



  
**kannoli**®  
P H A R M A

# THE COMPANY

Alkannoli, Lda represented as Kannoli Pharma is a new entrant in the Portuguese medical cannabis industry, with a disruptive strategy to grow, extract and manufacture GMP certified medical cannabis products.

Initially Alkannoli will establish a **1,250m2** indoor cultivation area, growing high-quality medical cannabis genetics.

A GMP certified manufacturing facility of **1,850 m2** will be established to produce medical cannabis products including THC/CBD oils and isolates. The GMP facility will process Alkannoli grown product and product sourced through offtake agreements with other licensed international and Portuguese medical cannabis producers.

The targeted investment for the project will be **€ 20,000,000.00** and will create up to **60 jobs in the first 3 years of operation**. The invested capital will be of German and Portuguese origin and **fully available**.





### **Mission**

To promote the manufacturing of sustainable medicinal cannabis products according to best international practice and highest standards to benefit people's health and wellness.



### **Our methods**

We will cultivate using an innovative method (aeroponics) which promotes some of the highest yields in the industry (4800g/sqm).



### **Our goal**

To develop innovative and pharmaceutical lead medicinal cannabis products and to be a partner of choice within the industry.

# THE COMPANY

## Our Strategy

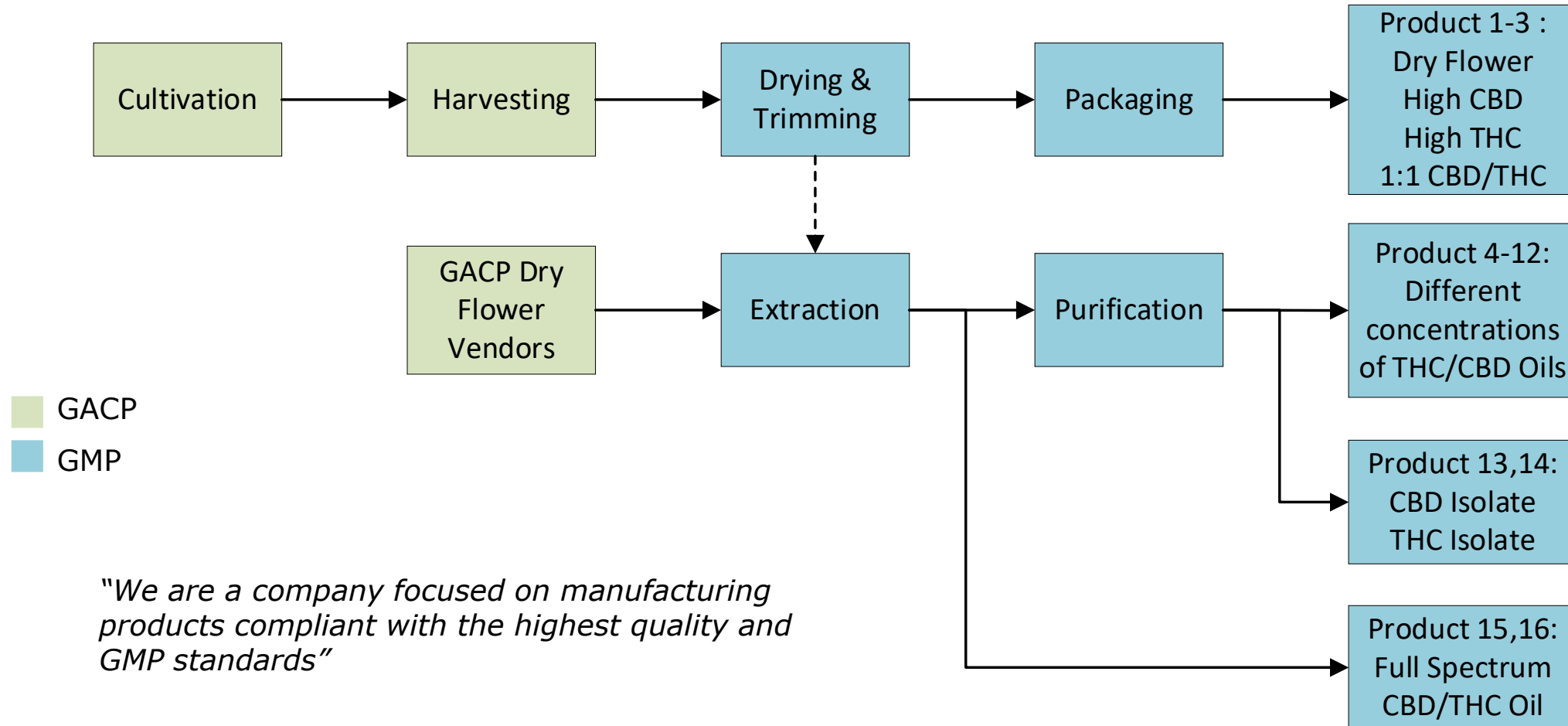
Alkannoli intends to cultivate and manufacture its medical cannabis from a **1250m<sup>2</sup>** indoor cultivation facility and **1850m<sup>2</sup>** GMP manufacturing.

Alkannoli also intends to do offtake agreements with local medicinal cannabis cultivators, promoting a cooperative environment amongst licensed producers in Portugal, to achieve the installed processing capacity targeted for the facility.



