

AusCann Establishes Research and Development Facility

Highlights

- AusCann completes acquisition of R&D facility in Perth, Western Australia to further develop its cannabinoid pharmaceutical product pipeline.
- Site to be state of the art, fully integrated facility supporting pharmaceutical and novel dose form development activities.
- Purchase consideration of \$5.25m, fully funded from cash on hand in excess of \$40m prior to acquisition.

25 January 2019 – Leading medical cannabis company **AusCann Group Holdings Limited** (ASX:AC8) ('AusCann' or 'the Company') is pleased to announce completion of the acquisition of a 7,300 m² research and development facility in Perth, Western Australia.

The facility will focus on AusCann's cannabinoid pharmaceutical product pipeline, supporting development of both innovative formulations and dose forms.

Establishment of the site, as previously flagged to the market (refer ASX announcement made on [13 November 2018](#)), is a strategic move for AusCann and a key component of the Company's development plans. Research and development activities will ensure that the Company's products are of the highest quality, underpinned by rigorous data on stability and effectiveness, and with consideration towards ensuring cost effectiveness for the patient.

The Company believes that its commitment to a pharmaceutical development program that extends from grow and extraction technologies, through formulation and dose form development, onto clinical research, is key to meeting its commitment to patients, and places it at the forefront of the Australian industry. AusCann is committed to patient-centered innovation with the goals of improving both health outcomes and building Company value. This development site is a key component to achieving these goals.

Commenting on the news, AusCann Executive Director and interim CEO Dr Paul MacLeman said: "The acquisition of the research and development site is a major stepping stone for AusCann as it allows the creation of a fully integrated, state of the art facility for medicinal cannabis.

"AusCann's key point of difference compared to other cannabis producers is our commitment to a rigorous pharmaceutical development program, which will now be strengthened through the establishment of our own facility to support further R&D towards bringing new products to market.

"2019 will be a major year for AusCann with the planned launch of our hard-shell cannabinoid capsules which addresses the need for stability and consistency of dose. Our partner PCI Pharma is manufacturing the first product line as we aim to commence the production of our capsules towards the middle of this year," Dr MacLeman said.

The R&D facility was purchased for \$5.25 million, with the Company to invest further capital of up to \$6 million over time to customise and fit out the site to purpose. The facility is expected to be ready for use during calendar year 2019.

The Company shall be seeking additional licenses to cover the new site, which is expected to meet all regulatory requirements.

The acquisition and upgrade costs will be fully funded from AusCann's cash on hand which was in excess of \$40 million prior to the acquisition.

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ABOUT AUSCANN

AusCann Group Holdings Limited (ASX:AC8) is an Australian-based pharmaceutical company that aims to produce high quality, economical, and clinically validated cannabinoid medicines. AusCann is bringing together leading expertise and operations across all aspects of the medical cannabis value chain, beginning with cultivation and production, through to manufacture and distribution of products. Through partnerships with industry experts, existing leading market participants and doctors, AusCann is building operations and educating the medical community about the benefits of cannabinoid medicines. Incorporated in 2014, AusCann holds the full set of necessary licenses to grow and manufacture cannabinoid medicines in Australia. The company is initially targeting medications for neuropathic and chronic pain in Australia and Chile, whilst exploring global export opportunities.