

Northern Swan Deploys Millions into Largest Cannabis Consumer Market in EU

German based pharma startup Cansativa to see investment

NEW YORK, Feb. 21, 2019 /PRNewswire/ -- Northern Swan Holdings, Inc. ("Northern Swan"), a New-York based holding company focused on the medical cannabis industry, has structured an investment of approximately \$8 million in Cansativa GmbH ("Cansativa"), a German cannabis distribution and wholesaling company, in order to further accelerate the growth of Cansativa and its integration into the wider European market.

Cansativa will use the Northern Swan investment to expand its current facilities to become a "EU GxP Innovation Hub" and fulfillment center for medical cannabis to Germany, Europe's largest country with more than 80 million residents and a potential \$5 Billion annual market.

"Unlike most of our competitors, Cansativa operates as a vertically integrated medical cannabis company independent of third-party contractors. Ever since we started the company, we've been moving our products through our own warehouse on a daily basis, and we plan to implement each additional process on our own as well," says Jakob Sons, co-founder and joint Managing Director of Cansativa along with Benedikt Sons.

"Germany offers one of the largest legal medical cannabis consumer markets in the EU, with the patient population growing at a steady rate – there are already nearly 50,000 registered patients. Domestic supply and production are severely restricted, which creates substantial need for importing flower and oil products. Of all the markets in the EU, Germany is arguably the most attractive from a distribution standpoint," said Kyle Detwiler, CEO of Northern Swan.

Northern Swan brings much more than capital to the table, including industry expertise, technical know-how, robust professional networks, and synergistic portfolio companies in the medical cannabis industry. For example, Clever Leaves, a subsidiary of Northern Swan and a leading vertically-integrated Colombian licensed producer of pharmaceutical-grade medical cannabis, will initially be Cansativa's exclusive Latin American partner and supplier. Cansativa and Northern Swan are finalizing a binding off-take agreement with a term of five years, whereby Clever Leaves will receive Most Favored Nations pricing, and guaranteed acceptance of its products from Cansativa.

The funds from this investment will also accelerate the development of the European medical cannabis industry with the expansion of Cansativa's Frankfurt facility. The new site will serve as an EU hub for the growing industry, providing pharmaceutical companies from all over the world access to the rapidly growing European market. Cansativa is poised to lend its support as a reliable, independent full-service GxP partner.

"We are confident that Cansativa is an ideal partner to develop the European market for medicinal cannabis sourced from Colombia and around the world," said Detwiler.

Northern Swan

Northern Swan is an investment firm focused on transformative investments in the international cannabis industry in geographies where the sector is federally legal. With offices in New York, Toronto, Bogota, and Frankfurt, Northern Swan invests in and assists emerging companies develop low-cost production capacity and distribution capabilities to improve distribution globally and generate brand value. Prior to founding Northern Swan, its management team has collectively invested in excess of \$3 billion of capital at Blackstone, KKR, and Och-Ziff.

Cansativa

Founded in 2017, Cansativa is a GDP-certified pharmaceutical wholesaler licensed for trade in controlled substances and headquartered in Frankfurt am Main, Germany. Cansativa is committed to the goal of professionalizing the medical cannabis market, eliminating stigmatization surrounding it, and reducing prices for patients.

Since the very beginning, Cansativa has operated its own distribution and fulfillment center, and as one of the "first movers" in the industry, it has become one of the largest importers and distributors of medical cannabis in Germany. From its location in Frankfurt am Main, the company supplies pharmacies and pharmaceutical wholesalers throughout Germany.

Cansativa's founding team is able to build upon two generations of expertise in the fields of medicine, law, and

strategy.

Forward Looking Information

This press release contains forward-looking information based on current expectations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, the Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this press release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors.

🔗 View original content: <http://www.prnewswire.com/news-releases/northern-swan-deploys-millions-into-largest-cannabis-consumer-market-in-eu-300799347.html>

SOURCE Northern Swan, Inc.