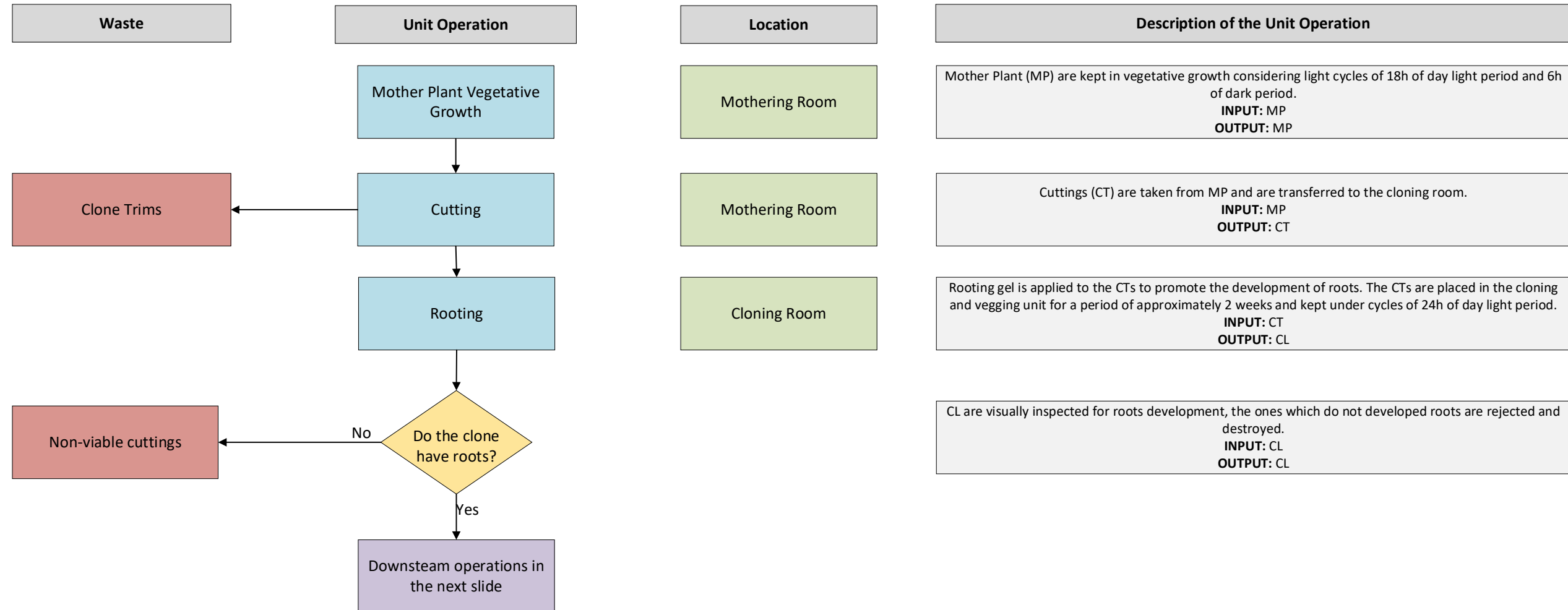
# THE COMPANY

## Our Process



# THE COMPANY

## Cultivation Strategy



# THE COMPANY

## Cultivation Strategy



# CULTIVATION TECHNOLOGY

## Aeroponics

Aeroponics cultivation is a cutting edge technology that allows:

- 1- Downtime reduction due to cleaning operations (e.g. no grow media required to be removed)
- 2- Reduction by 85% of water consumption in relation to traditional cultivation methods (e.g. hydroponics)
- 3- Complete control of cultivation critical variables, assuring a high degree of consistency within the batch and between batches (targeted for +/-1% of the targeted cannabinoid content)
- 4- Minimizing hard cleaning spots, reducing the risk of cross-contamination.





# MEDICAL CANNABIS

## Europe

Our initial strategy is to supply the main European markets

### EUROPE

- 19 countries have legalized medical cannabis, but only 4 have a more evolved market (Germany, Italy, the Netherlands, and Switzerland)
- Value in 2020: US\$273 million\*
- Expected CAGR: 29,6%\*\*
- Expected value in 2027: US\$37 bn\*\*



Sources: \*MJBizDaily, \*\*ResearchandMarkets.com

# KEY MARKETS

## Initial focus



- **Largest Legal Cannabis Market in Europe**
- Market value for medical cannabis (2020): US\$182 million (22% CAGR vs 2019)
- Kannoli Pharma is connected to > 20 importers/wholesalers, seeking high quality medical cannabis flower



