

## Additional Secured Loan to ECC

**23 January 2024 - AusCann Group Holdings Limited** (ASX: AC8) ('AusCann' or 'the Company') is pleased to advise it has entered a new secured Loan Agreement with European Cannabis Corporation Limited (ECC) to provide an additional €1m investment for HAPA Pharm BV (100% owned subsidiary of ECC) with the required working capital to launch the HAPA 2.0 products to market in Germany from January 2024. The loan agreement includes security as collateral. The material terms of the Loan Agreement and Security Deed are set out in Annexure 1.

The fully paid ordinary shares of AusCann remain suspended from quotation on the official list of ASX and will remain suspended from quotation until the Company has re-complied with Chapters 1 and 2 of the Listing Rules. The Board have been actively seeking opportunities which would add value to the Company and enable the Company to seek re-quotation of its shares on the official list of ASX. The Board will continue to update the market as it progresses with evaluating a proposed acquisition, including acquisitions in the cannabis sector.

### **BACKGROUND - RECENT DEVELOPMENT UPDATES FROM HAPA PHARM BV (100% Owned by European Cannabis Corporation Limited (ECC))**

#### **Robust Sales in Germany**

A major highlight was their successful sale of 420kg of medical cannabis in the German market. This achievement underscores their strong market presence and the high demand for their quality medical cannabis products.

#### **Membership in EUMCA**

Joining the European Medical Cannabis Association (EUMCA) was a strategic move, aligning HAPA with leading industry standards and practices, and bolstering their reputation in the European cannabis sector.

#### **Global Outreach**

HAPA's active participation in international events, including the ICBC in Barcelona and Berlin, and the Baader Investment Conference, has expanded their global network and opened up new collaborative opportunities.

#### **Success at Expopharm 2023**

The Expopharm in Düsseldorf, Europe's leading pharmaceutical trade fair, was once again a pivotal gathering for industry insiders. HAPA pharm showcased its innovative dosage forms for medical cannabis, developed in collaboration with pharmacists. Highlights included pharmacy-filled inhalation cones based on cannabis granulate (so-called prerolled joints), compressed cannabis inhalation compressed products (so-called presslinge), and pre-portioned cannabis tea. These innovations, designed specifically for professionals, reflect their commitment to quality and patient safety.

Alexander Rieg, COO of HAPA pharm, highlighted the significance of these developments in an interview with the Expopharm TV team: "It's an exciting moment for us, being at the forefront of innovation in medical cannabis. Their goal has always been to bring more standardization to the world of medical cannabis flowers through innovations. These new dosage forms enable standardized dispensing and intake, are based on established prescription guidelines, and simplify dispensary processes in pharmacies."

The presentation of these new dosage forms by Michael Sprenger from the HAPA pharm team was a highlight of the event. The response was overwhelmingly positive from both physicians and pharmacists, underscoring the importance of these innovations for standardized and simplified administration and handling.

<https://hapa.link/1u0>

## **Expansion to Australia**

2023 was also marked by HAPA's strategic expansion into Australia through a partnership with AusCann. This collaboration allows HAPA to bring their EU-GMP-certified cannabis products to the Australian market. This expansion represents a significant step in their global strategy and opens doors to new opportunities in a market eager for high-quality medical cannabis products. HAPA products, meeting the highest quality standards, are ideally suited to support AusCann's vision for medical cannabis.

## **Outlook 2024**

### **Market Entry of HAPA 2.0 Products**

Early in 2024, HAPA pharm will proudly introduce their HAPA 2.0 product line to the market. This line includes innovative forms such as teas, tablets, and prefilled joints, marking a significant advancement in their product offerings. The launch of these products, alongside the release of their second batch of high-quality medical cannabis, will cater to a broader spectrum of patient needs. HAPA is dedicated to establishing diverse patient groups, enhancing their ability to cater to specific needs and preferences across different patient demographics. This move signifies their ongoing dedication to innovation and meeting the evolving demands of their customers in the medical cannabis sector.

### **New Medical Cannabis Law in Germany**

Mid-2024 is set to be a landmark period with the expected change in Germany's Narcotic Drugs Act (BTMG). This anticipated legislative change could dramatically reshape the medical cannabis landscape in Germany, offering new opportunities and challenges. In preparation for this, HAPA pharm is developing a new strain of medical cannabis, tailored to thrive under the new regulatory framework. This strategic development aims to reinforce their strong market presence and capitalize on the evolving market dynamics, ensuring that HAPA remains at the forefront of the industry.

### **Expansion to Poland**

The latter part of 2024 will see HAPA pharm extending its reach to Poland, a move that highlights their ongoing commitment to European expansion. By entering the Polish market, they aim to bring their high-quality medical cannabis products to a new audience, demonstrating their commitment to making these products accessible in emerging markets. This expansion is not just a geographical growth, but a strategic step in reinforcing HAPA pharm's position as a leader in the European medical cannabis industry. HAPA believes that their entry into Poland will not only benefit patients in need of high-quality medical cannabis but also strengthen their position as an innovative and trusted provider in the European market.

**ENDS**

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

**For more information, please contact AusCann:**

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## ANNEXURE 1

Loan Agreement		
1.	<b>Facility Limit</b>	€1,000,000
2.	<b>Repayment Date</b>	31 March 2024
3.	<b>Interest</b>	7.5% per annum
4.	<b>Events of Default</b>	The loan agreement contains customary events of default, including non-payment and insolvency. Upon an event of default the lender may cancel its commitments under the facility and demand immediately repayment. It may also take enforcement action in respect of the security.
Specific Security Deed		
1.	<b>Guarantor</b>	Star Pharma BV
2.	<b>Security</b>	All present and after-acquired marketable securities in ECC in which at any time the Guarantor has a sufficient right, interest or power to grant a security interest, and any proceeds of any of the security.

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