Instructions for Converting GW Ordinary Shares into GW’s Nasdaq listed ADRs after GW has delisted from AIM

Dear Shareholder

We wrote to all our shareholders on 19th October 2016 announcing that GW will be de-listing from AIM so that the sole market for the trading of GW shares will be on the NASDAQ via American Depositary Receipts (“ADRs”) with effect from 5 December 2016. The original letter to shareholders provided instructions on how to convert your AIM listed Ordinary shares into our NASDAQ listed ADRs, either through your broker or coordinated through GW’s registrar, Capita, before the de-listing date.

As at the date of this letter, 89% of GW’s shareholders have elected to convert their GW Ordinary shares into GW’s ADRs.

The original letter to shareholders, setting out the rationale for the AIM de-listing, is available from the investors section of the GW website at www.gwpharm.com.

For those shareholders who are happy to continue to hold their investment in GW for the medium to long-term, continuing to hold GW’s unlisted Ordinary shares in certificated form or Ordinary shares held by your broker is a simple, low cost and effective way to maintain your investment in GW.

However, should you decide that you wish to sell your GW investment you will need the assistance of a broker to administer the process of converting your Ordinary shares into GW’s NASDAQ listed ADRs (ticker: GWPH) via GW’s Depositary Bank, Citibank, before your broker can sell them via NASDAQ on your behalf.

The notes and FAQ’s set out in this document are intended to guide you and your broker through this process and aim to answer any questions that you may have.

I hope that this document provides you with the information that you need. If you have further questions please refer to the investors section of the GW website, or feel free to contact our Registrars, Capita Asset Services (“Capita”), via the shareholder services telephone line on 0871 664 0300* (or +44 208 639 3399 from outside the UK).

If you have lost your Ordinary share certificate and require a replacement, please contact Capita via the shareholder services telephone line above. Capita will be able to provide you with a replacement certificate once you have provided them with appropriate proof of your identify/proof of ownership of the shares registered in your name. Please note, there may be a charge for this service.

Yours Sincerely

Adam George

Chief Financial Officer and Company Secretary

GW Pharmaceuticals plc

*Note: Calls to the Capita Shareholder services telephone line cost 12 pence per minute from a UK landline.
Frequently asked Questions and Answers:

What is the relationship between the GW’s Ordinary Shares and GW’s American Depositary Receipts (ADRs) ?

Each American Depositary Receipt or ADR is a tradable certificate representing twelve of GW’s 0.1 pence Ordinary shares, issued by our Depositary Bank, Citibank. GW’s ADRs have been very actively traded on NASDAQ under the ticker: GWPH since May 2013. The value of each ADR is denominated in US Dollars. Trading in ADRs on NASDAQ has represented more than 93% of the trading in GW’s shares over the last six months. With effect from 5th December 2016 buying and selling these ADRs via the NASDAQ exchange will be the only way to publicly trade in GW Pharmaceuticals plc shares.

I can no longer find a published Ordinary share price - Are my Ordinary shares still valuable?

Yes. As Ordinary shares can be readily converted into ADRs at any time via Citibank, the value of the Ordinary shares is linked to the published ADR price, with twelve Ordinary shares representing one ADR.

To calculate the value of one Ordinary share you simply take the published US dollar denominated price of one GWPH ADR, divide by twelve and then divide by the current US dollar exchange rate (1.25 as at 29/11/2016). The live GWPH ADR price is readily available via numerous financial websites.

The rights attaching to your Ordinary shares are unaffected by the de-listing from AIM. You continue to have full voting rights, rights to attend the Annual General Meeting, right to dividends etc.

What does it cost to convert Ordinary shares into ADRs?

There is a small cost of conversion after the de-listing date consisting of a 5 US cent per ADR conversion fee charged by Citibank, for administering the conversion process, plus 1.5% Stamp Duty Reserve Tax (SDRT) payable to HMRC upon the conversion of unlisted shares into ADRs.

The conversion of your shares will need to be managed by your broker as shares need to be transferred electronically to Citibank and the SDRT needs to be collected and paid to HMRC. Your selected broker may also levy an administrative charge for managing the conversion process.