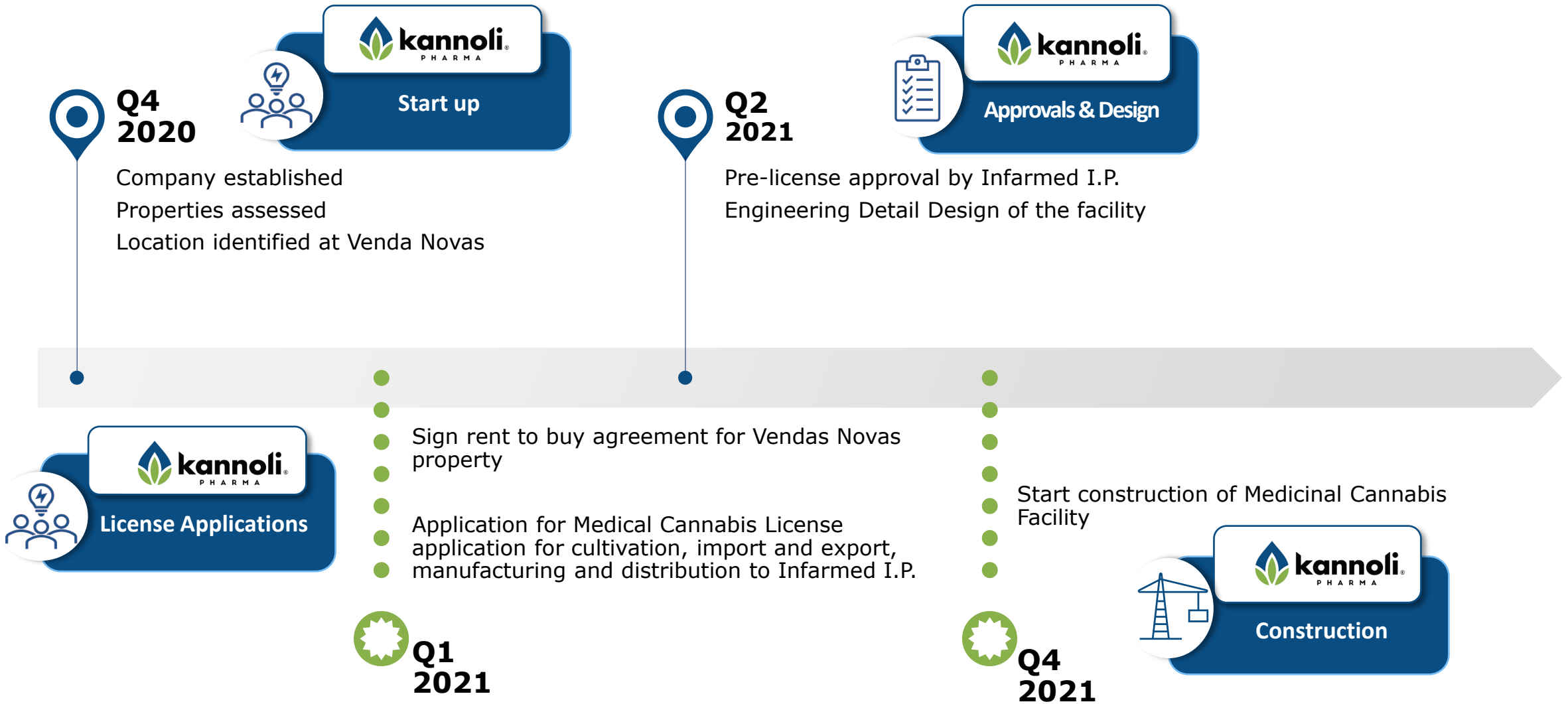
- **Leader in Medical Cannabis innovation, with a highly developed market**
- Market value medical cannabis (2020): US\$230 million
- Kannoli Pharma has connections to buyers who wish to source quality flower
- Israel currently discussing legalization of recreational cannabis



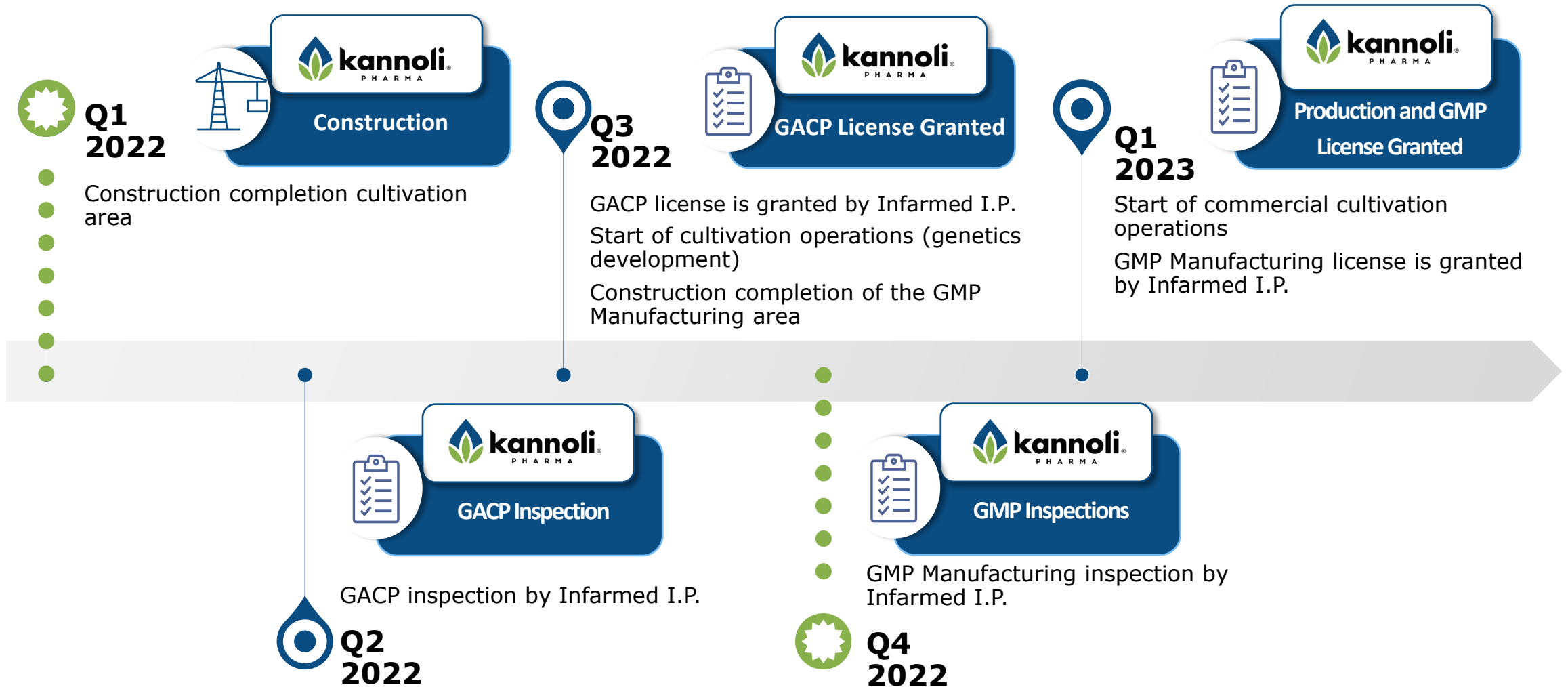
- **Still a small market, but with big potential**
- Market value medical cannabis 2019 : US\$190.000
- Kannoli Pharma is developing relationships with importers and wholesalers to preparing the path for when the product is available

