

## **Univo to sell up to 2 tons of medical cannabis products also to Medi-Plus pharmacies**

**Univo's GMP-certified products are already being supplied under the new regulations on a regular basis to pharmacies and patients**

**This agreement joins agreements for the supply of approximately 3 tons of medical cannabis to Max Pharm and Shor Tabachnik pharmacies**

**Ashkelon, December 12, 2019** – [Univo](#) (TASE: UNVO), which owns a plant for the manufacture of medical cannabis products under the new Ministry of Health regulations and to IMC-GMP standards, as well as a medical cannabis farm currently under construction, reports that it has signed an agreement for the sale of 250 kg and up to 2 tons of medical cannabis products to Medi-Plus pharmacies located in Jerusalem. Univo's medical cannabis products under the GMP standard, which include inflorescences and oils, are already being supplied and sold in pharmacies in Israel. The agreement with Medi-Plus is a continuation of the company's strategy to expand the network of pharmacies where Univo products are available. It joins existing agreements covering a scope of 3 tons for the supply of medical cannabis products to Max Pharm pharmacies in Holon and Shor Tabachnik.

Univo has a license allowing the company, among other things, to hold inflorescences and cannabis products that comply with the IMC-GMP standard for purpose of their direct distribution and transportation to pharmacies.

**Golan Bitton, CEO of Univo:** "We are continuing to prepare to meet the significant demand from pharmacies and patients and are expanding the geographic reach in which Univo products can be purchased. The agreement with Medi-Plus allows us to supply quality products under the stringent GMP standard in the Jerusalem area in addition to Max-Pharm in Holon and the Shor Tabachnik chain. Against the background of an increase in the number of patients and the current shortage with high demand from pharmacies for quality products, we are taking steps to expand Univo's production capacity."

Univo has full control of the value chain. The company's ability to determine the type, quality and scope of cultivation, and furthermore to produce products for a range of required medical indications and administration methods, as well as to distribute them to pharmacies so that they personally reach the specific medical cannabis patient and receive direct feedback, positions us as one of the only medical cannabis companies in Israel to have full control all the way across the value chain, from planting, cultivation, production, and distribution through to sale at the pharmacy. This control also allows the profit from the sale of each gram of medical cannabis to be maximized while also saving on unnecessary costs and enjoying exceptional competitive capabilities, including

development of products based on a database of patients who visit the pharmacies.

Univo is in the process of applying for a license to export medical cannabis products to fulfill agreements signed with distributors abroad once all the legislative and regulatory procedures in this regard are completed. The company is preparing for export, among other things by undertaking preparations to gain EU-GMP certification for the company's production facility with the goal of supplying products to customers with whom sales and distribution agreements have already been signed. To the best of the company's knowledge, once a permit to export medical cannabis products is awarded by the State of Israel, in keeping with the requirements of the Israeli Medical Cannabis Agency (IMCA), such license will only allow the export of medical cannabis products manufactured in plants holding the GMP standard, which the company holds.

Univo has signed an agreement to produce products based on medical cannabis and to package inflorescences and other products for Teva Adir – one of the longest-standing companies in the medical cannabis cultivation market, and holder of the IMC-GAP standard, from which Univo has received medical cannabis plants for its facility. This revenue model, whereby Univo performs packaging services for other companies, is an additional revenue model supplementing the model of production of medical cannabis products under the Univo brand.

Univo's strategic agreement with Shor Tabachnik pharmacy, which already today supplies medical cannabis products, calls for the start of supply of 2 tons of medical cannabis products annually for 3 years at a cumulative value of more than 60 million shekels. This agreement joins the one for the supply of up to one ton of medical cannabis products to Max Pharm in Holon, which currently supplies medical cannabis products.

A few weeks ago, the company reported that it had signed an agreement with Can-Fite BioPharma, a cross-listed bio-med company traded in New York NYSE, Nasdaq and TASE: CANF. Can-Fite has three Phase 3 trials on cancer, fatty liver and psoriasis, the companies will work together to develop a unique product in the cancer field. To this end, Univo will expand its R&D laboratory and start on product development in the coming months.

In recent weeks, the company reported an investment of ILS 12 million by the Avisror Group – ILS 6 million in Amit Farm where Univo will grow a significant quantity of medical cannabis, and ILS 6 million for investment in Univo according to a share price of ILS 4.89, a 52% premium on the share price as closed on the trading day prior to the report, and in consideration for 0.5 million stock options. The investment in Univo reflects a post-money value of around ILS 130 million.

Amit Farm is a medical cannabis cultivation farm owned by Univo, currently in advanced stages of construction. The farm is intended to secure for Univo independent cultivation of medical cannabis, so that the company's production and marketing activities can span from the planting and through the GMP-certified product all the way to distribution of the products to customers via the pharmacies.

Univo has an active R&D center and is the only cannabis company to have signed a development agreement with Veoli from "Sanara" (Teva and Philips) for the development of a unique formulation for the Veoli inhaler.

Univo's plant spans an area of 750 sqm and includes an R&D laboratory and special production systems. Univo's cultivation area extends over several thousand sqm in the south of Israel, such that through production and distribution costs in Israel, which are low relative to the rest of the world, the company expects to maintain maximum value between production and sale. Univo is one of the world's only medical cannabis companies which manages development from planting, cultivation and production to the supply of medical cannabis products (from seed to market) and distribution through pharmacies.