How long does it take?

Citibank typically can be expected to issue ADRs to your broker within two business days of receiving an electronic transfer of Ordinary shares from your broker.

However, before this can happen, if you hold your Ordinary shares in certificated form, you will need to send your share certificate and a signed stock transfer/deposit form to your broker who will then need to manage the “dematerialisation” process needed to convert your shares into electronic form. The timescale for this will depend on your broker but should be expected to take about a week.

I don’t have a broker – do I really need one?

If you are happy to continue to hold your investment in GW Pharmaceuticals, then holding your shares in certificated form is a perfectly valid way of maintaining your investment. Conversion into ADRs however, will require the assistance of a broker. Typically, a conversion to ADRs would only be needed when you want to sell your investment.

Is there a Cost to hold ADRs?

Citibank does charge an annual holding fee, currently US$.02 cents per ADR. This is typically collected from the broker or nominee who holds the ADRs on your behalf, and normally occurs in the month of August. Your broker may pass this fee onto you directly or it may be part of the annual fee that you pay to maintain your brokerage account.

How do I convert my Ordinary Shares into ADR’s?

The process notes on the following pages explain what you need to do to select a suitable broker account and summarise the instructions that you need to give to your broker in order to convert your shares.

Brokers are very familiar with the process of converting certificated shares into electronically held shares but may be less familiar with the process of converting Ordinary shares into ADRs. Explanatory notes for brokers are also attached to this document. If you are interested in converting into ADRs, you may wish to send these to your broker.

As the conversion into Ordinary shares into an ADR happens in a multiple of twelve shares, I have some left over – what happens to these “spare” Ordinary shares?

If you ask your broker to arrange for any spare Ordinary shares (which should be a maximum of 11 Ordinary shares) to be reissued back to you in certificated form, you should receive a share certificate and the shares will continue to be registered on GW’s shareholder register in your name. In the event that GW is acquired in future you should then receive proceeds from the sale of these spare shares. Alternatively, GW may be able to arrange for the spare shares of multiple shareholders to be aggregated and sold on your behalf. If we are able to do this we will write to you in early 2017 in order to offer you the opportunity to sell your spare Ordinary shares.
Notes for Shareholders:

Process for converting certificated GW Ordinary shares into Nasdaq listed ADRs:

Step 1: Select a broker – with US share trading capability

There are numerous brokers online and, if you do not already have an account with a broker you can open one easily either online or many banks and building societies also offer broking services. You need to ensure that the broker and type of account on offer is capable of holding and trading US listed shares. Often the most basic account offered is for UK shares only so you may need to select an account that gives you the ability to buy and sell US listed shares.

Whilst we cannot recommend any particular broker we are aware that other GW shareholders use the services of TD Direct, HSBC, Hargreaves Lansdown, Hargreave Hale and many others. Although on-line broker services are usually very efficient, we would recommend that you select a broker that offers a telephone helpline service as you may need to talk to them about how to transfer your shares into the account and what they need to do to convert them into ADRs for you.

Step 2: You will need to contact your broker and ask them how to transfer your existing certificated shares into your account. You will need to send them your original share certificate, together with a completed stock deposit form to the broker. The broker will provide you with the required stock deposit form and instructions as to how to complete it.

When they receive the share certificate, the broker will need to “dematerialise” the shares into electronic form so that they are held electronically by the broker within Crest (the trading system of the London Stock Exchange). This is a standard process that your broker will be familiar with. When completed your broker can then deal with the conversion into ADRs.

Step 3: your broker will need to contact Citibank – GW’s Depositary Bank, by email to arrange for the conversion of your Ordinary shares into GW ADRs tradeable on NASDAQ

You will receive one ADR for every twelve Ordinary shares that you hold.

The value of an ADR is the same as twelve Ordinary shares, so this does not affect the value of your investment in GW.

If you are converting your shares after GW has de-listed from AIM (on 5th December 2016) then your share conversion is liable to stamp duty reserve tax at the rate of 1.5% of the value of your shares. Citibank will also charge a small conversion fee of 5 US cents per ADR. You will need to pay these fees to your broker who will pay the tax amount to the UK tax authority, HMRC.