Source: MJBizDaily

# TIMELINE 2020-21



# TIMELINE 2021-22



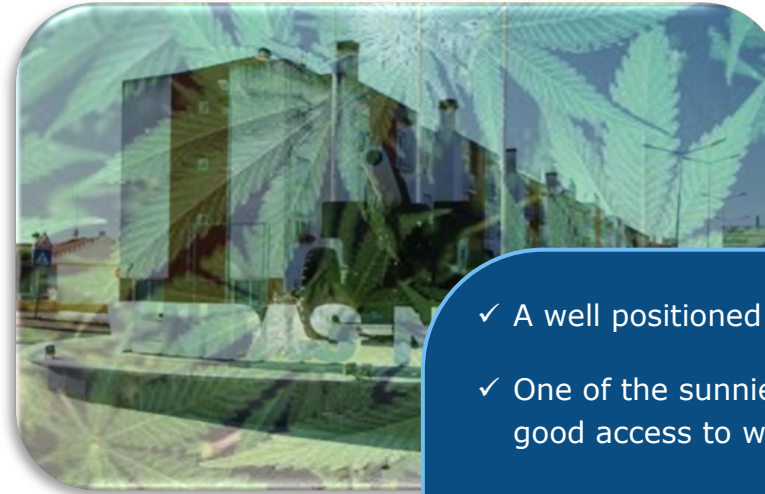
# THE OPPORTUNITY

## Why Portugal?



- ✓ Portugal is a member of the EU and has a stable Government
- ✓ Portugal is located in an excellent import and export position, with the ability to easily access European, Middle Eastern, American and African Markets
- ✓ Infarmed has great reputation at European level and high-quality standards in GMP medicinal products. The GMP license obtained by this entity gives compliance to our process and products.
- ✓ Portugal has a highly skilled workforce and vibrant research community
- ✓ Cost effective land, labour and resources

## Why Vendas Novas?



- ✓ A well positioned industrial property
- ✓ One of the sunniest regions in Europe and good access to water
- ✓ Close to Portugal's capital Lisbon (1hr)
- ✓ Within the zone for EU subsidy programmes
- ✓ Close to rail and international airfreight terminals
- ✓ Municipality is a strong supporter of this project

