

30 March 2021

Letter to Shareholders

Dear Shareholder

As you would likely be aware, the acquisition of CannPal Animal Therapeutics Limited (**CannPal**) by AusCann Group Holdings Ltd (ASX:AC8) (**AusCann**) has now been finalised, with the Scheme of Arrangement (**Scheme**) being implemented on 18 March 2021 after being overwhelmingly voted in by CannPal shareholders and approved by the courts.

I am delighted to be writing to you after my first full week as CEO of AusCann and the combined businesses, post the implementation of the Scheme.

Having now had some time to reflect on the journey, I'd like to extend my gratitude to CannPal shareholders and thank you for your support over the years. I'd also like to thank current AusCann shareholders for welcoming CannPal into the AusCann group and look forward to the ongoing support of the combined shareholder base, as we continue on this journey together.

The leadership team at AusCann have been extremely welcoming in bringing the CannPal team up to speed on all of the opportunities that lie ahead, and we're very excited about the organisation's future.

In particular, I would like to extend a warm thank you to Mr Nick Woolf and the AusCann Board, who have made a concerted effort to make the transition as smooth as possible.

CannPal was founded out of the need to develop a range of innovative and naturally derived solutions for the treatment of companion animals across various indications, and we strongly believe that we can be a market leader in addressing that challenge with novel compounds derived from the cannabis plant.

The AusCann Board also believe in that mission and I'm extremely delighted to have the opportunity to continue on our mission, in the capacity of CEO of AusCann, to promote better health and wellbeing for people and pets around the world.

I'm looking forward to being able to leverage the research and knowledge that we've gained over the years, to help advance the AusCann pipeline in markets where legislative changes are providing us with significant opportunities to make our products more accessible to healthcare practitioners and patients.

I believe our combined businesses will have the enhanced scale, breadth and capabilities to compete more effectively in the ever-evolving global marketplace for cannabis-derived therapeutics, and I believe we remain well positioned to lead the way.

Over the coming weeks, the AusCann leadership team will be taking some time to consider our vision, purpose and key projects for the organisation, across both human and animal health, and apply strategic thought to ensure we maintain and increase momentum with our most important initiatives, while also maximising the use of shareholder capital.

This is an exciting period in our history. Whilst I'm mindful that we are competing in a complex and ever-evolving industry, I believe that with our combined resources, knowledge, people and products, we have an opportunity to make a significant and real impact on the health and wellbeing for people and pets.

We remain committed and focussed on achieving the goals we have communicated to the market and creating shareholder value in the process and I know I can count on your support. I am confident that together we will be successful.

Yours sincerely



Layton Mills
Chief Executive Officer
AusCann Group Holdings Ltd