Summary of Acquisition Agreement

Under the Acquisition Agreement, the Company agrees to acquire 100% of the HAPA Shares from the HAPA Vendors in consideration for the issue of the Consideration Shares to the HAPA Vendors.

The key terms of the Acquisition Agreement are as follows:

- (a) **(Consideration)**; In consideration for the Acquisition, the Company has agreed to pay the HAPA Vendors:
 - (i) a cash payment of EUR 1,300,000, comprising:
 - (A) EUR 430,000 which was paid to the HAPA Vendors on 18th December 2017; and
 - (B) EUR 870,000 which was paid to the HAPA Vendors on 22nd February 2018(together the **Cash Payment**); and
 - (ii) the issue of 90,000,000 Shares (**Consideration Shares**),
- (b) **(Conditions Precedent)**: Completion of the Acquisition is subject to satisfaction or waiver of the following conditions:
 - (i) the Company completing technical, financial and legal due diligence on HAPA, to the sole and absolute satisfaction of the Company;
 - (ii) the Company obtaining all required third party, regulatory and governmental approvals and consents to give effect to the Acquisition including any necessary Shareholder approvals required by the Corporations Act (and any other applicable law or regulation);
 - (iii) the employees of HAPA and their remuneration being agreed by the parties;
 - (iv) the Company giving notice to the HAPA confirming that it is satisfied that no event, change, condition, matter, result or circumstance (or any combination of events, changes, conditions, matters, results or circumstances):
 - (A) has occurred;
 - (B) been disclosed; or
 - (C) become known to the Company;including any breach of a warranty prescribed under the Acquisition Agreement has occurred which, in the reasonable opinion of the Company, will have, could reasonably be expected to have, has had, or has evidenced that there has been, a material adverse effect in respect of HAPA; and
 - (v) the HAPA Vendors obtaining all regulatory and governmental approvals and third-party consents and/or waivers to give effect to the Acquisition including any necessary shareholder approvals.

1.8 Direction of the Company Post-Acquisition

Post the Acquisition, the Company will have 241,422,680 Shares on issue, with the HAPA Vendors collectively holding 90,000,000 Shares by virtue of the issue of the

Considerations Share, being an interest in the Company of approximately 37.28%.

The Company estimates that it will have cash at bank of approximately \$16,800,000 and expects that it will have sufficient capital to execute its plans in relation to growth, development and expansion of the existing HAPA Business. As such, the Directors do not consider that a capital raising is necessary to complete the Acquisition and execute the Company's immediate objectives, subject to new compelling business opportunities arising in the European medical cannabis sector.

As noted above, the Board has sought approval of the ASX for the removal of the Company's Shares from the Official List pursuant to ASX Listing Rule 17.11. The Delisting Approval is being sought from Shareholders pursuant to Resolution 1.

The Company has commenced investigations for listing the Company in another jurisdiction. The Board's view is that other markets may be a more suitable for the listing of the Company given the HAPA Business is located in Germany and the Company's interest in the medical cannabis market in Canada.

Further details of the proposed Delisting are set out in section 2 of this Explanatory Statement.

1.9 Group Structure following the Acquisition

The group structure of the Company Post-Acquisition is set out in Schedule 1.

1.10 Pro forma Capital Structure

On completion of the Acquisition the capital structure of the Company is expected to be as set out in Schedule 2.

1.11 Issue of securities in the preceding 6 months

Neither the Company nor STAK HAPA have issued any securities in the six (6) months preceding the date of this Notice of General Meeting.

1.12 Pro forma balance sheet

Set out in Schedule 3 is a pro-forma balance sheet of the Company assuming that all Essential Resolutions have been passed and Settlement has occurred. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.13 Indicative timetable

An indicative timetable for Settlement of the Acquisition and the associated transaction is set out below:

Event	DATE
Execute Share Sale Agreement	31 January 2018
Chapter 11 Announcement	31 January 2018
Dispatch of Notice of General Meeting	9 August 2018

Hold General Meeting to approve the Acquisition	12 September 2018
Results of Meeting announced and confirmation of the applicable dates for the Delisting process.	12 September 2018
Proposed date for Delisting	13 September 2018
Share Sale Facility documentation mailed to Shareholders	13 September 2018
Settlement of the Acquisition	19 September 2018
Share Sale Facility Opens	19 September 2018
Second Share Sale Facility Notice mailed to Shareholders	3 October 2018
Share Sale Facility Closing Date	10 October 2018

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

As noted above, the Company is currently finalising the terms of the proposed Share Sale Facility. Further details of the Share Sale Facility will be announced in due course.

1.14 Board Intentions upon Settlement

The Company and STAK HAPA's existing cash reserves are intended to be used as set out in Section 1.5(m).

1.15 Composition of Board of Directors Post-Acquisition

Following completion of the Acquisition, the Board will comprise existing Directors Mr Andrew Chapman and Mr Tod McGrouther and two nominees of HAPA, being Mr Ricardo Pendón and Mr Michael Sprenger, both of whom are founders of STAK HAPA and HAPA.

It is intended that Director, Mr Chris Mews will resign upon completion of the Acquisition.

The qualifications and experience of Messrs Ricardo Pendón and Michael Sprenger are set out below.

Ricardo Pendón

(proposed CEO and Managing Director)

Mr Ricardo Pendón is the founding Managing Director of HAPA. Ricardo has been a successful entrepreneur for over 15 years. He has built two companies in the health insurance and public & investor relations sector and has achieved successful exits of these businesses. He has bootstrapped the company since inception and has built a team of individuals and a network of relationships positioning HAPA to take advantage of the medicinal cannabis sector in Europe. Mr Pendón resides in Germany and has not been a director of any other ASX listed company.

Michael Sprenger

(proposed COO, Executive Director)

Michael Sprenger is a co-founder of HAPA. Michael graduated from the Frankfurt School of Finance and Management, one of the top-5-business schools in Germany, with a Bachelor of Science in International Business. Michael started his career managing hedge funds up to 1.5 billion EUR in assets for institutional investors in absolute return and derivative strategies. Building smaller companies on the side he moved into the start-up industry in Berlin. He worked for the most successful venture builders in Germany (Rocket Internet, HitFox Group) hands-on in early stage start-ups bringing them to speed operationally. He has a strong finance and analytical background especially in the start-up environment. Mr Sprenger resides in Germany and has not been a director of any other ASX listed company.

1.16 Advantages of proposed Acquisition

The Directors are of the view that the following non-exhaustive list of highlights of the Acquisition may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) HAPA has an early mover advantage over other domestic and foreign market entrants with a local, experienced and seasoned executive team in place to guide the Company's business and operations;
- (b) HAPA's exposure and accessibility to strategic partnerships will enable high quality supply of pharmaceutical grade cannabis flower and oil thereby offering pharmaceutical GMP-grade THC and CBD product lines;
- (c) direct access to patients through imminent opening of specialist medical clinics initially in Berlin (already active) and Dortmund with intentions to expand into other cities including Hamburg and Munich quickly;
- (d) HAPA has lodged an application for an EU cultivation licence in Greece which is currently waiting on final confirmation;
- (e) the Acquisition provides HAPA with funds to expand and the opportunity to enter into other European markets.
- (f) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a medical cannabis company;
- (g) the Acquisition will enable the Company to tap into the established nature of the HAPA Business;
- (h) the potential increase in market capitalisation of the Company following Settlement may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present; and
- (i) the appointment of Mr Ricardo Pendón and Mr Michael Sprenger, both of whom are founders of HAPA, as Executive Directors of the Company provides the Company with extensive experience in the medical cannabis industry.

1.17 Disadvantages of proposed Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Company will be changing the nature and scale of its activities to primarily be a medical cannabis company, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition will result in the issue of Consideration Shares which will have a dilutionary effect on the holdings of Shareholders;
- (c) in connection with the Acquisition, the Company has been required to engage a number of advisors, lawyers and experts to facilitate and report on the Acquisition, which represent sunk, but necessary costs to the Company; and
- (d) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Acquisition. Some of the key risks are summarised in Section 1.18 below.

1.18 Risk factors

Shareholders should be aware that if the Acquisition is approved and Settlement occurs, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from HAPA and the Acquisition Agreement and other agreements.

The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers immaterial, which may affect the Company and HAPA. Based on the information available, a non-exhaustive list of risk factors for the Company, associated with the Company's proposal to acquire all of the shares in STAK HAPA is set out below.

(a) Risks relating to the Change in Nature and Scale of Activities

(i) Dilution Risk

The Company currently has 151,442,680 Shares on issue. Upon Settlement a total of 90,000,000 Consideration Shares will be issued to the HAPA Vendors:

- (A) the existing Shareholders will retain approximately 62.72% of the Company's issued Share capital; and
- (B) the HAPA Vendors (or their nominee/s) will hold approximately 37.28% of the Company's issued Share capital.

If the Incentive Options to be issued are exercised or convert the holdings of the existing Shareholders in the Company will be further diluted.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the HAPA Business.

(ii) **Liquidity risk**

On Settlement, the Company proposes to issue the Consideration Shares to the HAPA Vendors (or their nominee/s). The Directors understand that ASX will treat the Consideration Shares as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. As a significant number of the Company's Shares will be subject to escrow upon Settlement, there is an increased liquidity risk as a large portion of issued capital may not be able to be freely traded for a period of time.

(iii) **Contractual Risk**

Pursuant to the Acquisition Agreement, Settlement is subject to the fulfilment of certain Conditions Precedent, as identified in Section 1.6(b).

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(b) **Risks relating to the HAPA Business**

(i) **Public interest**

The HAPA Business may generate public controversy. Political and social pressures and adverse publicity could lead to delays and increased expenses for conducting the HAPA Business. These pressures could also limit or restrict the introduction and marketing of the HAPA Business. Adverse publicity from cannabis misuse or adverse side effects from cannabis or associated products may adversely affect the commercial success or market penetration achievable by the HAPA Business. The nature of the HAPA Business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, the Company's reputation may be harmed.

(ii) **Competition**

The medical cannabis industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than HAPA. Some large and well-established competitors will have greater marketing and sales experience and capabilities than we or our future collaboration partners may have. If we are unable to compete successfully, we may be unable to generate, grow and sustain our revenue.

(iii) **Changes to regulations**

There is a continuing risk for HAPA that local laws and/or regulations in Germany with respect to medical cannabis may

change. There is a risk that changes to the regulatory environment may materially detrimentally affect the manner in which HAPA currently operates (including obligations altering the importation, distribution, cultivation and manufacturing of medical cannabis products and the provision of those products to patients).

The potential detrimental flow on effects from these regulatory changes could significantly affect the HAPA Business.

The Company is not aware of any current issues or any impending regulatory changes in Germany which may affect the HAPA Business. However, there is a continuing residual risk from potential regulatory changes which may materially alter HAPA's revenues and/or increase its costs which could diminish HAPA's financial performance.

(iv) **German narcotics licence and narcotics import licence applications**

As outlined above, HAPA has applied for a German narcotics licence which would enable it to distribute THC-containing products throughout Germany. Upon receipt of the narcotics licence, HAPA will also be able to apply for a narcotics importation licence, which will enable it to import THC-containing products into Germany from within and outside the EU. Narcotics importation licences are granted on a shipment-by-shipment basis only.

The Company cannot guarantee that the German narcotics license will ultimately be granted. Further the Company cannot guarantee that subsequent narcotics importation licences will be granted on a timely basis, or at all. The Company has yet to receive confirmation that the narcotics licence has been granted. There is a risk that the narcotics licence may not be obtained which may harm the HAPA Business.

(v) **EU cultivation licence**

As outlined above, HAPA has applied for an EU cultivation licence to grow cannabis in Greece under the new licensing regime operating in Greece and has commenced feasibility studies in relation to the cultivation assuming grant of the licence. HAPA has progressed the application for this licence by satisfying the financial and other requirements imposed by the Greek Government for the grant of the licence.

The Company cannot guarantee that the EU cultivation licence will ultimately be granted. The Company has yet to receive confirmation that the EU cultivation licence has been granted. There is a risk that the EU cultivation licence may not be obtained which may harm the HAPA Business.

The Board confirms that if the EU cultivation is not obtained HAPA will continue to source medical cannabis from third party suppliers in Europe and elsewhere.

(vi) **Safety Risks**

If any of HAPA's products or services cause serious or unexpected side effects, or are associated with other safety risks such as misuse, abuse or diversion, a number of potentially significant negative consequences could result, including:

- (A) regulatory authorities may deny regulatory approval of specific elements of the HAPA Business;
- (B) regulatory authorities may require certain labelling statements, such as warnings or contraindications or limitations on the indications for use, and/or impose restrictions on distribution;
- (C) HAPA may be required to change the way products and services are administered;
- (D) HAPA's relationships with key business partners may suffer;
- (E) HAPA could be sued and held liable for harm caused to patients; or
- (F) HAPA's reputation may suffer.

HAPA may voluntarily suspend or terminate a business segment if at any time it believes that it may present an unacceptable risk to patients or if preliminary data demonstrate that our product candidates are unlikely to receive regulatory approval or unlikely to be successfully commercialised.

(vii) **Rapid industry growth**

The medical cannabis industry is undergoing rapid growth and substantial change, which has recently resulted in increasing consolidation and formation of strategic relationships. HAPA expect this consolidation and strategic partnering to continue. Acquisitions or other consolidating transactions could harm HAPA in a number of ways, including:

- (A) HAPA could lose strategic relationships if third parties with whom we have arrangements with, are acquired by or enter into contractual relationships with competitors (which could cause us to lose access to distribution, content, technology or other resources);
- (B) the relationship between HAPA and such third parties may deteriorate and cause an adverse effect on the HAPA Business; and
- (C) HAPA's current competitors could become stronger, or new competitors could form, as a result of future consolidations.

Any of these events could put us at a competitive disadvantage, which could force HAPA to use greater

resources to meet new or additional competitive threats, which could also harm the HAPA Business.

(viii) **Product liability claims, regulatory action and litigation.**

Risks will arise if HAPA's medical cannabis products are alleged to have caused significant loss or injury. In addition, the manufacture of medical cannabis involves the risk of injury to consumers due to tampering by unauthorised third parties or product contamination. Previously unknown adverse reaction resulting from human consumption of medical cannabis alone or in combination with other medication or substances could occur. HAPA may be subject to various product liability claims, including among others that the HAPA's products caused injury or illness, inadequate instructions for use or warnings concerning possible side effects. A product liability claim or regulatory action against HAPA could result in increased costs, could adversely affect HAPA's reputation with its clients and consumers generally and could have a material adverse effect on the HAPA Business.

(ix) **Agricultural risks**

Subject to the granting of an EU cultivation licence, the HAPA Business will involve the cultivation of medical cannabis, which is an agricultural product. As such the business will be subject to the risks inherent in the agricultural industry, such as insects, plant diseases, invasive plant species, storm, fire, frost, flood, drought, water availability, water salinity, pests, bird damage and force majeure events. Although the Greek facility will be operated by trained personnel to carefully monitor the cultivation conditions there can be no assurance that natural elements will not have a material adverse effect on the production of the cultivation operations.

(x) **Dependence on key inputs and their related costs**

The Greek cultivation facility will rely on key inputs including raw material and supplies related to growing operation as well as electricity, water and other local utilities. Any significant interruptions or negative changes in the availability of economics of the supply chain for the inputs could materially impact the HAPA Business, financial condition and operating results of our Company. Due to the nature of the product some of these inputs may only be available from single suppliers or a limited group of suppliers. Any restrictions on the ability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact of the business, financial condition and operating results of the Company.