# KANNOLI PHARMA LOCATION



← **VENDAS NOVAS**

**LISBON** →

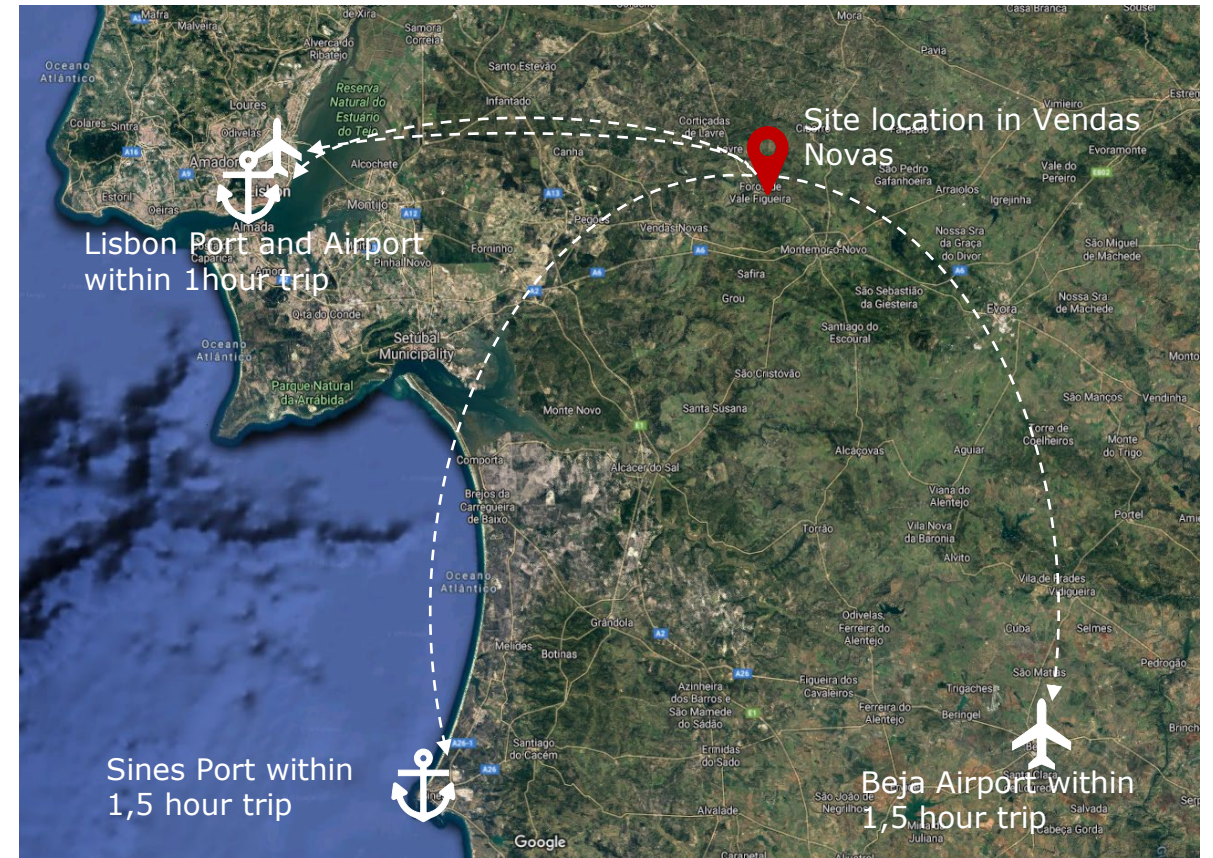
# KANNOLI PHARMA

## Site Location

The site is located in the industrial area of Vendas Novas in an existing facility with easy access to A6 and N4 and at about 1 hour trip from Lisbon.

Alkannoli considers that the chosen site is a match for the project requirements and allows for future expansion as it is composed of:

1. One building with 3100m<sup>2</sup> (which is expected to accommodate 1250m<sup>2</sup> of Indoor Cultivation and 1850m<sup>2</sup> of GMP Manufacturing areas);
2. One building with 6500m<sup>2</sup> (area for future expansion);
3. One building with 6800m<sup>2</sup> (area for future expansion);
4. One administration building with 400m<sup>2</sup> for administration;
5. One building of 700m<sup>2</sup> for social areas.