The contact details for Citibank, together with details of the conversion process are set out in the “Notes for Brokers” and the “GWPJH ADR Conversion Instruction Form” set out on the following pages. We would suggest that you send these to your broker.
Notes for Brokers:

Conversion of GW Ordinary shares into GWPH ADR’s traded on NASDAQ

GW Pharmaceuticals plc Ordinary Shares were listed on AIM under the ticker: GWP until 5 December 2016.

GW’s American Depository Receipts “ADRs” are listed and traded on NASDAQ: Ticker: GWPH

Each ADR represents twelve Ordinary shares.

GW Pharmaceuticals plc Ordinary shares can be readily converted into GWPH ADRs at any time via our Depositary Bank, Citibank.

Once converted, GWPH ADRs are readily tradeable via Nasdaq.

Although no longer listed on AIM, GW’s registrars (Capita Asset Services) continue to maintain GW’s shareholder register and GW’s Ordinary shares can be held and transferred within the Crest system.

Therefore, you are able to receive certificated Ordinary shares and deposit these into Crest via the usual Crest share deposit process. You can then transfer the shares to Citibank’s Crest account for conversion into ADRs. The newly created ADR’s will then be transferred back to your nominated DTC or Euroclear account.

Citibank’s Crest account details are as follows:

Crest participant ID: BA01D

National City Nominees

Citigroup Centre, 33 Canada Square,

Canary Wharf, London E14 5LB

Administrative Contact:

Prior to initiating a Crest transfer to Citibank, please contact the Citibank team by email via:

dcc.adr@citi.com

To aid your communications with Citibank we have constructed the attached “ADR Conversion Instruction Form”, which sets out all of the information that you will need to send to Citibank to effect the conversion into ADRs. Please complete and send this form to Citibank by email to initiate the conversion process.

Notes:

Fees/taxes payable: Citibank charge an ADR issue fee of up to 5 cents per ADR.

In addition, the conversion of unlisted shares into ADRs is subject to Stamp Duty Reserve Tax (SDRT) at the rate of 1.5%. Brokers are responsible for the calculation, collection and payment administration of this SDRT tax.

Ratio: Each ADR Represents 12 Ordinary shares. Fractional ADRs cannot be issued. Therefore the number of shares transmitted within Crest to Citibank MUST be a multiple of twelve. Spare Ordinary shares (up to a maximum of 11 Ordinary shares) can either be retained in Crest or reissued back to your client in certificated form. Such re-issued shares will remain on the GW Shareholder register, registered in your client’s name.
GWPH ADR Conversion Instruction Form - to be completed by broker and sent to Citibank:

Citibank London as Custodian requires this page to be either faxed to: +353 1 622 0999, or e-mailed as a PDF file, in a secured format to dcc.adr@citi.com

In the email subject field, please state: UK ADR CREATION – SDRT CERTIFICATION.

Any questions should be directed to dcc.adr@citi.com

Please ensure that faxes or emails are sent in as early as possible to ensure settlement.

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**Indemnity:** “We shall indemnify and hold Citibank, N.A. (“the Bank”) harmless against all claims, losses, damages, costs and expenses (including reasonable legal fees and disbursements), penalties and taxes (including any interest and penalties for late payment of tax) incurred by the Bank or to which the Bank may become subject to and arising directly from the deposit of the above securities with the Bank or the failure by any person to pay (or discharge) any stamp duty, stamp duty reserve tax, or any other similar duty or tax in connection with the above securities deposited with the Bank. If and to the extent that the deposit of the securities results from the exercise of an option or options, we hereby represent and warrant that the arrangements in respect of the option or options pursuant to the exercise of which the securities are delivered, including the timing of grant and exercise, and the premium/strike ratio, are bona fide and commercial, and are not motivated primarily by or for the avoidance of UK stamp duty reserve tax.”

SDRT Note: It is required that the Broker allege in CREST GUI a declaration of SDRT at 1.5%, include the stamp status, and Stampable Consideration.

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