(xi) **Continued reliable operation of third parties**

The HAPA Business is in part dependent upon the continued reliable operation of the operating systems and networks of third parties. If these third parties do not provide reliable operation, our ability to operate the HAPA Business could be harmed.

(xii) **Changes in laws and regulations**

The HAPA Business is subject to a variety of laws, regulations and guidelines. The medical cannabis industry is evolving worldwide and has been identified as possibly posing risks in relation to law enforcement and government regulation. It is likely that many governments worldwide will continue to explore the benefits, risks, regulations and operations of Companies involved in medical cannabis. While to the knowledge of management, the HAPA Business is currently in compliance with all current laws, changes to laws and regulations due to matters beyond the control of HAPA may cause adverse effects to its operations.

The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern HAPA's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial position and financial performance of HAPA.

In addition there is a risk that legal action may be taken against HAPA in relation to commercial, legal, regulatory or other matters.

(xiii) **Disclosure of trade secrets and other proprietary information**

HAPA relies on trade secrets to protect its proprietary know-how and technological advances. However, trade secrets are difficult to protect. HAPA rely in part on confidentiality agreements with employees, consultants, and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may independently discover HAPA's trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. Failure to obtain or maintain trade secret protection, or failure to adequately protect our intellectual property could enable competitors to develop generic products or use our proprietary information to develop other products that compete with our products or cause additional, material adverse effects upon the HAPA Business.

(xiv) **Product liability and uninsured risks**

The HAPA Business is exposed to potential product liability risks which are inherent in the marketing and use of its products. It will be necessary to secure insurance to help manage such risks. HAPA may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in addition, HAPA's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

Although HAPA endeavours to work to rigorous standards there is still the potential for the products to contain defects which

may result in system failures. These defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, and damage to the HAPA's reputation or increased insurance costs.

If HAPA fails to meet its clients' expectations, HAPA's reputation could suffer and it could be liable for damages.

Further, the Company is exposed to the risk of catastrophic loss to necessary laboratory equipment, computer equipment or other facilities which would have a serious impact on the Company's operations. The Company gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

(c) **General risks**

(i) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.

(ii) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) introduction of tax reform or other new legislation;
- (C) interest rates and inflation rates;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(iii) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate

income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(iv) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(v) **Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with the other organisations for the manufacture and distribution of products and services. The manufacture and global distribution of products and services is important to the overall success of the HAPA Business. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations.

(vi) **Funding risk**

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of development or research. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(vii) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the HAPA and the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of HAPA and the Company and the value of the Shares. Therefore, the Shares to be issued by the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative.

1.19 Plans for Company is Proposed Acquisition does not occur

If the Essential Resolutions are not passed and the Acquisition Agreement is not completed, the Company will continue to look for potential business acquisitions to take the Company forward.

1.20 Directors' interests in the Proposed Acquisition

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

1.21 HAPA's interests in the Company

None of the HAPA Vendors or their associates are related parties of the Company (other than by virtue of Mr Ricardo Pendón and Mr Michael Sprenger becoming Directors upon Settlement) and they have no existing interest in the Company's Securities.

1.22 No finder's fee

The Company confirms that no fees have been paid or are payable by the Company to any person for finding, arranging or facilitating the Acquisition and the associated transaction.

1.23 Conditionality of Essential Resolutions

Each of the Essential Resolutions in this Notice of Meeting is conditional upon the approval by Shareholders of all Essential Resolutions. Should any of the Essential Resolutions not be approved, the Company will not proceed with the Acquisition.

1.24 Forward looking statements

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Statement. These risks include but are not limited to, the risks detailed in Section 1.19. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

1.25 ASX takes no responsibility

The ASX and their officers take no responsibility for the contents of this Notice of Meeting.

2. REMOVAL OF THE COMPANY FROM THE OFFICIAL LIST OF THE ASX

2.1 Background

After due consideration, the Board has formed the view that it is in the best interests of Shareholders to delist from the ASX.

Accordingly, and as noted above, on 23 July 2018 the Board sought approval of the ASX for the removal of the Company's Shares from the Official List of the ASX pursuant to ASX Listing Rule 17.11 (**Delisting**).

ASX has granted its approval for the Company to pursue Delisting subject to compliance with the following conditions:

- (a) the Delisting is approved by an ordinary resolution of Shareholders of the Company (**Delisting Approval**);
- (b) the Delisting shall take place as soon as practicable after the Delisting Approval is obtained; and
- (c) the Company makes an announcement to the market advising of ASX's decision and the conditions imposed in respect of the Delisting,

(together the **Delisting Conditions**).

The Delisting Approval is being sought from Shareholders pursuant to this Resolution 1.

2.2 Listing Rule 17.11

Listing Rule 17.11 provides that the ASX may at any time remove an entity from the Official List at the request of the entity. The ASX is not required to act on the entity's request or may require conditions to be satisfied before it will act on the

request. The ASX has approved the Company's request for Delisting, subject to the satisfaction of the Delisting Conditions.

2.3 Reasons for Delisting

The primary reasons the Board has decided to remove the Company from the Official List are as follows:

- (a) **(Proposed listing in another jurisdiction):** The Company has commenced investigations for listing the Company in another jurisdiction. The Board's view is that other markets may be a more suitable for the listing of the Company given its proposed business and the interest in the medical cannabis market which could drive better shareholder return.
- (b) **(Limited operations in Australia):** Upon completion of the proposed Acquisition, the HAPA Business will be based in Germany and conduct operations in Europe. It is the Company's present intention to continue to explore and develop the HAPA Business. Other than a registered office the Company does not have any direct Australian interests. In addition, upon completion of the Acquisition, the Company's corporate advisers, brokers and number of management (including Board members) will be based in Germany and other jurisdictions outside Australia.
- (c) **(No immediate need for capital):** The Company currently has approximately \$16.8 million cash at bank and is well capitalised to develop the HAPA Business following completion of the Acquisition. There is no immediate need for access to the public capital markets in Australia that the ASX provides access to.
- (d) **(No change in circumstances):** There will be no change in the existing circumstances faced by Shareholders, where the Company's Shares are suspended from trading compared to being an unlisted public company. Further, the Company intends to implement the Share Sale Facility that will provide Shareholders the ability to sell their shares for a nominated period following removal from the Official List and to receive the proceeds in Australian dollars.
- (e) **(Dual listing and related costs):** If the Company is successful in seeking admission to trading in another jurisdiction, maintaining dual listings will add significant additional costs to the Company's business. The Company considers that those funds would be better applied at a project level (or conserved). Additionally, there are indirect costs associated with the need to devote management time attending to matters relating to the ASX listing which could be directed elsewhere if the Company was listed in a single jurisdiction only.

2.4 Effect of delisting

Shareholders who remain on the Company's register after the removal of the Company from the Official List of the ASX will retain the protections afforded to them under the Corporations Act and the Company's constitution (noting that provisions of the Constitution which refer to the ASX Listing Rules will no longer apply).

Also, while the Company continues to have more than 100 shareholders following the Delisting, the Company's securities may be classified as unlisted enhanced disclosure securities, and the Company would be an unlisted

disclosing entity, which, if this is the case, would oblige the Company to disclose material information in a timely fashion to ASIC, although not to ASX.

In addition, other provisions of the Corporations Act which apply to such unlisted disclosing entities would apply if the Company was an unlisted disclosing entity. These may include the following non-exhaustive list of applicable Corporations Act provisions:

- (a) section 111ANA requirements relating to remuneration recommendations in relation to key management personnel – there are special requirements in Part 2D.8 of the Corporations Act for remuneration recommendations in relation to key management personnel for disclosing entities;
- (b) section 111AO accounting requirements – a disclosing entity has to prepare financial statements and reports for half years as well as full financial years as set out in Chapter 2M of the Corporations Act;
- (c) section 111AP continuous disclosure requirements – as discussed above, a disclosing entity is subject to the continuous disclosure requirements of sections 674 and 675 of the Corporations Act; and
- (d) section 111AQ prospectus relief – section 713 of the Corporations Act applies (subject to certain qualifications) to prospectuses for quoted ED securities of disclosing entities.

The Company anticipates that following Delisting it will amend its policies and procedures to reflect its unlisted status, in particular, to remove policies and procedures which were specific to the requirements of the ASX, such as certain aspects of the share trading policy. However, as the Company will remain an unlisted public company and will be subject to Corporations Act requirements, corporate governance policies procedures will be retained or adapted with the Company's unlisted status.

If the Company is delisted, there will no longer be a readily available indicator of market price for the Company's securities, Shares will be much less liquid and Shareholders will need to find a purchaser for their securities at an agreed price.

As noted above and announced on 31 July 2018, the Company is in the process of finalising the terms of the Share Sale Facility that will allow Shareholders to sell their Shares for a nominated period following the removal of Shares from the Official List and to receive the proceeds in Australian dollars.

2.5 Timing of delisting

The effect of Delisting is that the Company will be removed from the Official List of the ASX. The date of removal will be as soon as practicable after the Delisting Approval is obtained, as advised by the ASX. An indicative timetable for Delisting is set out in section 1.13 above.

2.6 Other information

Messrs Tod McGruther, Andrew Chapman and Chris Mews, Directors of the Company and who hold Shares, have confirmed that they and their associates and closely related parties intend to retain their Shares and not dispose of them prior to the proposed Delisting or via the Share Sale Facility.

2.7 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – ACQUISITION OF HAPA MEDICAL GROUP

3.1 General

Resolution 2 seeks approval from Shareholders for the Acquisition.

As set out above, the Acquisition will change the nature of the Company's activities from a software and technology services company to a medical cannabis company.

A summary of the terms and conditions of the Acquisition Agreement is set out in section 1.7 above and a detailed description of HAPA and the HAPA Business is set out in Section 1.5 above.

3.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for; and
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Acquisition requires the Company, in accordance with ASX Listing Rule 11.1.2, to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

3.3 Suspension until the Company is removed from the Official List

If the Essential Resolutions are approved at the Meeting, it is expected that the Company's Securities will remain suspended from quotation until the Company's Shares are subsequently removed from the Official List, for which Shareholder approval is being sought pursuant to Resolution 1.

Removal of the Company's Shares from the Official List is at the discretion of ASX and will be subject to compliance with the Delisting Conditions.

4. RESOLUTION 3 – APPROVAL FOR HAPA VENDORS TO INCREASE ITS VOTING POWER IN THE COMPANY

Resolution 3 seeks Shareholder approval, for the purpose of item 7 of Section 611 of the Corporations Act, to permit the HAPA Vendors' voting power in the Company to increase from 0% up to 37.28% by virtue of the Company issuing to the HAPA Vendors 90,000,000 Consideration Shares.

Pursuant to the terms of the Acquisition Agreement, the HAPA Vendors will acquire a relevant interest in 90,000,000 Shares, representing voting power in the

Company of 37.28% (**Voting Acquisition**). This assumes that no other Shares are issued or transferred and no Options are exercised.

The voting power is a combined percentage based on the total number of Consideration Shares the HAPA Vendors will receive under the Acquisition. It also assumes that the HAPA Vendors are associates for the purposes of the Corporations Act.

4.1 **Item 7 of Section 611 of the Corporations Act**

(a) **Section 606 of the Corporations Act – statutory prohibition**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in an unlisted company with more than 50 members if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) **Voting power**

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **The HAPA Vendors' entitlements in the Company**

The HAPA Vendors do not currently hold any Shares in the Company. Following the issue of the Consideration Shares to the HAPA Vendors pursuant to the terms of the Acquisition Agreement, the HAPA Vendors' shareholding and resulting voting power in the Company will be as follows:

Shares	Options	Voting Power
90,000,000	Nil	37.28%

(d) **Relevant interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%;
- (ii) a body corporate that the person controls.

4.2 Reason Section 611 approval is required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

The HAPA Vendors do not currently have a relevant interest in any Shares in the Company. However, upon the issue of the 90,000,000 Consideration Shares pursuant to the terms of the Acquisition Agreement, the HAPA Vendors may acquire a relevant interest in 90,000,000 Shares, representing a voting power of 37.28%. This assumes that no other Shares are issued or transferred and no Options are exercised.

Resolution 3 seeks Shareholder approval for the purpose of Item 7 of Section 611 and all other purposes in order to permit the HAPA Vendors' voting power in the Company to increase by 37.28% as a result of the issue of the 90,000,000 Consideration Shares pursuant to the terms of the Acquisition Agreement.

4.3 Specific Information required by Item 7 of Section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval under Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance enclosed with this Notice.

(a) Identity of the HAPA Vendors and its Associate

The HAPA Vendor's comprise, Messrs Ricardo Pendón, Michael Sprenger and Jan Renneberg, being the founders of STAK HAPA and the HAPA Medical Group (**HAPA Vendors**).

None of the HAPA Vendors or their associates are related parties of the Company (other than by virtue of Mr Ricardo Pendón and Mr Michael Sprenger becoming Directors upon Settlement) and they have no existing interest in the Company's Securities.

(b) Relevant Interest and Voting Power

(i) Relevant Interest

The relevant interests of the HAPA Vendors, in voting shares in the capital of the Company (both current, and following the issue of the Consideration Shares to the HAPA Vendors pursuant

to the terms of the Acquisition Agreement), is set out in the table below:

Party	Capacity	Relevant interest as at the date of this Notice of Meeting	Relevant interest after the issue of Consideration Shares
HAPA Vendors	Legal and beneficial holders of the HAPA Shares to be acquired by the Company under the Acquisition.	Nil.	90,000,000

(ii) **Voting Power**

The voting power of the HAPA Vendors, (both current, and following the issue of the Consideration Shares) is set out in the table below:

Party	Voting Power as at the date of this Notice of Meeting	Voting Power after the issue of Consideration Shares
HAPA Medical	0%	37.28%
Other Shareholders	100%	62.72%
TOTAL	100%	100%

For the purpose of determining the voting power of the HAPA Vendors, they are all deemed to be associates as at the date that they receive their Shares in the Company. However, following completion of the Acquisition, there is a likelihood that the HAPA Vendors will no longer be associates for the purpose of the Corporations Act and therefore the voting power shown above may not in fact reflect the true voting power of any of the individual HAPA Vendors.

Further details on the voting power of the HAPA Vendors is set out in the Independent Expert's Report prepared by BDO Corporate Finance enclosed with this Notice.

(iii) **Summary of Increases**

From the tables in sections 4.3(b)(i) and (ii) above, it can be seen that the maximum relevant interest that the HAPA Vendors will hold after the issue of the Consideration Shares is 37.28%.

(iv) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 151,442,680 Shares on issue as at the date of this Notice of Meeting;
- (B) no Options are exercised;

- (C) the Company has agreed to issue 90,000,000 Consideration Shares pursuant to the terms of the Acquisition Agreement;
- (D) no other Shares are to be issued pursuant the Acquisition and the associated transaction;
- (E) the HAPA Vendors do not acquire any additional Shares other than as set out in this Resolution 3.

(c) **Reasons for the proposed issue of securities**

The Consideration Shares are to be issued to the HAPA Vendors in accordance with the terms of the Action Agreement.

(d) **Material terms of proposed issue of securities**

The material terms of the Share Sale Agreement are set in section 1.7 above.

(e) **Date of proposed issue of securities**

The Company will not issue the Consideration Shares until the all conditions precedent under the Acquisition Agreement have been satisfied, including that all Shareholder Approvals have been obtained.

The issue of Consideration Shares will take place upon settlement of the Acquisition Agreement which is currently anticipated to occur 5 days after satisfaction (or waiver) of the last of the conditions precedent.

(f) **Interests of Directors**

- (i) The current Directors recommend that Shareholders vote in favour of Resolutions 2.
- (iii) The HAPA Vendors nor the Directors are aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2.