# OPERATION STAGES

  
**STAGE 3**  
Expansion Area 2

  
**STAGE 2**  
Expansion Area 1

  
**Administration**



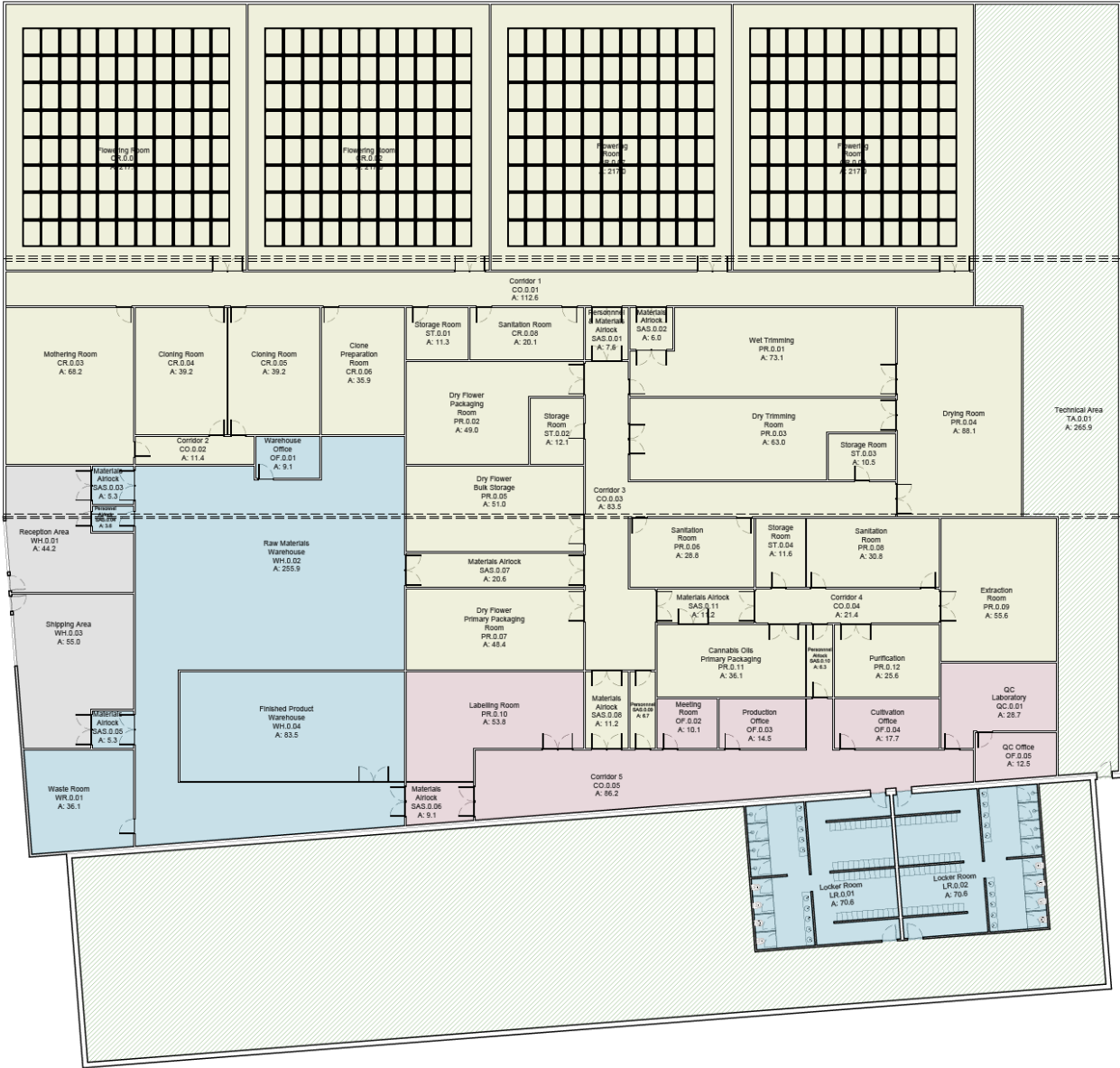
  
**STAGE 1**  
Cultivation and GMP  
Manufacturing

  
**Social Areas**



# FLOOR PLAN

## Stage 1



**ROOMS CLASSIFICATION**

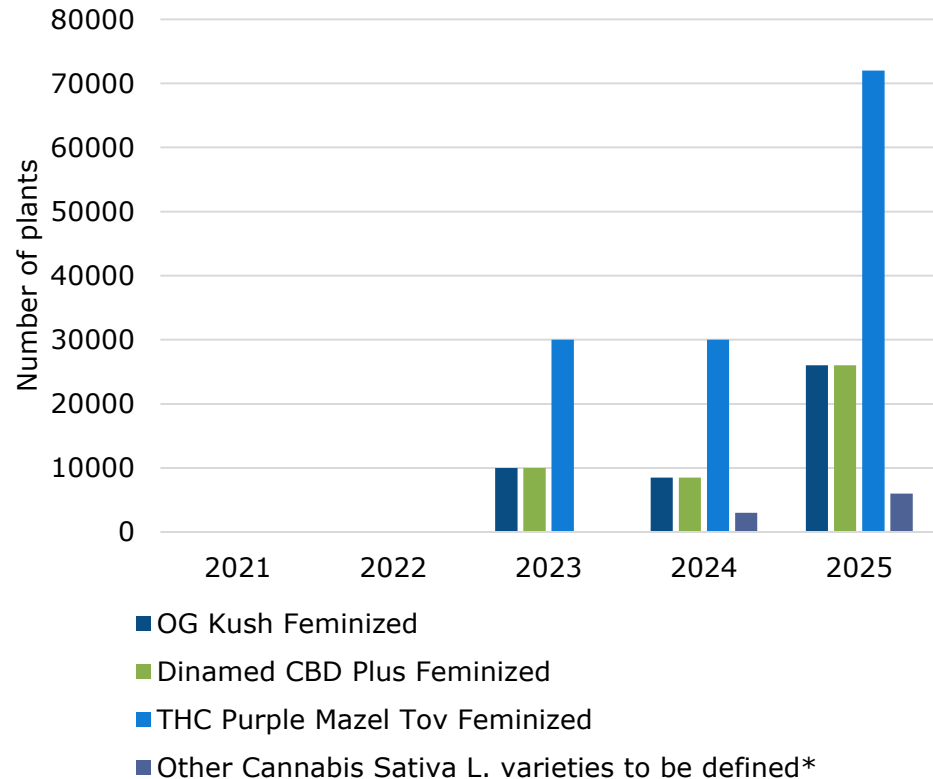
- NC (Black Area)
- NCNC (Black Area)
- CNC (Grey Area)
- Grade D (White Area)
- Non Productive Area

**ABBREVIATIONS:**

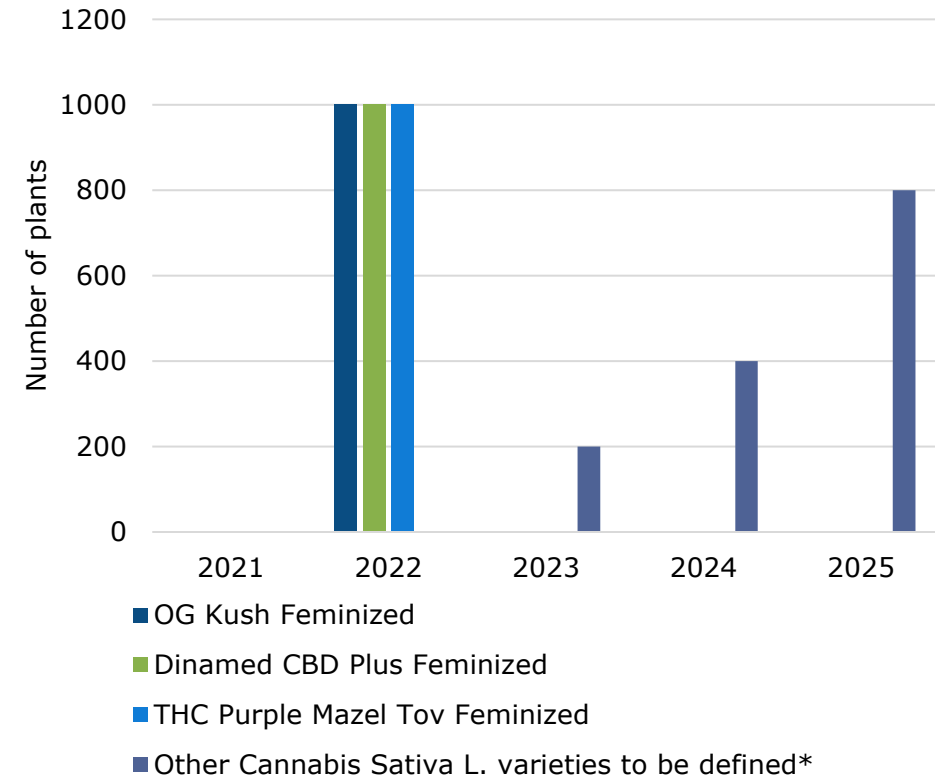
- NCNC** – Non Controlled, Non Classified
- CNC** – Controlled, Non Classified

