

26/01/2023

Cannabis Poland has signed an investment agreement and is preparing to distribute medical cannabis

On 26 January 2023, Cannabis Poland entered into an investment agreement with a company under English law, under which the investor will acquire 50,000,000 bearer shares in the Company in exchange for an investment of PLN 10,000,000 (ten million).

Cannabis Poland is a company listed on the Warsaw Stock Exchange.

<https://newconnect.pl/companies-card?isin=PLBLOCM00013>

The Company has published a relevant current report available in Polish at

https://newconnect.pl/komunikat?geru_id=204782&title=Zawarcie+umowy+inwestycyjnej.+Dokapitalizowanie+Emitenta

A key element of Cannabis Poland's strategy is the development of the cannabis market in Poland in the field of bio-pharmacy. The company specialises in both research and development and sales of cannabis derived products and pharmaceuticals. The company owns two online shops www.HempWish.pl and www.Vapem.eu. In addition to the distribution of CBD products for humans and animals, the Company is working in an advanced manner on the introduction of medical hemp in the form of oils and dried products containing THC at a level of more than 0.3% (so-called medical marijuana) and distribution in the pharmacy network in Poland. It is worth noting that as of 2017, the sale of medical cannabis is already legal in Poland on the basis of a prescription issued by any doctor for any medical condition.

Cannabis Poland also has a 20% stake in biotechnology company Bioenca (www.Bioenca.pl), which is developing a new drug against drug-resistant epilepsy.

Both in Poland and in Europe, the most popular hemp products are CBD oils for consumption, dried or CBD flowers for vaporisation or inhalation, followed by cosmetics and food products, and finally we have medical cannabis: so called medical marihuana. In each of these segments, there are legal restrictions on their sale in Poland: CBD extracts should not contain any THC, vaporisation devices should have an excise duty added, food products are categorised as so-called new food and should not be sold as food, medical marijuana could not be cultivated in Poland at all.

On 7 May 2022, an amendment to the Act on Counteracting Drug Addiction became effective in Poland. The changes introduced raised the permissible content of THC and

THCA, by half, i.e. to 0.3%, and allow the cultivation of medical marijuana by research institutes. However, this will not change much for patients in Poland in the short term, and it is still necessary to import medical marijuana from abroad. Cannabis Poland has letters of intent to purchase medical marijuana with producers located in Western Europe and North and South America.

On the other hand, there is no doubt that the market in Poland would develop even further through two issues: the introduction of reimbursement for medical marijuana for patients and the legalisation of recreational marijuana. Germany is already set to legalise the use of cannabis for recreational purposes from 2024, so perhaps not much later, Polish lawmakers will follow suit.

As Grzegorz Konrad, CEO of Cannabis Poland, said: "Regarding the trends predicted for this year, it seems that this year consumers will start to pay much more attention to the other cannabinoids contained in cannabis - and there are more than 100 of them. Currently, not many buyers are aware that the so-called CBD extracts contain not only CBD itself, but also CBN, CBC, CBG and many other compounds: also terpenes and flavonoids: of which there are more than 400. CBD extracts contain not only CBD itself, but also CBN, CBC, CBG and many other compounds: also terpenes and cannabinoids: of which there are more than 400 in hemp. Each of these compounds has its own specific health properties and each can exist as a dedicated product or isolate. Regarding the prices of hemp products in Poland or worldwide, we do not expect them to decrease. Both because the cheapest and worst products that do not have any health-promoting properties will start to disappear from the market, and because of widespread inflation.

Although it is difficult to forecast anything in the current economic and geopolitical situation due to the war in Ukraine, we nevertheless hope that the CBD cannabis market in Poland will grow at least as fast as before, and certainly faster than the medical marijuana market. We expect our CBD products to be available in an increasing number of shops and pharmacies."

Cannabis Poland divides the medical cannabis market into two sectors: the first is THC, which is medical marijuana containing the psychoactive cannabinoid THC/THCA at a level of more than 0.3%. The company plans to start importing and distributing THC extracts and dried flowers later this year.

The second sector is so-called CBD, or broadly defined cannabis products, which contain no more THC than 0.3% and, in addition to CBD, contain many other cannabinoids, as well as terpenes and flavonoids.

In terms of market development and maturity, education will also be an important element, as there are still many patients, as well as doctors, who only associate medical cannabis with

health-damaging narcotics, without knowing anything about its medicinal properties and possibilities. Many of the doctors are still unaware of the fact that, as of 2017, the sale of medical marijuana is already legal in Poland on the basis of a prescription issued by doctors.

As Grzegorz Konrad says: "At Cannabis Poland, we will be doing a lot this year to expand the new and regular customers for our products. Given that the CBD market is a health segment - and health is one of the last things you save for in times of inflation and crisis - it will nevertheless be a growing market. We also have CBD products dedicated for pets, as this is also a sector where owners of their pets are starting to save for them at the bottom of their list of daily expenses. It seems that there will be a change of ownership among manufacturers and distributors as well: unfortunately, some of them - especially the smallest ones - will go bankrupt and some will be taken over. We hope to contribute to the latter ourselves, as we have plans to consolidate the market and make capital investments in cannabis companies - possibly not only in Poland.

In Cannabis Poland this year, we are planning very strong promotional and marketing campaigns in Europe, including support and sales in our two online shops www.HempWish.pl and www.Vapem.eu, where one can buy CBD products for humans and animals, and inhalers (vaporisers). The current offer will still be expanded with the highest quality products. We are also planning to enter pharmacies in Poland with our offer and expand into foreign markets.

Our plans are extensive and, importantly, we have guaranteed capital for this: thanks to the investment agreement signed today, Cannabis Poland will receive PLN 10 million for further development."

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