(g) **Intentions of the HAPA Vendors**

Other than as disclosed elsewhere in this Explanatory Statement, the HAPA Vendors:

- (i) have no present intention of making any significant changes to the HAPA Business other than as set out in section 1.5;
- (ii) have intentions to make available further capital into the Company which is sufficient to ensure the Company can fund on-going operations, develop the HAPA Business and fund the Company's working capital;
- (iii) does not intend to redeploy any fixed assets of the Company;
- (iv) does not intend the Company to pay dividends and does not intend to set a dividend distribution policy for the Company until

such time as the Company is profitable and has a positive cash flow; and

- (v) does not intend to transfer any property between the Company and the HAPA Vendors.

These intentions are based on information concerning the Company, its business and the business environment which is known to the HAPA Vendors at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time. Accordingly, the statements set out above are statements of current intentions only.

(h) **Capital Structure**

The capital structure upon completion of the Acquisition, is set out in Schedule 2.

4.4 Advantages of the Issue

A non-exhaustive list of advantages of the proposed Acquisition is set out in section 1.16 above.

BDO Corporate Finance has concluded that the issue of the Shares is **FAIR** and **REASONABLE** to the non-associated Shareholders. A copy of the Independent Expert's Report prepared by BDO Corporate Finance is enclosed with this Notice.

4.5 Disadvantages of the Issue

A non-exhaustive list of disadvantages of the proposed Acquisition is set out in section 1.17 above.

4.6 Independent Expert's Report

The Independent Expert's Report prepared by BDO Corporate Finance (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transaction contemplated by Resolution 3 is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 3 is **FAIR** and **REASONABLE** to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation, the sources of information and assumptions made and the advantages and disadvantages of the proposed Acquisition.

4.7 ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares under this Resolution as approval is being obtained under for the issue of the Consideration Shares to the HAPA Vendors (or their nominee) for the purposes of Item 7 of Section 611 of the Corporations Act, which is an exception to ASX

Listing Rule 7.1. Accordingly, the issue of the Consideration Shares to the HAPA Vendors (or their nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTIONS 4 & 5 – ISSUE OF INCENTIVE OPTIONS TO DIRECTORS

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate 15,000,000 Options (**Incentive Options**), comprising:

- (a) 7,500,000 Incentive Options to Andrew Chapman (or his nominee); and
- (b) 7,500,000 Incentive Options to Tod McGrouther (or his nominee),

(together the **Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Options constitutes giving a financial benefit and Messrs Andrew Chapman and Tod McGrouther are related parties of the Company by virtue of being Directors.

Taking into account the work done by Mr Chapman and Mr McGrouther in securing the transaction at a time when the Shares in the Company had been suspended from trading, the Board is of the view that the issue of the Options represents reasonable remuneration.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

5.2 Information relevant to Resolutions 3 and 4

The following information is provided in relation to the proposed grant of Incentive Options:

- (a) the related parties are Messrs Andrew Chapman and Tod McGrouther and they are related parties by virtue of being Directors;
- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 7,500,000 Incentive Options to Andrew Chapman (or his nominee); and

- (ii) 7,500,000 Incentive Options to Mr Tod McGrouther;
- (c) the Incentive Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentive Options will be issued on one date;
- (d) the deemed issue price will be \$0.0001 per Incentive Option;
- (e) \$1,500 will be raised from the issue of Incentive Options to the Related Parties, funds raised will be applied in accordance with section 1.4(m).
- (f) the terms and conditions of the Incentive Options are set out in Schedule 4;
- (g) the value of the Incentive Options and the pricing methodology is set out in Schedule 5;
- (h) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Andrew Chapman	20,823,636 ¹	Nil.
Tod McGrouther	4,024,464 ²	1,367,500 ³

Notes:

1. Comprising:
 - (a) 15,675,000 Shares held by The Trust Company (Australia) Limited. Mr Chapman is a director and shareholder of Merchant Funds Management Pty Ltd which is the Manager of the Merchant Opportunities Fund (**Fund**). The Trust Company (Australia) Limited acts as custodian for the Fund.
 - (b) 2,848,636 Shares held by Merchant Funds Management Pty Ltd. Mr Chapman is a director and shareholder of Merchant Funds Management Pty Ltd
 - (c) 2,300,000 Shares held by Boilingpot Pty Ltd. Mr Chapman is a director and shareholder of Boilingpot Pty Ltd.
 2. Share are held by IFM Pty Limited ATF <IFM Super Fund A/C>. Mr McGrouther is a director of IFM Pty Limited and a beneficiary of the IFM Super Fund.
 3. Comprising:
 - (a) 180,000 Options exercisable at \$0.83 on or before 1 August 2019 held directly; and
 - (b) 1,187,500 Options exercisable at \$0.20 on or before 1 August 2019 held by IFM Pty Limited ATF <IFM Super Fund>. Mr McGrouther is a director of IFM Pty Limited and a beneficiary of the IFM Super Fund.
- (i) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:
 - (j) if the Incentive Options granted to the Related Parties are exercised, a total of 15,000,000 Shares would be issued. This will increase the number of Shares on issue from 241,442,680 (assuming the issue of those Shares contemplated by the Resolutions of this Notice) to 256,442,680 (assuming that no other Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate

of 6.21%, comprising 3.11% by Mr Andrew Chapman and 3.11% by Mr Tod McGrouther.

The market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

- (k) the last trading price of Shares on ASX was \$0.165 pre-market open on 10 March 2018, immediately prior to the voluntary suspension of the Shares from quotation on the Official List;
- (l) the Board acknowledges the grant of Incentive Options to Messrs Andrew Chapman and Tod McGrouther is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Incentive Options to Messrs Andrew Chapman and Tod McGrouther reasonable in the circumstances for the reason set out in paragraph (n);
- (m) the primary purpose of the grant of the Incentive Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (n) Mr Andrew Chapman declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that Mr Chapman is to be granted Incentive Options in the Company should Resolution 4 be passed. However, in respect of Resolution 5, Mr Chapman recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the grant of Incentive Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed;
- (o) Mr Tod McGrouther declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that Mr McGrouther is to be granted Incentive Options in the Company should Resolution 5 be passed. However, in respect of Resolution 4, Mr McGrouther recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);

- (p) with the exception of Messrs Andrew Chapman and Tod McGrouther, no other Director has a personal interest in the outcome of Resolutions 3 and 4;
- (q) Mr Chris Mews recommends that Shareholders vote in favour of Resolutions 3 and 4 for the reasons set out in paragraph (m);
- (r) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Incentive Options to be granted as well as the exercise price \$0.20 and expiry date of those Incentive Options; and
- (s) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 and 4.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Incentive Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS TO MR HARRY KARELIS

6.1 General

Resolution 6 seeks Shareholder approval for the issue of 12,500,000 Incentive Options to industry consultant, Mr Harry Karelis (or his nominee).

The primary purpose of the grant of the Incentive Options to Mr Karelis is to provide a performance linked incentive component in the remuneration package for Mr Karelis to motivate and reward his performance as a consultant to the Company and leverage his global relationships in the medical cannabis sector.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Company to issue the Incentive Options to Mr Karelis (or his nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Incentive Options to be issued is 12,500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

- (c) the issue price will be \$0.0001 per Incentive Option;
- (d) the Incentive Options will be issued to industry consultant, Mr Harry Karelis (or his nominee), who is not a related party of the Company; and
- (e) the Incentive Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) \$1,250 will be raised from the issue of Incentive Options to Mr Karelis, funds raised will be applied in accordance with section 1.4(m).

7. RESOLUTION 7 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 7 seeks the approval of Shareholders for the Company to change its name to '*European Cannabis Corporation Ltd*' subject to completion of the Acquisition.

If Resolution 7 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 7 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Acquisition in order to effect the change.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

BDO Corporate Finance means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means 1-Page Limited (ACN 112 291 960).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Delisting has the meaning given to that term in section 1.6 of the Explanatory Statement.

Delisting Approval has the meaning given to that term in section 2.1 of the Explanatory Statement.

Delisting Conditions has the meaning given to that term in section 2.1 of the Explanatory Statement.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Incentive Option means an Option granted pursuant to Resolutions 3, 4 and 5 with the terms and conditions set out in Schedule 4.

Independent Expert's Report means the expert's report prepared by BDO Corporate Finance, a copy of which is attached as Annexure A to this Explanatory Statement.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Incentive Options as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

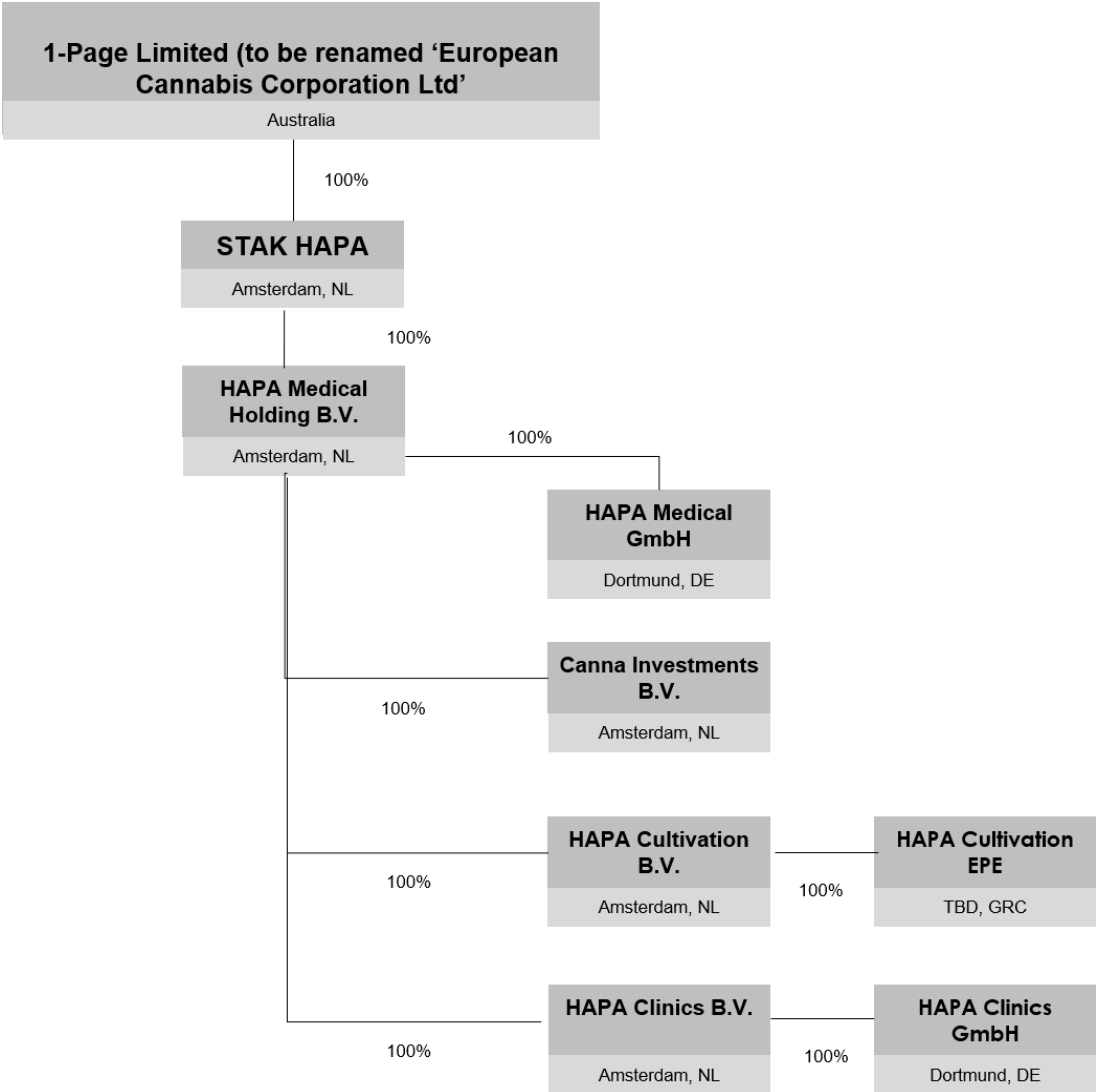
Share Sale Facility has the meaning given to that term in section 1.6 of the Explanatory Statement.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – GROUP STRUCTURE UPON COMPLETION OF THE ACQUISITION

The group structure of the Company Post-Acquisition is set out below:



SCHEDULE 2 – PRO-FORMA CAPITAL STRUCTURE

On completion of the Acquisition the capital structure of the Company is expected to be as set out below.

Description	Shares	Options
Current issued capital	151,442,680	10,765,000 ²
Securities to be issued pursuant to the Acquisition (<i>Resolution 3</i>)	90,000,000 ¹	Nil
Incentive Options to be issued to existing Directors and Mr Harry Karelis (<i>Resolutions 4, 5 and 6</i>).	Nil	27,500,000 ³
TOTAL	241,442,680	38,265,000

Notes:

1. 90,000,000 Considerations Shares to be issued to the HAPA Vendors pursuant to the terms of the Acquisition Agreement.
2. Comprising:
 - (a) 10,450,000 Options exercisable at \$0.20 on or before 1 August 2019; and
 - (b) 315,000 Options exercisable at \$0.83 on or before 29 May 2021.
3. Incentive Options comprising:
 - (a) 7,500,000 Incentive Options to be issued to Director, Mr Andrew Chapman (Shareholder approval for which is being sought pursuant to Resolution 4);
 - (b) 7,500,000 Incentive Options to be issued to Director, Mr Tod McGrouther (Shareholder approval for which is being sought pursuant to Resolution 5); and
 - (c) 12,500,000 Incentive Options to be issued to Advisor, Mr Harry Karelis (Shareholder approval for which is being sought pursuant to Resolution 6).

SCHEDULE 3 – PRO-FORMA BALANCE SHEET

1-Page Limited Proforma Statement of Financial Position							
31/12/2017	Note	1-Page Limited AUD	STAK HAPA Group AUD	Subsequent events		TOTAL AUD	
				1	2	1	
		\$					
CURRENT ASSETS							
Cash and Cash Equivalents	8	24,793,983	332,708		(1,386,831)		23,739,860
Trade and Other Receivables	10	-	-				-
Inventory			94,539				94,539
Other Financial Assets	11	337,547	-				337,547
Other Current Assets	12	134,672	12,366				147,038
Total Current Assets		25,266,202	439,613	-	(1,386,831)	-	24,318,984
NON-CURRENT ASSETS							
Plant and Equipment		-	539				539
Other Non-Current Assets	13	540,708	-	18,000,000	1,386,831	(19,927,539)	-
Goodwill		-				19,760,191	19,760,191
Total Non-Current Assets		540,708	539	18,000,000	1,386,831	(167,348)	19,760,730
Total Assets		25,806,910	440,152	18,000,000	-	(167,348)	44,079,714
CURRENT LIABILITY							
Trade and Other Payables	14	158,806	272,804				431,610
Total Current Liabilities		158,806	272,804	-	-	-	431,610
Total Liabilities		158,806	272,804	-	-	-	431,610
NET ASSETS		25,648,104	167,348	18,000,000	-	(167,348)	43,648,104
EQUITY							
Contributed Equity	15	83,727,885	153	18,000,000		(153)	101,727,885
Reserves	16	9,765,551	535,835			(535,835)	9,765,551
Accumulated Losses	17	(67,845,332)	(368,640)			368,640	(67,845,332)
Total Equity		25,648,104	167,348	18,000,000	-	(167,348)	43,648,104

Subsequent Events:

1. Issue 90,000,000 Consideration Shares to the HAPA Vendors,
2. Second Cash Payment made to the HAPA Vendors.

SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is five (5) years from the date of issue of the Incentive Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the Official List of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to the Related Parties pursuant to Resolutions 3 and 4 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	11/06/2018
Market price of Shares	20 cents
Exercise price	20 cents
Expiry date (length of time from issue)	5 years from date of issue
Risk free interest rate	2.47%
Volatility (discount)	90%
Indicative value per Related Party Option	14.1 cents
Total Value of Related Party Options	\$3,876,453
- Mr Harry Karelis	\$1,762,024
- Mr Tod McGrouther	\$1,057,215
- Mr Andrew Chapman	\$1,057,215

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

PROXY FORM

**1-PAGE LIMITED
ACN 112 291 960****GENERAL MEETING**I/We of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name: **OR:** the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am, on Wednesday, 12 September 2018 at Suite 6/ 295 Rokeby Road, Subiaco WA 6008, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolution 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Removal of the Company from the Official List of the ASX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Change to Nature And Scale Of Activities – Acquisition Of HAPA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the HAPA Vendors to increase their voting power in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of incentive options to Mr Andrew Chapman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of incentive options to Mr Tod McGrouther	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of incentive options to Mr Harry Karelis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):**Individual or Shareholder 1**

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____**Contact name:** _____**Contact ph (daytime):** _____**E-mail address:** _____**Consent for contact by e-mail
in relation to this Proxy Form:**YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to 1-Page Limited, Suite 6/ 295 Rokeby Road, Subiaco WA 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 6166 0261; or
 - (c) email to the Company at arron@smallcapcorporate.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.