# CULTIVATION FORECAST

Forecast - Amount of Plants for Commercial Cultivation



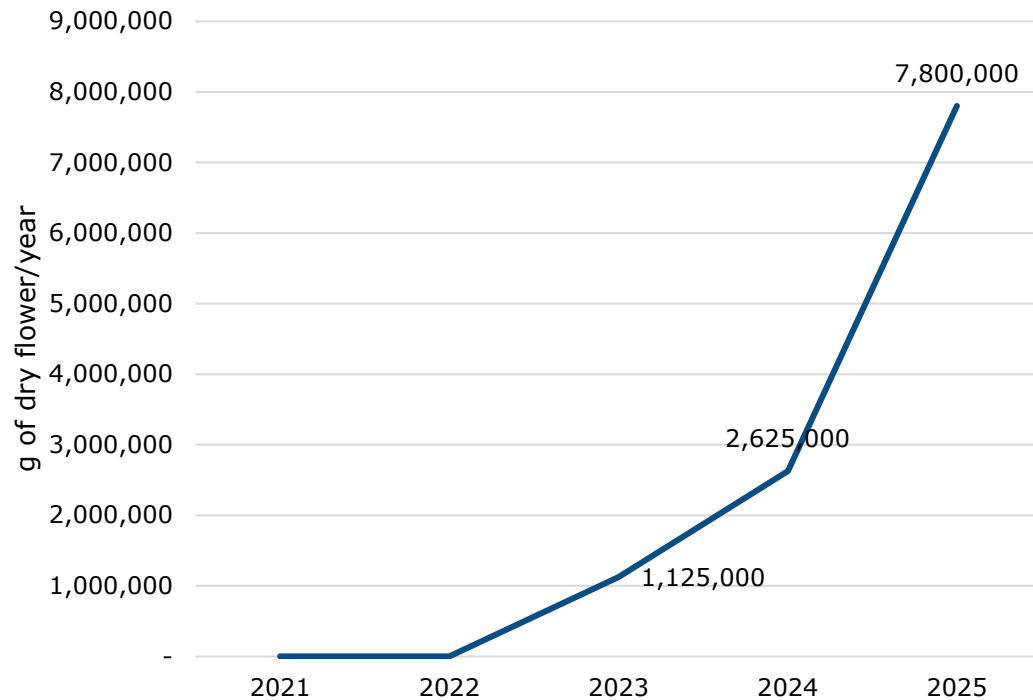
Forecast - Amount of Plants for R&D Cultivation Purposes



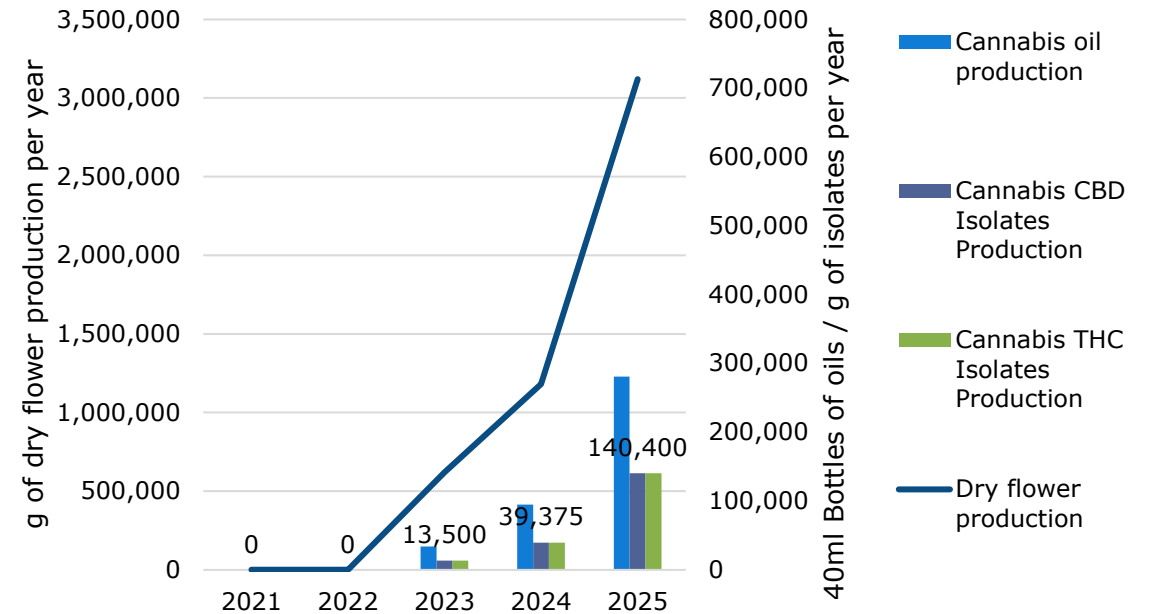
\*Kannoli Pharma intends to develop continuously its genetics, as such, Cannabis Sativa L. plants from varieties to be defined will be developed from seed continuously, however these varieties are not possible to identify at this stage.