1-PAGE LIMITED

Independent Expert's Report

1 August 2018



Financial Services Guide

1 August 2018

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by 1-Page Limited ('1-Page' or 'The Company') to provide an independent expert's report on the proposal to acquire 100% of the share capital in STAK HAPA Amsterdam NL ('HAPA'), for a consideration of €1.3m and 90,000,000 1-Page shares. You will be provided with a copy of our report as a retail client because you are a shareholder of 1-Page.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$33,000

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from 1-Page for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Free call: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and Copyright notice

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

1 August 2018

The Directors
1-Page Limited
Suite 6, 295 Rokeby Road
Subiaco WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 2 February 2018, 1-Page Limited ('1-Page' or 'the Company') announced that it had entered into a conditional binding agreement to acquire 100% of STAK HAPA Amsterdam NL ('HAPA'), a company incorporated in the Netherlands ('the Transaction'). The consideration for the acquisition will comprise €1.3 million and 90 million 1-Page shares ('Consideration Shares'). If the Transaction is approved, the issue of shares will increase the voting power of the current HAPA shareholders ('HAPA Vendors') in the Company from 0% to 37.28%. Accordingly, the issue of shares requires the approval of the non-associated shareholders of 1-Page ('Shareholders'), pursuant to Section 611 of the Corporations Act 2001 (Cth) ('Corporations Act' or 'the Act')

2. Summary and Opinion

2.1 Purpose of the report

The directors of 1-Page have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('Our Report') to express an opinion as to whether or not the Transaction is fair and reasonable to the shareholders of 1-Page.

Our Report is prepared pursuant to section 611 of the Corporations Act 2001 and is to be included in the Explanatory Memorandum for 1-Page in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC'), Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of a 1-Page share prior to the Transaction on a control basis compares to the value of a 1-Page share following the Transaction on a minority interest basis;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of other relevant information the Transaction is fair and reasonable to Shareholders.

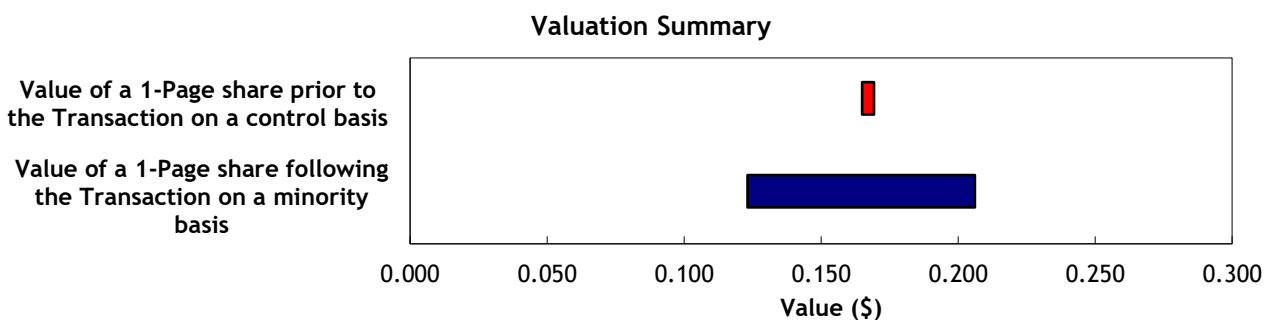
2.4 Fairness

In section 11 we determined how the value of a 1-Page share on a control basis prior to the Transaction compares to the value of a 1-Page share on a minority interest basis following the Transaction as detailed below:

	Ref	Low	High
		\$	\$
Value of a 1-Page Share prior to the Transaction on a control basis		0.165	0.165
Value of a 1-Page Share following the Transaction on a minority interest basis		0.123	0.206

Source: BDO analysis

The above valuation ranges are graphically presented below:



This indicates that, in the absence of any other relevant information, and an alternate offer, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 12 of this report, in terms of both;

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed; and
- the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
12.4.1	The Transaction is fair	12.5.1	Change in the nature of activities
12.4.2	Exposure to a developing industry	12.5.2	HAPA has recently commenced trading
12.4.3	HAPA is focussed on the German market	12.5.3	HAPA is still in the final stages of securing the necessary licences
12.4.4	HAPA has an early mover advantage	12.5.4	Dilution of existing shareholders
12.4.5	Strengthened Board		
12.4.6	Potential for future profitability growth		

Other key matters we have considered include:

Section	Description
12.3	If Shareholders do not approve the Transaction, the non-refundable deposit of €430,000 paid by 1-Page to the HAPA vendors will be forfeited.

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of 1-Page, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise, experience and resources; or
- By commissioning an Independent Expert's Report.

If the Transaction is approved, the HAPA Vendors will have an interest of 37.28% in 1-Page. The directors of 1-Page have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a 1-Page share prior to the Transaction on a control basis and the value of a 1-Page share following the Transaction on a minority interest basis (fairness - see Section 11 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 12 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 2 February 2018, 1-Page announced that it had entered into a conditional binding agreement ('Agreement') to acquire 100% of the shares in HAPA, a company incorporated in the Netherlands with its operations in Germany.

HAPA was established in February 2017 and is involved in the medicinal cannabis market. The Company is focussed on developing a business around offering its own pharmaceutical GMP-grade THC and CBD product lines to German patients through a HAPA-owned network of medicinal cannabis clinics throughout Germany.

The key terms of the Agreement are as follows:

- The consideration payable for HAPA will be 90 million 1-Page shares and €1.3m cash;
 - The timing of the consideration is as follows:
 - €350,000 was paid prior to the date of the Agreement;
 - €80,000 payable on or before 28 February 2018;
 - On the settlement date, a total cash payment of €870,000 and the Consideration Shares is payable.
 - €430,000 of the total cash consideration is non-refundable;
 - The HAPA Vendors will not dispose of the Consideration Shares for a period of 36 months;
 - The completion of the Transaction is subject to the following conditions precedent:
 - the Company completing technical, financial and legal due diligence on HAPA to the sole and absolute satisfaction of the Company;
 - the Company obtaining all required third party, regulatory and governmental approvals and consents to give effect to the Transaction including the necessary shareholder approvals;
 - the employees of HAPA and their remuneration being agreed by the Company;
 - the Company giving notice to HAPA confirming that it is satisfied that no event, change, condition, matter, result or circumstance, has occurred, been disclosed, or become known to the Company
-

including any breach of warranty between the date of the Share Sale Agreement and settlement of the Transaction which in the reasonable opinion of the Company could be expected to have a material adverse effect on HAPA; and

- HAPA obtaining all regulatory and governmental approvals and third-party consents and/or waivers to give effect to the Transaction, including any necessary shareholder approvals.

On 10 April 2018, the Company announced that it had paid all of the cash component of the consideration to the HAPA Vendors.

5. Profile of 1-Page

5.1 History

One-Page Company Inc was founded in Silicon Valley in 2011 as a company that developed and marketed software products for HR departments to support them in sourcing and qualifying job candidates. In April 2014 One Page Company Inc completed a successful reverse takeover of ASX-listed InterMet Resources Limited. InterMet Resources Limited name was changed to 1-Page Limited and the Company was listed on the ASX on 15 October 2014. The Company's operations were primarily run out of the US subsidiary One-Page Company Inc.

During the 12 months following the listing on the ASX the Company's stock price increased by more than 2,700%. In 2015 the Company completed two placements raising approximately \$43 million. In late 2015 the Company's share price began to drop, and continued to decline through 2016. In March 2017 the Company was voluntarily suspended from official quotation, and has remained in suspension to date.

In May 2017, the Company suspended the operations of the US subsidiary One-Page Company Inc, which was the operating company, and completed a layoff of the majority of the workforce. In October 2017, shareholders approved the sale of One-Page Company Inc. to the founder and former director, Ms Joanne Riley for a nominal consideration, and the cancellation of 2,741,667 1-Page shares held by One-Page Company Inc.

Since that date, the Company has continued to explore investment opportunities with the cash it has preserved and focussed on relisting its securities as soon as possible.

1-Page's current Board of Directors comprise:

- Mr Tod McGrouther, Non-Executive Director;
- Mr Andrew Chapman, Non-Executive Director;
- Mr Chris Mews, Non-Executive Director.

On 31 July 2018, the Company announced that it had received formal approval from the Australian Securities Exchange for the removal of 1-Page's fully paid ordinary shares from the official list, pursuant to Listing Rule 17.11.

5.2 Historical Balance Sheet

Statement of Financial Position	Audited as at 31-Dec-17 \$	Audited as at 31-Jan-17 \$	Audited as at 31/01/2016 (restated) \$
CURRENT ASSETS			
Cash and cash equivalents	24,793,983	8,324,338	15,195,320
Financial assets	337,547	22,429,770	33,741,044
Trade receivables	-	144,113	126,123
Other current assets	134,672	262,892	373,828
Assets classified as held for sale	-	-	-
TOTAL CURRENT ASSETS	25,266,202	31,161,113	49,436,315
NON-CURRENT ASSETS			
Property, plant and equipment	-	169,544	185,915
Other non-current assets	540,708	132,372	198,283
Intangible assets	-	-	10,745,193
Software development	-	-	5,852,667
TOTAL NON-CURRENT ASSETS	540,708	301,916	16,982,058
TOTAL ASSETS	25,806,910	31,463,029	66,418,373
CURRENT LIABILITIES			
Trade and other payables	158,806	1,117,906	1,046,825
Deferred revenue	-	71,641	-
TOTAL CURRENT LIABILITIES	158,806	1,189,547	1,046,825
TOTAL LIABILITIES	158,806	1,189,547	1,046,825
NET ASSETS	25,648,104	30,273,482	65,371,548
EQUITY			
Contributed equity	83,727,885	83,725,958	83,199,083
Reserves	9,905,069	8,978,417	15,395,640
Accumulated losses	(67,984,850)	(62,430,893)	(33,223,715)
TOTAL EQUITY	25,648,104	30,273,482	65,371,008

Source: 1-Page Limited Annual Reports for the year ended 31 January 2017 and period ended 31 December 2017.

We note the following in relation to 1-Page's recent financial position:

- On 14 February 2018, the Company changed its financial year end from 31 January to 31 December.
- During the period to 31 December 2017 the Company disposed of its financial assets, resulting in the majority of the Company's assets at 31 December 2017 consisting of cash.
- Financial assets at 31 December relates to cash held in escrow.
- Other current assets relate to GST receivable, accrued interest income and security deposits.
- Other non-current assets relate to that portion of the non-refundable deposit that was paid as at 31 December 2017. The balance paid at that date was €350,000. After the year end, the remainder of the cash consideration, totalling an additional €950,000 was paid.

5.3 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the 11 months to 31 December 2017 \$	Audited for the year ended 31-Jan-17 \$	Audited for the year ended 31-Jan-16 \$
Revenue			
Rendering of services	3,000	811,596	412,629
Interest income	292,111	114,398	170,071
Fair value asset movement		163,707	23,142
Foreign exchange gain		-	364,608
Other income	554,344	78,587	-
	849,455	1,168,288	970,450
Expenses			
Employee benefits expense		(9,173,991)	(3,684,848)
Administration expenses	(669,461)	(5,111,771)	(2,615,928)
Marketing expenses	-	(736,670)	(643,358)
Directors fees	(213,491)	(323,220)	(336,850)
Consulting fees	-	(1,193,720)	(119,565)
Legal fees	(149,632)	(687,257)	(136,164)
Share based payments	(184,456)	3,667,294	(11,236,227)
Loss on disposal of property plant & equipment	-	(16,564)	-
Impairment loss on intangible assets	-	(11,612,143)	-
Depreciation and amortisation expenses	-	(5,092,426)	(1,008,392)
Foreign currency loss	-	(95,538)	-
Forgiveness of related party loans	-	-	(267)
Acquisition costs	-	-	(224,245)
Loss from continuing operations before income tax	(367,585)	(29,207,718)	(19,035,394)
Income tax expense		-	-
Discontinued operations			
Loss for the period from discontinued operations	(5,353,749)		
Loss for the period attributable to owners of the Company	(5,721,334)	(29,207,718)	(19,035,394)
Foreign currency translation	1,488,037	(2,267,645)	1,162,948
Total comprehensive loss for the period	(4,233,297)	(31,475,363)	(17,872,446)

Source: Source: 1-Page Limited Annual Reports for the year ended 31 January 2017 and period ended 31 December 2017.

We note the following in relation to 1-Page's recent financial performance:

- The loss after tax for the 11 months ended 31 December 2017 was significantly less than the loss for the year ended 31 January 2017. This was due primarily to the cessation of the Company's US operations in May 2017, which resulted in reduced employee benefits expense, reduced administration expenses and reduced marketing expenses.
- During the year ended 31 January 2017, impairment testing on goodwill and intangible assets was undertaken and it was identified that intangible assets (including purchased customer data, software development, and goodwill) were no longer expected to contribute to the future cash inflows of the Company's operations. As such the goodwill and intangible assets were fully impaired and written off.

- Depreciation and amortisation in the year ended 31 January 2017 and 31 January 2016 relate to the amortisation of intangible assets and previously capitalised software development costs. As these assets were fully impaired in the period to 31 December 2017, no charge was incurred.
- During the year ended 31 January 2017, \$3,667,294 of share based expense was reversed due to forfeiture of share options and performance rights issued to employees and directors, compared to \$11,236,227 expense recognised in the prior year.

5.4 Capital Structure

The share structure of 1-Page as at 7 March 2018 is outlined below:

	Number
Total Ordinary Shares on Issue	151,442,681
Top 20 Shareholders	94,051,344
Top 20 Shareholders - % of shares on issue	62.1%

Source: Analysis of share registry report provided by Company

The range of shares held in 1-Page as at 7 March 2018 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	% of Issued Capital
1-1,000	433	198,470	0.131
1,001-5,000	487	1,407,744	0.930
5,001-10,000	275	2,222,378	1.467
10,001-100,000	567	19,842,563	13.102
100,001 - and over	130	127,771,496	84.37
TOTAL	1,892	151,442,681	100%

Source: Analysis of share registry report provided by Company



The ordinary shares held by the most significant shareholders as at 7 March 2018 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
HSBC Custody Nominees (Australia) Limited	17,032,148	11.25%
The Trust Company (Australia) Limited	15,675,000	10.35%
Citicorp Nominees Pty Limited	9,214,713	6.08%
Merrill Lynch (Australia) Nominees Pty Limited	4,986,741	3.29%
Total Top 4	4,908,602	30.97%
Others	104,534,079	69.03%
Total Ordinary Shares on Issue	151,442,681	100%

Source: Analysis of share registry report provided by Company

The number of options on issue as at 11 June 2018 is as set out below:

Category	Number	Expiry date	Exercise price
Advisor options	10,000,000	01-Aug-19	\$0.20
Director options	450,000	01-Aug-19	\$0.20
Director options	67,500	24 -Apr-21	\$0.83
Director options	67,500	30-Apr-21	\$0.83
Director options	180,000	29-May-21	\$0.83
Total employee, advisor and director options on issue	10,765,000		

Source: Provided by the Company

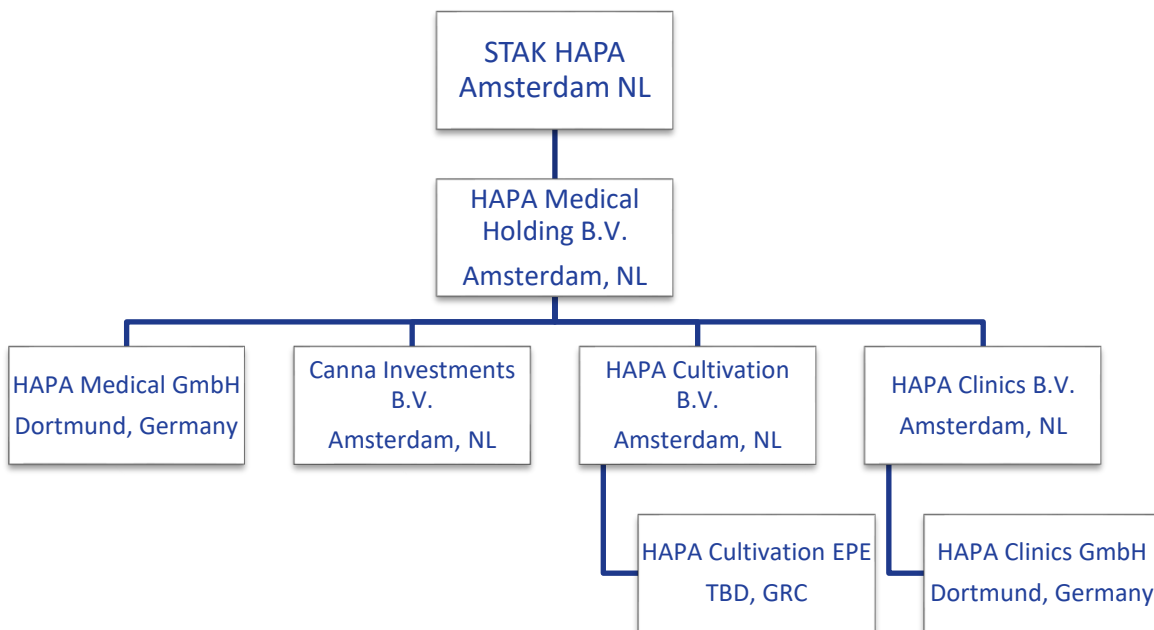
6. Profile of HAPA

6.1 History

STAK HAPA Amsterdam NL was incorporated in the Netherlands in February 2017, and is focussed on the emerging medicinal cannabis market in Germany. In March 2017, legislation was introduced in Germany legalising the use of medicinal cannabis by registered patients. Since the introduction of the legislation, HAPA has worked to develop the business to create a vertically integrated business model where it will be in a position to supply pharmaceutical grade THC and CBD based products to patients through its own medical clinics.

6.2 Group Structure

The group structure of HAPA and its subsidiaries ('Group') is outlined below. All entities are 100% owned:



- HAPA Medical Holding B.V. is the holding company for the Group.
 - HAPA Medical GmbH is based in Dortmund, Germany and will focus on the distribution of medicinal cannabis & hemp based products in Germany and throughout Europe.
 - Canna Investments BV is based in the Netherlands and will be held for future investments.
 - HAPA Cultivation B.V. is based in the Netherlands and has a subsidiary based in Greece. This entity will be responsible for the cultivation of the plants from which the products will be manufactured.
 - HAPA Clinics B.V. is based in the Netherlands. Its subsidiary, HAPA Clinics GmbH, is based in Dortmund, Germany. This entity will operate the specialist medical clinics from which it will prescribe medicinal cannabis products to registered patients. The first two clinics will be located in Berlin and Dortmund with plans to expand to other cities quickly.
-

6.3 Directors

6.3.1. Ricardo P Victorio

HAPA was co-founded by Mr Ricardo Pendón Victorio, who is the CEO and Managing Director. He previously established two companies in the health insurance and public and investor relations sector and has achieved successful exits of these businesses. He has bootstrapped the company since inception and has built a team of individuals and a network of relationships positioning HAPA to take advantage of the medicinal cannabis sector in Europe. Mr Pendón resides in Germany and has not been a director of any other ASX listed company.

It is proposed that Mr Pendón will be the CEO and Managing Director of 1-Page following the Transaction.

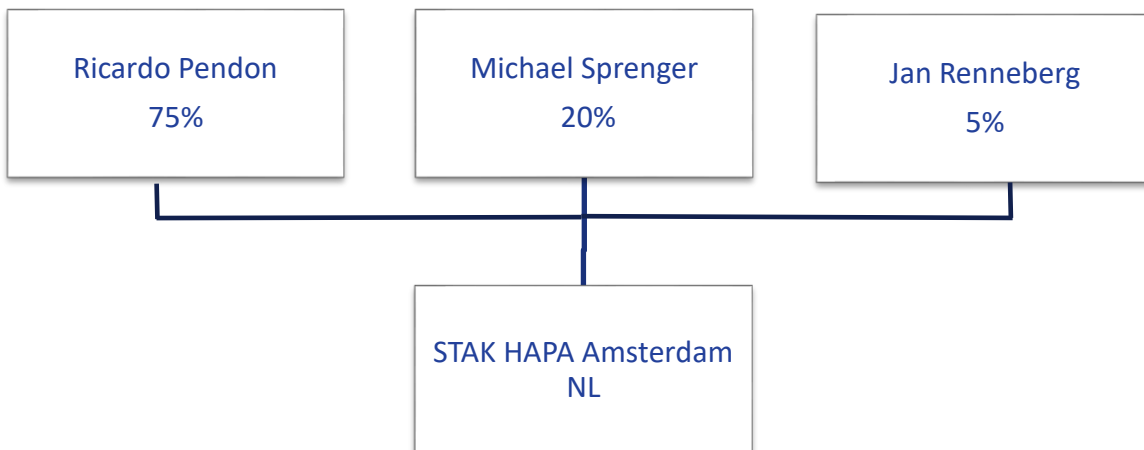
6.3.2. Michael Sprenger

Mr Michael Sprenger is a co-founder of HAPA Medical. Michael graduated from the Frankfurt School of Finance and Management with a Bachelor of Science in International Business. Michael started his career managing hedge funds up to €1.5 billion in assets for institutional investors in absolute return and derivative strategies. Building smaller companies on the side he moved into the start-up industry in Berlin. He worked for venture builders Rocket Internet and HitFox Group hands-on in early stage start-ups . Mr Sprenger resides in Germany and has not been a director of any other ASX listed companies.

It is proposed that Mr Sprenger will be COO and an Executive Director of 1-Page following the Transaction.

6.4 Capital Structure

HAPA is currently privately owned by the HAPA Vendors in the following proportions:



6.5 Historical Balance Sheet

The historical statement of financial position of HAPA Medical Holding BV ('HAPA Medical'), is set out below. HAPA Medical is a 100% subsidiary of STAK HAPA. STAK HAPA is purely a holding vehicle for HAPA Medical.

Consolidated Statement of Financial Position	Audited As at 31/12/2017 €
CURRENT ASSETS	
Cash and cash equivalents	217,258
Inventories	61,734
Other current assets	8,075
TOTAL CURRENT ASSETS	287,067
NON-CURRENT ASSETS	
Equipment, operating and office equipment	352
TOTAL NON-CURRENT ASSETS	352
TOTAL ASSETS	287,419
CURRENT LIABILITIES	
Trade and other payables	10,837
Other accruals	20,900
Other liabilities	146,404
TOTAL CURRENT LIABILITIES	178,141
TOTAL LIABILITIES	178,141
NET ASSETS	109,278
EQUITY	
Contributed equity	100
Capital reserves	349,900
Accumulated losses	(240,722)
TOTAL EQUITY	109,278

Source: HAPA Medical Holding BV consolidated financial statements as at 31 December 2017.

- HAPA Medical financial statements are denominated in Euros (€).
- In addition to HAPA Medical Holding BV, all domestic and foreign subsidiaries that HAPA Medical Holding BV controls directly or indirectly are included in the consolidated financial statements.
- HAPA Medical is headquartered in Amsterdam, Netherlands, and is registered with the Chamber of Commerce in the Netherlands.
- HAPA Medical's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.
- As HAPA Medical was established on 17 February 2017, no comparable information is available.
- HAPA Medical has implemented all the accounting standards adopted by the European Union and to be applied from the 2017 financial year. New or amended IFRS's that are not yet mandatory were not adopted.
- Other current assets include receivables from related parties and tax receivable.
- Accruals relate to accrued audit fees.

- Other current liabilities relate to a third party loan of approximately €65,000, approximately €13,000 of tax liabilities, approximately €7,000 of social security liabilities and the remainder comprising trade payables relating to invoices received in the last week of December and the first two weeks of January, but relating to the 2017 year.

6.6 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the period ended 31 December 2017
	€
Revenue	
Sales	26,492
Cost of goods sold	(174,228)
	(147,736)
Other income	2,664
	(145,072)
Expenses	
Distribution expenses	13,652
Administrative expenses	52,341
Other expenses	27,341
Profit before tax and interest	(238,407)
Interest expense	(1,656)
EBT	(240,063)
Other taxes	(660)
Net loss for the year	(240,722)

Source: HAPA Medical Holding BV consolidated financial statements as at 31 December 2017.

We note the following in relation to the Company's Statement of comprehensive income:

- Sales relate solely to domestic sales of medicinal products.
- Cost of sales includes cost of materials purchased of approximately €5,000, personnel expenses of approximately €112,000 and consulting costs of approximately €57,000.
- Distribution expenses relate to advertising and sales promotion costs.
- Administrative expenses relate primarily to consulting costs.

7. Industry analysis

7.1 Background to therapeutic use of cannabis

Cannabis is a genus of flowering plant which contains a variety of compounds known as cannabinoids. The primary cannabinoids identified for therapeutic purposes are delta 9 tetrahydrocannabinol ('THC') and Cannabidiol ('CBD'). THC is the psychoactive component of the plant.

There have been a limited number of clinical studies on medicinal cannabis, as such, its effects on the human body are not fully understood. Despite this, cannabis has had a long history of medicinal use, having been used to help nausea, vomiting, chronic pain and to manage a variety of conditions. While recreational cannabis cultivation, manufacture and use is largely prohibited in most countries, there has been a worldwide push from community and advocacy groups to legalise the production and use of medicinal cannabis.

7.2 The Australian Regulatory Framework

At a Federal level, The Australian Government Department of Health regulates medicinal cannabis products through the Office of Drug Control ('ODC') and the Therapeutic Goods Administration ('TGA'). ODC regulate controlled substances to prevent illicit use and administers the Narcotic Drugs Act 1937 ('the ND Act'). ODC grants licences and permits for cultivation and production, manufacture and import of cannabis and cannabis resin for medicinal purposes.

7.2.1. Licensing

In Australia there are various licences and permits required to undertake specific activities. These are outlined at Appendix 4.

All forms of extraction from the cannabis (or hemp) plant requires a manufacture licence and permit under the ND Act in Australia, however as all of 1-Page's activities will be outside of Australia, and undertaken via HAPA, there will not be a requirement for 1-Page to hold any licences in Australia. HAPA will be required to hold all the necessary approvals.

7.3 The German Framework

In March 2017, the German Parliament passed a law allowing the medicinal use of cannabis. Under the new law, patients can obtain a prescription for medicinal cannabis from their doctor if the doctor decides there are no other therapeutic alternatives available to treat the patient. The process of obtaining access to medicinal cannabis in Germany is strictly controlled by the Federal Institute for Drugs and Medical Devices ('BFARM'). It is the role of BFARM to ensure the safety of medical products through the marketing authorisation and registration of medicinal products. It will also continue a risk assessment of the medicinal product, once it has been licensed.

BFARM has established a 'cannabis agency' to regulate the cultivation of cannabis for medicinal use. The cannabis agency has begun a public tender for cultivation licences, however companies who tender for licences must meet specific criteria including having past experience with cannabis products (for example if they a German subsidiary of a company producing cannabis), indoor premises and security measures.

Under the new law, insurance companies are required to cover the cost of upwards of 100 grams of medicinal cannabis per month.

7.3.1. Licensing and permits (Germany)

The licensing and permits framework in Germany is quite complex and different activities require different licences and permits.

The table at Appendix 5 summarises the various activities and licences required to undertake those activities. This table is an annex to a legal opinion prepared by Tiefenbacher Attorneys for 1-Page advising whether its planned business activities are compatible with German law.

This report notes that, in connection with the regulatory regime on selling/distributing CBD-only products as well as those containing THC, ‘the legal situation regarding products containing CBD has not yet been finally clarified and due to emerging interest in connection with the amendment of the law on narcotics it is a legal area that is in flux’.

Notwithstanding this, the Company has advised us that the current framework requires the following licences and permits for the activities that HAPA proposes to undertake:

- A wholesale pharmaceutical distribution licence and a narcotics licence will be required in order to distribute medicinal cannabis products containing THC;
- A cultivation licence will be required for HAPA’s subsidiary to commence cultivation operations in Greece;
- Import permits are required on a batch by batch basis as product is brought into Germany;
- With regard to the operation of the medical clinics, no specific licence is required as the clinics are not classed as a private hospital. As such, only the doctor operating from the clinic requires the necessary medical qualification.

7.3.2. HAPA’s current licencing status

HAPA commenced trading in Germany at the end of February 2018. Since it commenced trading it has been currently selling CBD based products only, primarily comprising skincare and wellness products. It does not require a wholesale pharmaceutical distribution licence or narcotics licence in order to carry on this trade.

The products that HAPA are currently supplying are sourced from a Macedonian company called Replek Farm Limited (**‘Replek’**). Replek sources the raw material from plants grown in the Netherlands. The cannabis is sent to Macedonia where manufacturing is undertaken. Import permits are obtained on a batch by batch basis to bring the product into Germany.

Replek Farm has an EU ‘Good Manufacturing Practice’ certificate issued by the European Medicines Agency (‘EMA’). Any manufacturer of medicines intended for the EU market, irrespective of where the manufacturer is located, must comply with GMP.

In order to be able to supply THC based products, HAPA will require a narcotics licence. The first step in the process requires the licensee to obtain a wholesale pharmaceutical distribution licence. HAPA has recently been granted an interim wholesale licence which allows for the importation of a batch of product containing THC. This batch will be sent to government labs for testing and certification. Following this certification, the final wholesale and final narcotics licence can be granted. The Company has advised that importation of the first THC-containing products is imminent.