# PRODUCTION FORECAST

Estimated Product Quantity to be obtained from harvest



Targeted Product Destination



# FINANCIALS

## Key Financial Highlights



EBITA MARGINS



LIQUIDITY &  
CASHFLOW



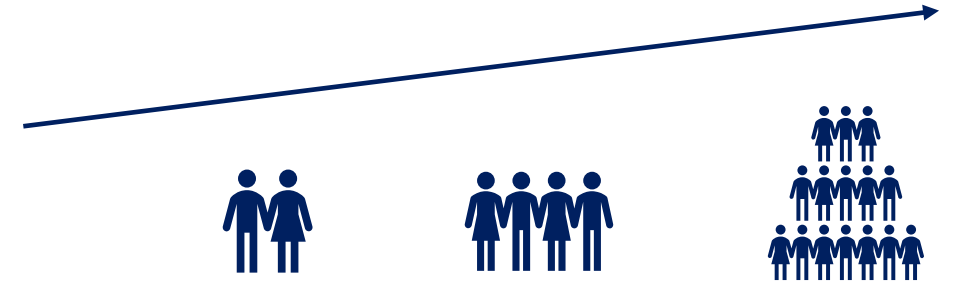
STRONG  
BALANCE SHEET



REGIONAL  
INVESTMENT

# EMPLOYEE FORECAST

## Human Resources



Human Resources Forecast	2021	2022	2023	2024	2025
Total Number of workers	0	20	45	58	60
Qualified Labour	0	17	24	27	27
Non-qualified labour	0	3	21	31	33

# ROUTE TO MARKET

Distribution Agreement in place



Kannoli Pharma has in place a distribution agreement with Sanity Group for supply of medicinal cannabis products to the German Market.

Kannoli Pharma has negotiations in place with other buyers accross Europe.

# INVESTORS



Market leading Mongolian investing company in the field of Renewable Energy (own and operates the biggest Wind power plant with 55 MW and 120 Mio USD investment).

Active in Mining and Mineral processing (own and operates the 2nd biggest fluor spar mine and processing plant in the country).



## AGROSISTEMA

A company that provides planning and consultancy services, engineering, management assistance, representations, commercialization and supply of products and equipment related to the food and beverage industry, pharmaceutical industry, industry, energy and enhancement of the environment.

Founded in 1988 and has more than 300 successful projects in Portugal, Brazil and Portuguese African Speaking Countries.

# THE COMPANY

## The Executive Team



**Oliver Schnorr, PhD**

Management professional with over 25 years of global experience orchestrating numerous successful turnarounds of major companies, creating insightful growth and consolidation strategies across several continents, and refocusing company operations.

CEO of Ferrostaal Mongolia LLC and Euro Khan LLC, Mongolia; RWB GmbH, Essen; KOOP Holding N.V., Groningen, Netherlands/various locations in Germany.



**Kai Jusek, MSc**

Successful businessman with special focus in representation business and consultancy in the pharmaceutical, medical cannabis, beverage and food industry in Portugal and PALOP'S.

CEO and owner of Agrosistema, Leisuresistema, Inovsistema and shareholder and CFO of Biochem and Fitosistema

Future-driven entrepreneur with social vision of developing and delivering high-end medicine to patients in need



**Aldo Vidinha, MSc**

Internationally experienced leader with over 12 years' experience in pharmaceutical industry in areas such as Engineering, Validation & Qualification, GMP Compliance, Quality Assurance and Manufacturing.

Co-founder and former COO of Holigen, a Portuguese GMP Medicinal Cannabis licensed producer.

Expert in Medicinal Cannabis industry, being the only Portuguese expert that has led and delivered a fully licensed Medicinal Cannabis company and facilities.



# THE COMPANY

## The Executive Team



**Travis Cunningham, MIB**

An international executive with experience in sectors including medical software, medical services, health insurance and financial services.

General Management roles across China, Central Asia, Middle East and West Africa.

Founder Remote and Offshore Consulting and Scoundrels Distilling Co.



**Ben Agyeman, BSc, MBA**

Senior Investment professional with over twenty-five years' international experience executing transactions in Infrastructure (Renewable Energy & Industrials), Oil & Gas, Technology, Media and Telecoms markets across private equity, venture capital, project finance & investment banking.

Refined understanding of investing, financing and structuring of infrastructure projects, with expertise in and focus on SMEs in renewable energy, technology and Agri-processing.



**Martin Jusek, MSc**

Master Chemical Engineer working successfully on sales and project management in the pharmaceutical and medicinal cannabis industry.

Lead successful projects implementing new processes and equipment from idea to industrial production in a variety of pharmaceutical sectors: solid forms, injectables, medicinal cannabis.

# THE COMPANY

## Competitive Advantage

Portugal is a reputable, developed, stable and secure country, with well established legal frameworks, ideal climatic conditions and sophisticated security controls/supply chain integrity.

Location



Cultivation using an innovative method of "aeroponics" which promotes some of the highest yields in the industry with cost effective production.

Cultivation



Pharmaceutical grade with the highest quality in standardized medicinal cannabis products. World class GMP government-certified facilities.

Quality



License application for cultivation, import and export, GMP manufacturing and wholesaling is targeted for Q1 2021.

Regulatory



Offtake agreements for dried flower and cannabis oils with large distributors in Europe with a focus on Germany.

Distribution



Facilities will be equipped with green energy sources. Sustainable techniques and systems include heat recovery, waste management and water recycling.

Sustainability



Proven entrepreneurs experienced in Science, Technology, Operations, Agriculture, Engineering and Finance with expertise in medical cannabis, pharmaceutical and FMCGs

Team



R&D in vertical (other medicines) and horizontal (other products). Key focus engage universities for research enabling technology and product development. Negotiations in place to make an R&D center from Devex Gmbh at Alkannoli facilities for development of drying and extraction.

R&D



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Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. 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Alkannoli does not have a long operating history and may not actually achieve its plans, projections, or expectations. Important factors that could cause actual results to differ materially from Alkannoli's expectations include, consumer sentiment towards Alkannoli's products and the cannabis industry generally, litigation, global economic climate, equipment failures, increase in operating costs, decrease in the price of cannabis, security threats, government regulations and intervention including potential government competition, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counter-parties to perform their contractual obligations. 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