HAPA opened its first specialist medical clinic in Berlin on 1 April 2018, and has begun seeing patients. This is the first of its kind in Germany and will issue prescriptions for medicinal cannabis to registered patients. Sites have been identified and doctors secured for clinics in Dortmund, Hamburg and Munich, with the intention that these clinics will be opened progressively over the coming three months.

Currently HAPA cannot supply THC products, however on receipt of a narcotics licence, it will be in a position to supply pharmacies with HAPA branded THC products, which it can prescribe to patients that attend the medical clinics.

HAPA has incorporated a subsidiary in Greece, HAPA Cultivation EPE, which it intends will apply for a cultivation licence and supply the pharmaceutical grade medicinal cannabis to Replek Farm for manufacture. HAPA has identified a suitable site to locate its cultivation activities. This site has passed all environmental due diligence and HAPA has an option in place for a long term lease with an option to acquire in the future.

On receipt of a cultivation licence, HAPA would be in a position to supply the medicinal cannabis through its medical clinics in Germany. It is anticipated that this vertical integration will reduce the cost of the raw material, resulting in increased Group profits. HAPA has incorporated this subsidiary in Greece, and has capitalised it to the required level to enable it to be in a position to apply for a cultivation licence.

8. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

8.1 Valuation of a 1-Page share prior to the Transaction

In our assessment of the value of a 1-Page share prior to the Transaction we have chosen to employ the following methodology:

NAV methodology

We have chosen this methodology for the following reasons:

- The NAV approach on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life;
 - 1-Page is not currently trading and therefore does not generate a profit. The Company previously operated a significantly different business therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate;
 - The QMP basis is generally a relevant methodology to consider when a company's shares are listed on the ASX. This means there is a regulated and observable market where the company's shares can be
-

traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid. 1-Page's shares have been suspended from trading since March 2017, and on 31 July 2018 it announced it was delisting from the ASX, therefore this methodology is not appropriate;

- We have not been provided with forecast cash flows and therefore we are unable to use the DCF methodology.

8.2 Valuation of a 1-Page share following the Transaction

In our assessment of the value of a 1-Page share following to the Transaction we have chosen to employ the sum of parts methodology, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods.

The value of a 1-Page share following the Transaction consists of the following components;

- The value of 1-Page prior to the Transaction;
- The value of HAPA;
- The consideration paid for HAPA; and
- The number of shares on issue following the Transaction.

9. Valuation of 1-Page prior to the Transaction

9.1 Net Asset Valuation of 1-Page

The value of 1-Page's assets on a going concern basis is reflected in our valuation below:

	Ref	Audited as at 31-December-17 \$	Valuation \$
Assets			
Cash and cash equivalents	1	24,793,983	24,669,495
Other current assets		134,672	134,672
Financial assets	2	878,255	337,547
Total Assets		25,806,910	25,141,714
Liabilities			
Trade and other payables		158,806	158,806
Total Liabilities		158,806	158,806
Net Asset value		25,648,104	24,982,908
Number of shares on issue		151,442,681	151,442,681

Ref	Audited as at 31-December-17 \$	Valuation \$
Value of a 1-Page share (control basis)		0.165

Source: BDO analysis

The table above indicates the net asset value of a 1-Page share is \$0.165. We have not calculated a range of values as we consider that the balances are not variable. We have based our valuation on 1-Page's balance sheet as at 31 December 2017, after consideration of the following:

Note 1: Cash and cash equivalents

The cash balance held by the Company as at 30 April 2018 is \$17,410,554. This is after the outflows detailed below:

- After the year end, the Company paid the remaining balance of the cash consideration, bringing the total cash consideration paid to €1.3 million. In the event that the Transaction is not approved, a total of €870,000 is refundable.
- 1-Page has advanced a loan of approximately \$6.1 million to HAPA, which is included in 1-Page's balance sheet as a non-current receivable as at 30 April 2018. We have been advised that no loan agreement is in place. The loan is interest-free and is repayable on demand.

These cash flows primarily relate to advances to HAPA which are categorised as assets (investment in HAPA and loan) on the 1-Page balance sheet as at 30 April 2018 and therefore the overall net asset position is not materially different to that as per the audited accounts at 31 December 2017. We have therefore relied on the audited accounts for our valuation.

We have reduced the cash balance by \$122,976 (being €80,000 converted at the EUR: AUD exchange rate as at 31 December 2017) to reflect that, as outlined in the Share Sale Agreement, in the event that the Transaction does not proceed, an additional €80,000 of the cash consideration (payable on 1 February 2018) is non-refundable.

Other balances as at 30 April 2018 are not materially different, and the net asset position is not significantly different from that as at 31 December 2017.

Note 2: Financial assets

Financial assets comprise cash held in escrow totalling \$337,547 and investments totalling \$540,708 - which relates to the first part of the HAPA acquisition payment paid prior to 31 December 2017. We have assumed that the value of the investments is nil, due to the fact that the deposit is non-refundable, therefore if the Transaction does not proceed, the value of this investment is nil. Furthermore, we have adjusted the cash balance as detailed in Note 1 above to reflect that an additional €80,000 of the deposit payable is non-refundable.

9.2 Assessment of the value of a 1-Page share prior to the transaction

The results of the valuation performed are summarised in the table below:

	\$
Net asset value	0.165

Source: BDO analysis

Based on the results above we consider the value of a 1-Page share to be \$0.165. We note that the value of a 1-Page share on the NAV basis is reflective of a controlling interest.

We note that the Company has options on issue as set out in section 5.4, however none of the options are in the money prior to the transaction. We have therefore assumed that none of these options will be exercised, and as such our value per share is on an undiluted basis.

10. Valuation of a 1-Page share following the Transaction

We have undertaken our valuation of 1-Page following the Transaction on a sum-of-parts basis:

Sum of Parts	Ref	Low value \$	High value \$
NAV of 1-Page prior to the Transaction	10.1	24,984,420	25,648,104
Less: Cash consideration paid to HAPA Vendors	10.2	(1,927,539)	(1,927,539)
NAV of 1-Page net of cash consideration prior to the Transaction (control)		23,056,881	23,720,565
Discount for minority interest	10.3	23%	17%
		17,736,062	19,767,138
Add: Value of HAPA	10.4	12,000,000	30,000,000
NAV of 1-Page following the transaction (minority basis)		29,736,062	49,767,138
Number of shares on issue following the Transaction (undiluted)		241,442,681	241,442,681
Value per share (undiluted)		0.1232	0.2061

We note that there are 10,450,000 options on issue with an exercise price of \$0.20. Furthermore, if the Transaction is approved, an additional 27,500,000 options with an exercise price of \$0.20 will be issued to directors and advisers of the Company. On the basis of our 'high' valuation above, these options will be 'in the money'. We have analysed the impact on the value if these options were exercised and note that the impact on value is immaterial.

10.1 NAV of 1-Page prior to the Transaction

The net asset value of 1-Page prior to the Transaction as set out in section 9.1, is reflective of a controlling interest in the Company. Our assessment of the value of a 1-Page share following the Transaction is on a minority interest basis, therefore we have applied a minority discount to this value as set out in 10.3 below.

10.2 Cash consideration paid

We have deducted the cash consideration paid to the HAPA Vendors as it is captured in the value of the Company prior to the Transaction. The total cash consideration paid was \$1,927,538, which equates to €1.3 million based on the exchange rates at the time the payments were made.

10.3 Discount for Minority Interest

A minority interest discount is the inverse of control premium and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. In order to calculate the minority interest discount, we have first considered an appropriate control premium.

10.3.1. Control Premium

We have reviewed the control premiums paid by acquirers of all companies listed on the ASX, as set out in the table below:

All ASX listed companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2018	5	368.15	57.34
2017	26	1089.67	45.10
2016	40	753.74	48.70
2015	28	999.75	35.21
2014	42	535.71	40.67
2013	37	140.92	49.44
2012	52	472.10	51.68
2011	65	739.79	43.98
2010	50	591.60	46.52
	Mean	632.69	45.80
	Median	114.30	36.23

Source: Bloomberg

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- nature and magnitude of non-operating assets;
- nature and magnitude of discretionary expenses;
- perceived quality of existing management;
- nature and magnitude of business opportunities not currently being exploited;
- ability to integrate the acquiree into the acquirer's business;
- level of pre-announcement speculation of the transaction;
- level of liquidity in the trade of the acquiree's securities.

The table above indicates that the long term average of announced control premiums paid by acquirers of ASX listed companies is approximately 46%. However, in assessing the sample of transactions included in the table, we noted transactions that appear to be extreme outliers. These included 47 ASX listed company transactions in which the announced premium was in excess of 80%.

In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the review period was approximately 36%.

In determining a control premium most appropriate for 1-Page, we considered a number of factors including that 1-Page is not carrying on a trade and its assets primarily comprise cash. Based on the above, we believe a control premium in the range of 20% to 30% is appropriate.

This results in a minority interest discount of 17% to 23%.

10.4 Value of HAPA

We have considered the value of HAPA on a number of bases:

- as HAPA does not have a substantial trading history, we were unable to arrive at a value using the FME methodology;
- HAPA is not listed therefore we are unable to use a QMP methodology;
- we have not been provided with projected cash flows and therefore are unable to perform a DCF;
- whilst HAPA has net assets of €109,278 as at 31 December 2017, we do not consider this to adequately reflect its value or the value of the licences it holds, therefore we have not used this valuation methodology.

We have therefore considered comparable transactions and companies to arrive at a value for HAPA.

10.4.1. Approach

As HAPA has just commenced trading in recent months, we consider that its value lies in its ability to supply medicinal cannabis products to the German market. At present, these products are CBD based products only, but on receipt of a narcotics licence it will also be able to supply THC based products. In order to arrive at a value for HAPA we have therefore considered the value of comparable listed companies supplying CBD based medicinal cannabis products.

We have considered the market capitalisation of these companies, compared to their net assets, and inferred that the difference relates to the value of the licence that enables the company to supply this product.

10.4.2. Comparable companies

We have considered only companies that are pre-revenue, or generating small revenues but not yet profitable, operating in the medicinal cannabis market, focussed on supplying, developing and researching CBD based products.

We have excluded companies supplying THC based products from our analysis as HAPA is not yet currently licenced to supply these products.

We have also included companies that are focussed on medicinal cannabis only and not a portfolio of other pharmaceutical products.

The table below lists the ASX listed companies that we believe to have similar operations to HAPA:

Company	Description
CannPal Animal Therapeutics (ASX: CP1)	Cannpal Animal Therapeutics Limited focuses on research, development, and commercialisation of regulatory approved medicines using compounds derived from the cannabis plant for animal use in Australia.
Creso Pharma (ASX: CPH)	Creso Pharma Limited develops and commercialises cannabis and hemp based nutraceutical products for human and animal health.
MGC Pharmaceuticals (ASX: MXC)	MGC Pharmaceuticals Limited operates as a medical and cosmetic cannabis company in Australia and Slovenia.
MMJ Phytotech (ASX: MMJ)	MMJ Phytotech Limited engages in the development and commercialisation of cannabinoid based therapeutic products. MMJ is also working on establishing strategic alliances with the aim to acquire GMP strains and plants and to secure revenue streams from growing operations, focussing on the Canadian and US medical cannabis markets.
Zelda Therapeutics (ASX: ZLD)	Zelda Therapeutics Limited focuses on research, and developing a range of cannabinoid-based formulations for the treatment of various medical conditions in Australia.
Elixinol Global (ASX: EXL)	Elixinol Global Limited engages in the industrial hemp and medicinal cannabis business in Australia.
Botanix Pharmaceuticals (ASX: BOT)	Botanix is a skin care company and is conducting trials using cannabidiol-based drugs to treat acne, psoriasis, and atopic dermatitis. The company's BTX 1503 is focussed on treating acne in teenagers, including acne that has become resistant to antibiotics. It contains no psychotropic ingredients.

Further detail on these companies is included at Appendix 3.

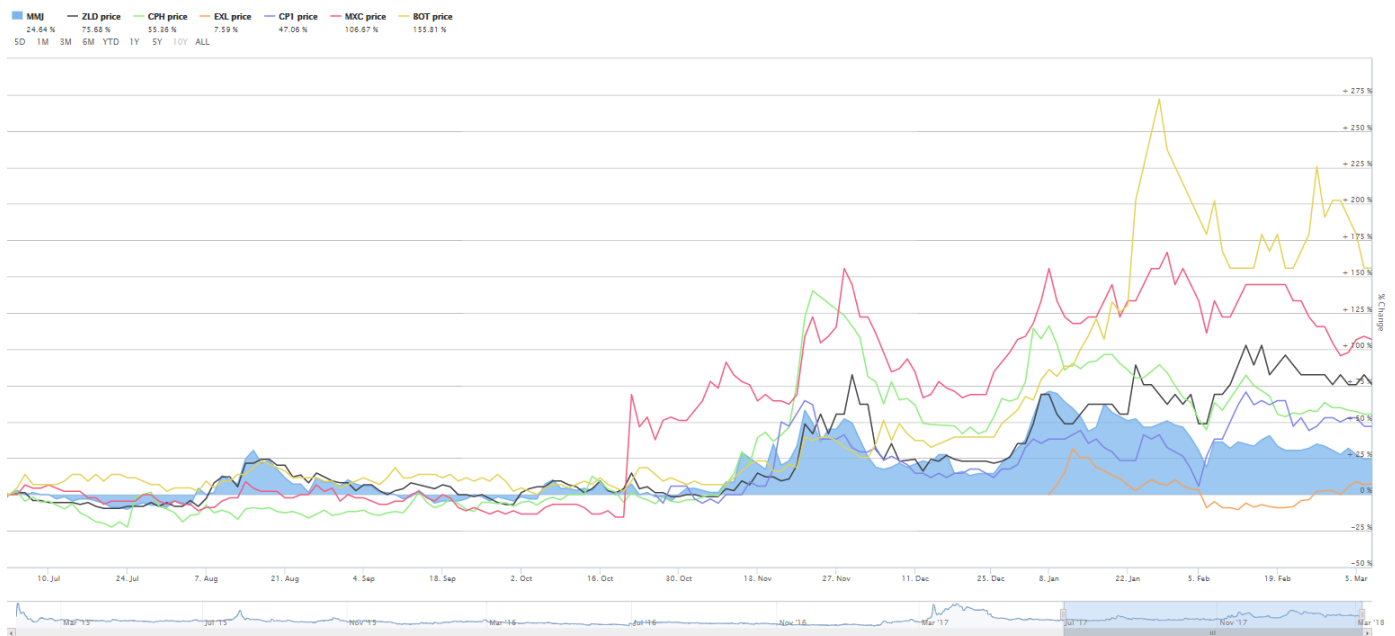
We note that there are other prominent ASX listed medicinal cannabis companies which we have not included in our analysis - specifically AusCann Limited, and Cann Group Limited. We have not included these companies as we believe they are not directly comparable as they are producing and selling products containing THC.

We have considered whether there are comparable companies operating in the German market, or other European markets. We have been unable to find any comparable listed companies.

We also considered companies operating in the US and Canadian markets. We have not included them however due to the fact that in many US states the recreational use of cannabis is legal, and is set to be legalised in Canada in 2018, therefore we believe the markets in these countries are different. Whilst MMJ Phytotech has a 60% interest in a company which operates in the Canadian market, its sales to 31 December 2017 have been based on the Satipharm Gelpell CBD capsules, rather than THC products.

We note that the market capitalisation of all of the comparable companies we have selected increased significantly between 1 July 2017 and 31 December 2017.

We examined the share price performance of these companies between June 2017 and December 2017, and noted that share prices increased considerably for most of the comparable companies around October and November 2017, as shown in the chart below.



Source: ASX

We have considered whether there have been any regulatory changes or industry specific announcements driving this sudden increase, however no significant changes were made or announced during this period. We note however that the export of Australian grown cannabis was legalised in January 2018, therefore anticipation of this regulatory change may have had an impact on the share prices of companies operating in the sector.

10.4.3. Assessment of comparable companies

The table below outlines the market capitalisation of the comparable companies as at 30 June 2017 and 31 December 2017.

Company name	Market Cap at 30 June 2017 \$	Market cap at 31 December 2017 \$
Cannpal Animal Therapeutics Limited	-	18,625,000
Creso Pharma Limited	49,476,760	100,745,100
MGC Pharmaceuticals Limited	50,444,000	97,608,290
MMJ PhytoTech Limited	67,902,900	92,692,890
Zelda Therapeutics Limited	55,858,300	70,200,300
Botanix Pharmaceuticals Limited	23,353,800	35,845,350

Source: Bloomberg



As these companies are in the early stages, and have not derived significant revenues from trading, we have assumed that their value lies primarily in the licences they hold, which will enable them to generate revenues and profits in the future from the sale of medicinal cannabis products.

In order to arrive at an implied value for these licences, we have considered the market capitalisation of each of the companies as at 30 June 2017 and 31 December 2017, and deducted the net assets at the corresponding dates. The difference between the market capitalisation and the net assets provides a guide as to the value of the licences they hold. The table below outlines these values as at 30 June 2017 and 31 December 2017.

Company name	Market capitalisation less net assets as at	
	30-Jun-17 \$	31-Dec-17 \$
Cannpal Animal Therapeutics Limited	n/a	12,967,553
Creso Pharma Limited	49,476,760	79,716,466
MGC Pharmaceuticals Limited	34,655,470	88,442,809
MMJ PhytoTech Limited	26,027,900	41,993,890
Zelda Therapeutics Limited	47,961,769	62,779,006
Botanix Pharmaceuticals Limited	17,916,977	32,553,065

Source: Bloomberg and BDO analysis

The table above indicates a wide range of possible values - ranging from \$12.9 million to \$88.4 million.

Licences in Australia enable holders to cultivate, manufacture and/or distribute products containing both CBD and THC. Companies operating in the German market do not require a licence to supply CBD based products, but require a narcotics licence for THC products. Whilst HAPA is in the process of securing the necessary licenses to deal in THC products, they have not yet been granted.

Despite having included only CBD focussed companies in our comparable analysis, we have chosen a range at the lower end of the range. This is because, as a result of the different regulatory and licensing framework, the comparable companies currently have the licensing in place to supply products across the entire medicinal cannabis spectrum, which HAPA does not yet have. We therefore consider the value attributable to the right to sell medicinal cannabis products to be in the range of \$12m to \$30m.

We have used the value above as a basis for determining the value of HAPA.

We note that the value assessed on this basis represents a minority interest holding, and as such we have added this to the remaining components of the valuation after applying a minority discount to those other components.

11. Is the Transaction fair?

The value of a 1-Page Share prior to the Transaction on a control basis and the value of a 1-Page Share following the Transaction on a minority interest basis is compared below:

	Ref	Low \$	High \$
Value of a 1-Page Share prior to the Transaction on a control basis		0.165	0.165
Value of a 1-Page Share following the Transaction on a minority basis		0.123	0.206

We note from the table above that the value of a 1-Page share on a control basis prior to the Transaction is within the range of values on a minority interest basis following the Transaction. Therefore, we consider that the Transaction is fair.

12. Is the Transaction reasonable?

12.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of 1-Page a premium over the value resulting from the Transaction.

12.2 Practical Level of Control

If the Transaction is approved, then the HAPA Vendors will hold an interest of approximately 37% in 1-Page. In addition to this, 1-Page will have two Board members nominated by HAPA.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved, then the HAPA Vendors will be able to block special resolutions.

1-Page's Board currently comprises three directors. Following the Transaction the board will comprise two of the existing directors, and two additional directors nominated by HAPA, being Mr Ricardo Pendón and Mr Michael Sprenger. This means that HAPA nominated directors will make up 50% of the Board.

HAPA's control of 1-Page following the Transaction will be significant when compared to all other shareholders, holding 37% of the shares and representing 50% of the board.

12.3 Consequences of not Approving the Transaction

Consequences

If Shareholders do not approve the Transaction, the non-refundable deposit of €430,000 paid by 1-Page to the HAPA vendors will be forfeited. We note that all of the cash consideration totalling €1.3 million has been paid, but understand that in the event the Transaction does not proceed, €870,000 is refundable.

The Company will continue to look for investment opportunities, however until suitable opportunities are identified and secured, costs will continue to be incurred thereby depleting Shareholder value. The

approval or otherwise of the Transaction will not have an impact on the delisting of the Company from the ASX.

12.4 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description
The Transaction is fair	As set out in Section 11 the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
Exposure to a developing industry	The medicinal cannabis industry is in its infancy, with legislation being enacted in many countries legalising its use. The acquisition of HAPA provides an opportunity for 1-Page to become involved in a new industry from the outset, and the potential to benefit from exponential growth in the industry.
HAPA is focused on the German market	The German market has the potential to be one of Europe's largest markets for medicinal cannabis. The German health insurance system subsidises the cost of medicinal cannabis for registered users.
HAPA has an early mover advantage	Since the legalisation of medicinal cannabis in Germany in March 2017, the HAPA team has focussed on developing the business to position itself at the forefront of the emerging market in Germany.
Board members	The appointment of the new directors, Mr Pendón and Mr Sprenger to the 1-Page board will bring the required local business experience, local relationships and networks to operate the business in Germany.
Potential for future profitability growth	If a cultivation licence is granted to HAPA's subsidiary in Greece, the potential for future improvements in profitability exists.

12.4.1. The Transaction is fair

As set out in section 11, the Transaction is fair. RG 111.12 states that an offer is reasonable if it is fair.

12.4.2. Exposure to a developing industry

The use of medicinal cannabis was legalised in Australia in 2016, and in Germany in early 2017. Many countries have legalised the use of medicinal cannabis, and many others are considering liberalisation of their laws in relation to its use. The global medicinal cannabis market was worth US\$12.67 billion in 2016, and is forecast to reach US\$33.4 billion by 2022, according to research released by BusinessWire, a

Berkshire Hathaway company, in 2017. The Transaction will provide 1-Page with the opportunity to become involved in a rapidly growing industry.

12.4.3. HAPA is focused on the German market

Germany is Europe's most populous country, at approximately 83 million people, and has the highest level of income per capita. Germany is one of the few countries where health insurance providers subsidise the cost of cannabis related medicines to registered patients. This positions Germany as potentially one of the largest EU and global markets for medicinal cannabis

12.4.4. HAPA has early mover advantage

Medicinal cannabis was legalised in Germany in March 2017. HAPA has been developing the business model to create a vertically integrated business model where it can prescribe pharmaceutical grade THC and CBD based products to patients through its own medical clinics, and supply pharmacies with the products. The HAPA team have focussed on building relationships, applying for the licences and permits to operate the business in Germany and securing sources of supply of medical grade cannabis flower and oil. This, together with the opening of the first specialist medical cannabis clinic in March 2018, and a second expected to open in July 2018 is anticipated to position HAPA at the forefront of the emerging market in Germany.

Being an early mover in an emerging market provides an opportunity for significant growth.

12.4.5. Board members

The appointment of the new directors, Mr Pendón and Mr Sprenger to the 1-Page board will bring the required local business experience, local relationships and networks to operate the business in Germany.

12.4.6. Potential for future profitability growth

The first stage in the HAPA's development contemplates the importation and distribution of products grown by a third party. It is intended that HAPA's subsidiary will apply for a cultivation licence in Greece. If this licence is granted, it will significantly reduce the cost of sales, thereby providing the opportunity for improved profitability.

12.5 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Change in nature of activities	The change in operations from a software company to a medicinal cannabis company may not be consistent with the objectives of all existing Shareholders.
HAPA is a relatively newly established business which has just recently commenced trading	Investment in a start-up business presents more risks than an established business with a trading track record.

Disadvantage	Description
Licences and permits	There is no assurance or guarantee that the necessary licences and permits will be granted to HAPA.
Dilution of Shareholders	Following the Transaction, HAPA Vendors will hold approximately 37% of the shares on issue, thereby diluting existing shareholders' interests.

12.5.1. Change in the nature of activities

The Company will be changing the nature of activities, becoming a company focussed on the medicinal cannabis market. This may not be consistent with the objectives of all Shareholders.

12.5.2. HAPA has recently commenced trading

The HAPA business has just recently commenced trading. It was established in March 2017, and does not have an established track record. As such it represents a riskier investment than the acquisition of an established entity.

12.5.3. HAPA is still in the final stages of securing the required licences to operate a medicinal cannabis business in Germany

HAPA has been granted an interim wholesale distribution licence which allows it to import a batch of product containing THC. Once imported, this batch will be tested by government labs and if satisfactory, the wholesale licence and narcotics licence will be granted.

In the event that the necessary approvals, licences or permits are not granted, HAPA will be unable to supply THC-containing products. In this instance, the Company will focus on CBD based products only. The medical clinics will be operational, however will not be able to prescribe HAPA THC based products - patients will be required to fulfil their prescriptions from other sources. Failure to secure the required licences, permits and approvals would have a detrimental impact on the potential future growth of the Company.

12.5.4. Dilution of existing shareholders' interests

The consideration for the Transaction will include 90 million 1-Page shares. Following the issue of these shares, 1-Page will have approximately 241 million shares on issue. HAPA will hold approximately 37% of the shares on issue, thereby diluting existing shareholders' interests.

Furthermore, if the Transaction proceeds, 15 million incentive options exercisable at \$0.20 will be issued to two of the existing 1-Page directors, and 12.5 million incentive options will be issued to industry consultant, Mr Harry Karelis. If these options are exercised, existing shareholders will be diluted further.

13. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of 1-Page.

14. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of 1-Page Limited for the year ended 31 January 2017 and 11 months ended 31 December 2017;
- 1-Page management accounts as at 30 April 2018;
- Share sale agreement between 1-Page Limited, HAPA and the vendors of HAPA;
- Audited accounts of HAPA Medical B.V. for the period ended 31 December 2017;
- Share registry information;
- Information relating to the German licensing framework contained in a legal opinion to 1-Page Limited prepared by Tiefenbacher Attorneys and Tax advisers;
- Information relating to the Australian licensing framework sourced from the Therapeutic Goods Administration and the Office of Drug Control;
- Information in the public domain, including ASX announcements by 1-Page and comparable companies; and
- Discussions with Directors, Management and advisors of 1-Page.

15. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$33,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by 1-Page Limited in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the 1-Page, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to 1-Page and HAPA and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of 1-Page and HAPA and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with 1-Page, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to 1-Page and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

16. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Chartered Accountants Australia & New Zealand. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Global Natural Resources Leader for BDO.

17. Disclaimers and consents

This report has been prepared at the request of 1-Page Limited for inclusion in the Explanatory Memorandum which will be sent to all 1-Page Shareholders. 1-Page Limited engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed acquisition of HAPA, that will result in the vendors of HAPA increasing their interest in 1-Page to greater than 20%.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to HAPA.



BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of 1-Page, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in blue ink, appearing to read 'Adam Myers'.

Adam Myers

Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

Sherif Andrawes

Director

Appendix 1 - Glossary of Terms

Reference	Definition
1-Page	1-Page Limited
The Act	The Corporations Act 2001 Cth
Agreement	On 2 February 2018, 1-Page announced that it had entered into a conditional binding agreement to acquire 100% of the shares in STAK HAPA, a company incorporated in the Netherlands with its operations in Germany.
Amended Act	Amended Narcotic Drugs Act
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
BfArM	Federal Institute for Drugs and Medical Devices
CBD	Cannabidiol
The Company	1-Page Limited
Consideration Shares	The consideration for the acquisition will comprise €1.3 million and 90 million 1-Page shares
Convention	Single Convention on Narcotic Drugs of 1961
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMA	European Medicines Agency
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GMP	Good Manufacturing Practice
Group	HAPA and its subsidiaries
HAPA	STAK HAPA Amsterdam NL a company incorporated in the Netherlands
HAPA Medical	HAPA Medical Holding BV
HAPA Vendors	The current owners of HAPA, Michael Sprenger, Ricardo Pendon and Jan Rennenberg.



NAV	Net Asset Value
ND Act	Narcotic Drugs Act 1937
ODC	Office of Drug Control
PBS	Pharmaceutical Benefits Scheme
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Replek	Replek Farm Limited
Our Report	This Independent Expert's Report prepared by BDO
RG 74	Regulatory Guide 74 'Acquisitions Approved by Members
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of 1-Page Limited not associated with HAPA
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
TGA	Therapeutic Goods Administration
TG Act	Therapeutic Goods Act 1989
THC	Delta 9 tetrahydrocannabinol
The Transaction	On 2 February 2018, 1-Page Limited announced that it had entered into a conditional binding agreement to acquire 100% of STAK HAPA Amsterdam NL , a company incorporated in the Netherlands
UN	United Nations
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

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The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia



Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Comparable Companies

Company	Description
Botanix Pharmaceuticals (ASX: BOT)	Botanix is a skin care company and is conducting trials using cannabidiol-based drugs to treat acne, psoriasis, and atopic dermatitis. The company's BTX 1503 is focussed on treating acne in teenagers, including acne that has become resistant to antibiotics. It contains no psychotropic ingredients.
Cann Group (ASX: CAN)	Cann Group Limited focuses on breeding, cultivating, manufacturing, and selling medicinal cannabis for a range of diseases and medical conditions in Australia. The company was founded in 2015 and is based in Melbourne. It was the first company in Australia to secure its necessary licences and permits to cultivate and research cannabis for human medicinal purposes and was subsequently Australia's first company to harvest a medicinal cannabis crop.
CannPal Animal Therapeutics (ASX: CP1)	Cannpal Animal Therapeutics Limited, a pet pharmaceutical company, focuses on research, development, and commercialization of regulatory approved medicines using compounds derived from the cannabis plant for cats, dogs, and horses in Australia. The company was incorporated in 2016 and is based in Double Bay.

Creso Pharma (ASX: CPH)	Creso Pharma Limited develops and commercializes cannabis and hemp based nutraceutical products for human and animal health. The company has partnership with Glatt Pharmaceutical Services to develop bioavailable enteric-coated tablets. Creso Pharma Limited has a strategic alliance with LGC Capital Ltd. to create a vertically-integrated cannabis operation, which include cultivation, IP generation, product development, and commercialization. It also has a strategic partnership and commercial distribution agreement with Zhejiang Kingdom Creative Co., Ltd. to expand its operations in China. The company was incorporated in 2015 and is based in West Perth, Australia.
MGC Pharmaceuticals (ASX: MXC)	MGC Pharmaceuticals Limited operates as a medical and cosmetic cannabis company in Australia and Slovenia. It is developing phytocannabinoid as active pharmaceutical ingredients containing medicinal cannabis products. The company develops products for neurological disorders, oncology treatment and side effects and autoimmune treatments in inflammatory cases, as well as deep skin relief products under the DermaPlus brand. MGC Pharmaceuticals Limited has a strategic collaboration agreement with Royal Melbourne Institute of Technology; and a strategic partnership with IEB AS. MGC Pharmaceuticals Limited is based in Perth, Australia.
MMJ Phytotech (ASX: MMJ)	MMJ Phytotech Limited engages in the cultivation and distribution of cannabis in Australia and internationally. It operates through Cultivation, Processing and Distribution, and Clinical Development segments. The company is also involved in the processing, manufacturing, and distribution of cannabis-based food supplement products; and research and clinical development of delivery systems and devices. MMJ Phytotech Limited was incorporated in 2014 and is based in Nedlands, Australia.

Zelda Therapeutics (ASX: ZLD)	Zelda Therapeutics Limited focuses on developing a range of cannabinoid-based formulations for the treatment of various medical conditions in Australia. The company is involved in a human clinical trial program focused on insomnia, autism, and eczema; and a pre-clinical research program to examine the effect of cannabinoids in breast, brain, and pancreatic cancer. It has strategic alliances with Knop Laboratories and CannPal Pty Ltd; and partnerships with Aunt Zelda's Inc, as well as the Complutensé University, the Curtin University, and the Telethon Kids Institute. The company is based in Perth, Australia.
Elixinol Global (ASX: EXL)	Elixinol Global Limited engages in the industrial hemp and medicinal cannabis business in Australia. It manufactures and distributes industrial hemp-based dietary supplements and foods, and skincare products; and medicinal cannabis. The company is based in Sydney, Australia, and listed on the ASX in January 2018.

Appendix 4 - Australian licensing framework

1 Regulatory Framework

Australia is a signatory to the United Nations ('UN') Single Convention on Narcotic Drugs of 1961 ('Convention'), which limits the possession, use, trade in, distribution, import, export, manufacture and production of drugs exclusively to medical and scientific purposes. Under the convention, if parties wish to permit the cultivation of cannabis, they need to maintain one or more government agencies to oversee the compliance with the convention, and that only cultivators licensed by the agency shall be authorised to engage in cultivation. Similarly, the manufacture of drugs containing cannabis is permitted only under licence issued by the government. The commonwealth legislation relating to the convention is the Narcotic Drugs Act 1967 ('The ND Act'). In 2016, the ND Act was amended ('Amended Act') to allow:

- a licensing and permit scheme for the cultivation and production of cannabis and cannabis resin for medicinal and scientific purposes; and
- a licensing and permit scheme for the manufacture of medicinal cannabis product.

Under the Amended Act the Commonwealth will have overall legislative control of the cultivation, production and manufacture of cannabis and cannabis resin for medicinal purposes. However, the state governments do play a role in regulating medicinal cannabis. State and Territory Governments can introduce their own legislation and licensing requirements to cover manufacture, wholesale, supply, and patient access to medicinal cannabis products within their jurisdictions.

At a Federal level, The Australian Government Department of Health regulates medicinal cannabis products through the Office of Drug Control ('ODC') and the Therapeutic Goods Administration ('TGA'). ODC regulate controlled substances to prevent illicit use and administers The ND Act. ODC grants licences and permits for cultivation and production, manufacture and import cannabis and cannabis resin for medicinal purposes.

An ODC licence allows for the cultivation and/or production of cannabis for medicinal or associated research purposes.

As a medicine, medicinal cannabis products are regulated by the Therapeutic Goods Administration (TGA), who regulate:

- access to therapeutic goods
- quality of therapeutic goods.
- Good Manufacturing Practice (GMP)

Both ODC and TGA are part of the Australian Government Department of Health. Together they make up the Health Products Regulation Group.

Generally, holders of licences to manufacture medicinal cannabis products under the ND Act, may also need to hold a GMP Licence from TGA.

The TGA regulates medicines in Australia by administering the Therapeutic Goods Act 1989 ('TG Act'). It is the TGA's role to ensure the way manufacture is conducted results in high quality medicines and to assess the quality, safety and efficacy of medicines before entry into the Australian Register of Therapeutic Goods. The TGA also provides, in certain circumstance, access to medicines that have not been approved for use, as medicinal cannabis has not been approved, this is the primary role of the TGA in the medicinal cannabis market. Patients in Australia can currently only obtain a prescription for medicinal cannabis from an Authorised Prescriber or through a Special Access Scheme (assuming the patient lives in a state or territory where medicinal cannabis is not a prohibited substance). Currently medical cannabis products are not listed on the Pharmaceutical Benefits Scheme ('PBS'), meaning treatment costs must be covered by the individual or a third party.

Below is a chart outlining the role of the TGA, OCD and the States and Territories in each of the process steps.

Process step		Therapeutic Goods Act (TGA)	Narcotic Drugs Act (ODC)	States and Territories involved?
Patient needs medical authorisation	↓ Access	<ul style="list-style-type: none"> ✓ Special Access Scheme; or ✓ Authorised Prescriber 	✗ No	✓ Yes
Import (if obtaining from overseas)	↓ Import	<ul style="list-style-type: none"> ✓ Responsibility of the sponsor 	<ul style="list-style-type: none"> ✓ Licence and permit to import controlled substances 	✓ Yes
Distribution	<div style="border: 1px solid black; padding: 5px; text-align: center;"> Patient with medical authorisation </div>	<ul style="list-style-type: none"> ✗ No 	<ul style="list-style-type: none"> ✓ Responsibility of the licensee 	✓ Yes
Manufacture of medicine in its dosage form	↑ Local cultivation and supply	<ul style="list-style-type: none"> ✓ Licensable 	<ul style="list-style-type: none"> ✓ Licences and permits 	✓ Yes
Manufacture of active ingredient		<ul style="list-style-type: none"> ✓ Licensable 	<ul style="list-style-type: none"> ✓ Licences and permits 	✓ Yes
Harvest (termed 'production' in the Narcotic Drugs Act)		<ul style="list-style-type: none"> ✗ No 	<ul style="list-style-type: none"> ✓ Licences and permits 	✗ No
Cultivation		<ul style="list-style-type: none"> ✗ No 	<ul style="list-style-type: none"> ✓ Licences and permits 	✗ No

Source: Therapeutic Goods Administration

2 Licences and Permits required

The manufacture of medicinal cannabis products (e.g. extracts, tinctures) requires a manufacture licence and permit issued under the Narcotic Drugs Act 1967, as amended by the Narcotic Drugs Amendment Act 2016 (the ND Act).

There are two types of licences covering different activities under the ND Act.

1. **Medicinal Cannabis Licence:** (activities related to the cultivation and production of cannabis and cannabis resin)
2. **Manufacture Licence:** (activities such as the extraction of cannabis and/or cannabis resin)

In Australia, all forms of extraction from the cannabis (or hemp) plant for any purpose is an offence under the Criminal Code Act 1995 unless a manufacture licence and permit has been granted under the ND Act.

Medicinal cannabis licence

Companies require a medicinal cannabis or cannabis research licence to obtain the right to lawfully cultivate cannabis for medicinal purposes. Once a licence is obtained, a medicinal cannabis or cannabis research permit (an ODC permit) is also required before a crop can be cultivated. The permit sets out the specifics of that crop, such as how much and what type can be grown.

- Cultivation includes all steps up to, but not including, harvest.
- Production consists of harvest and placing in a container for the purpose of manufacture or research.

ODC grants the following medicinal cannabis cultivation and production licences:

- medicinal cannabis licence (for supply for human medicinal use), covering either cultivation, production or both.
- cannabis research cultivation licence (for solely research purposes: use in humans prohibited), covering either cultivation, production or both.

Most of the time, companies will hold a combined cultivation and production licence and permit. However, the ability to grant licences for just production allows for the harvesting function to be separated from the cultivation function.

Manufacture licences and permits

The purpose of a manufacture licence is to authorise specific 'manufacturing' activities that may be conducted and place conditions and obligations on the licensee (in addition to those specified in the ND Act and regulations).

A manufacture licence under the ND Act is required for:

- all forms of extraction of the cannabis plant
 - refining
 - concentration
 - transformation into other drugs
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Both a manufacture licence and manufacture permit are required under the ND Act in order to manufacture medicinal cannabis products.

Manufacturing activities may only commence if a licence holder is granted a permit to manufacture (subject to any State or Territory requirements)

The permit places limits on product types and quantities that may be manufactured by the licensee.

A manufacturing permit will:

- characterise the drug (i.e. cannabinoid content, concentration)
- set a maximum quantity of the drug manufactured
- set a maximum quantity of the drug that may be held at any given time at the manufacturing site
- specify the period in which manufacturing may occur

Research licence

A research licence allows for the following activities; strain development, growing conditions, harvest, destruction and drying processes, physicochemical analysis, pre-clinical pharmacological research, toxicology (in-vitro studies), in-vivo studies, product development (in-vitro / physicochemical) and stability assessment).

Only pure research that can be undertaken by a cannabis licence holder for horticultural and infrastructure research. All other research relating to medicinal cannabis requires the further involvement of a manufacture licence holder under the ND Act.

Importantly, the relationship between a medicinal cannabis licence and a manufacture licence is the aspect of the regulatory framework that allows for human therapeutic supply and subsequently precludes the use of cannabis produced under a cannabis research licence to be used in human clinical trials.

Import licence

The Department of Health has recently reviewed the process of importing medicinal cannabis products for doctors to prescribe under the Special Access Scheme Category A (SAS-A) and Category B (SAS-B) and Authorised Prescriber (AP) pathways.

Medicinal cannabis products are currently only available through importation while the Australian domestic cultivation scheme is being developed.

An importer may seek import approval of medicinal cannabis products before SAS B approvals, SAS A notifications and AP requests, which will allow for supplies of medicinal cannabis products to be available in a timelier fashion.

Number of licences and permits

There is no limit to the number of manufacturing licences that can exist.

Manufacture licences are site specific and generally only one licence will be issued per site. A licensee may hold more than one licence if they have multiple manufacturing sites.

A licensee may be issued multiple permits per site (e.g. for different drug types).

Similarly, there is no limit to the number of permits that can exist.

Appendix 5 - Summary of German Licensing Framework

Activity	License / Documentation	From whom
<ul style="list-style-type: none"> - Growing, manufacturing and trading narcotics - as well as anyone who wants without trading narcotics, importing, exporting, selling, purchasing, providing or otherwise placing them on the market - or preparing exempted preparations according to BtMG¹ 	License according to Para. 3 BtMG: <ul style="list-style-type: none"> - name(s) of the applicant and the person responsible - proof of the necessary expertise and explanation about permanently fulfilling the obligations - description of the premises by location - description of the existing safeguards - type of narcotics traffic - nature and estimated annual amount to be produced or required - in case of manufacturing: description of the production process - in case of use for scientific or other purpose of public interest: explanation of the purpose pursued 	General permission from BfArM ²
<ul style="list-style-type: none"> - Import or Export of narcotic drugs 	License according to Para. 11 BtMG; Para 1-3 BtMAHV ³ :	Import license from BfArM in each individual case

¹ BtMG = Betaubungsmittelgesetz / German Narcotics Act

² BfArM = Bundesinstitut fUr Arzneimittel und Medizinprodukte / Federal Institute for Drugs and Medical Devices

³ BtMAHV = Betaubungsmittel-Aur..enhandelsverordnung / Narcotics Foreign Trade Ordinance

Activity	License /Documentation	From whom
	<p>BtM number</p> <p>Name and address of the importer</p> <p>Name and address of the non-resident exporter and name of the exporting country</p> <p>Informations for each narcotic (pharmaceutical central number, number of packaging units, package unit)</p> <ul style="list-style-type: none"> - In case of storing under customs supervision: name and address of the warehouse and of the warehouse keeper - Imports from third party countries: name and address of the customs office through which the goods are to be imported (para. 4 BtMAHV) 	
<ul style="list-style-type: none"> - Contribution and purchase of narcotics 	<p>Notification according to Para. 12 BtMG; 1-6 BtMBinHV⁴:</p> <p>BtM number and name and address of the deliverer</p> <p>BtM number and name and address of the buyer</p>	<p>Notification to BfArM</p>

⁴ BtMBinHV = Betaubungsmittel-Binnenhandelsverordnung / Drugs internal trade regulation

Activity	License / Documentation	From whom
	<ul style="list-style-type: none"> - For every narcotic dispensed: Pharmaceutical central number; number of packaging units; packing unit; description of the narcotic; date of submission 	
<p>Import of medicinal products from third party countries (countries which are not member states of the European Communities or other States party to the Agreement on the European Economic Area)</p>	<p>License according to Para. 72 AMG⁵</p>	<p>Import permit from BfArM (includes the license according to Para. 52 a AMG)</p>
<ul style="list-style-type: none"> - Wholesale trading of medicinal products (imports from EU/EEA⁶) 	<p>License according to Para. 52aAMG</p> <ul style="list-style-type: none"> - Name specific sites - Evidence of suitable and adequate premises, installations and facilities - Responsible person - Statement to observe the regulations - 	<p>Competent agency of the federal state where the site is situated or is to be situated.</p>

⁵ AMG = Arzneimittelgesetz / German Medicines Act

⁶ EU/EEA = European Union or another contractual state to the Agreement on the European Economic Area

Activity	License / Documentation	From whom
<ul style="list-style-type: none"> - Import medicinal products (acc. to para. 2 AMG) which are not intended for clinical trials on human beings, or active substances 	Certificate according to 72a AMG: <ul style="list-style-type: none"> - Certification by the competent authority of the manufacturing country about Compliance with the requirements of the recognized Good Practices in the Manufacture and Quality control of Medicinal Products of the EU or according to standards that are equivalent; or - Confirmation from the competent authority about the adherence of the standards or - Attest from competent authority that the import is in the interest of the general public 	Competent agency in federal State
<ul style="list-style-type: none"> - Cultivation of medical marihuana within Germany 	<ul style="list-style-type: none"> - Contractual cultivation: Licence from cannabis agency after a public tender procedure (deadline of participation currently expired) 	Cannabis Agency
<ul style="list-style-type: none"> - Operating specialist medical clinics - Operating private hospital / clinic (no invoice with with KHEntg7 or BPfIV8) 	<ul style="list-style-type: none"> - Licence according to para 30 GewO⁹ - 	Competent agency in federal state

⁷ KHEntG = Gesetz Ober die Entgelte fUr voll- und teilstationare Krankenhausleistungen / Hospitals' Fees Act

⁸ BPfIV = Verordnung zur Regelung der Krankenhauspflegesatze/ Federal Regulation on Hospitals' Fees

⁹ GewO = Gewerbeordnung / Trade Regulations Act

Activity	License / Documentation	From whom
Selling/Distributing CBD-only and CBD/THC (> 0,2 % THC) products as medical products	Certified seeds import license See above	License from BfArM
- Selling/Distributing CBD-only and CBD/THC (< or = 0,2 % THC) products as food, food supplement, cosmetics or tobacco products	No license necessary if not considered to be a medical product in accordance with Para. 2 AMG. It depends on advertisement, marketing, placing on market etc.	
- Operating General Pharmacy	- License according to Para. 1 sec. 2 ApoG ¹⁰ : Only to a Pharmacist (natural person) in Germany who is licenced) to practice necessary reliability to operate a pharmacy	Competent agency in federal state
- Operating online pharmacy within Germany	<ul style="list-style-type: none"> In addition to the licence according to Para. 1 sec 2, APOG (see above), a licence according to Para 11a ApoG is needed. 	Competent agency in federal state

¹⁰ ApoG = Apothekengesetz / German Pharmacies Act



Activity	License / Documentation	Fromwhom
	<p data-bbox="723 296 1433 376">Mail order license (in according with Para. 11a ApoG and Para. 73 sec. 1 No. 1a AMG)</p> <p data-bbox="723 448 1433 632">Foreign pharmacies entitled to mail order business under their national law (foreign law must comply with German pharmacy law) – comparability to German law (see above - Para. 11aApoG)</p> <p data-bbox="819 703 1426 783">List of countries issued by the Federal Ministry of Health</p>	