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Together signs binding MoU with to acquire control of German customer with which it signed supply agreement in Germany

The German company estimates that it can expect to receive an import license and distribution license in September 2018

Together will gain access to about 100 pharmacies with which the German company has a distribution agreement, which will allow it to significantly improve profitability through direct sales to German pharmacies at a price that is currently about €10-12 per gram of cannabis – up to three times more than the sale price in the agreement that it reported at the beginning of the month

The German company has a R&D license so that Together can develop new strains of cannabis and genetics that will be exclusive IP

Ashkelon, August 29 - 2018 Together (TASE: TGDR), which specializes in cultivating and producing medical cannabis, has announced the signing of a binding Memorandum of Understanding (MoU) to acquire control (50.01%) from the German company with which it has signed a supply agreement to supply about 12.5 tons of medical cannabis produce of a volume worth up to €50 million, at the beginning of the month. The company is examining financing the acquisition for an amount of €2 million, in cash or assets for this amount, which will be recorded as an owner's loan. The parties will work towards signing a detailed agreement within 90 days from the date of signing the MoU.

In the company's estimation, by completing the deal, it will be able to sell its produce at a price that is currently about €10-12 per gram in Germany of medical cannabis through direct sales because the German company has a distribution agreement with 100 pharmacies. The price in Europe per gram of medical cannabis is relatively high compared with the price in North America and stems from expectation for high demand, due to regulatory proceedings as well as low supply of produce throughout Europe.

According to its declaration, the German company is in the final stages of receiving an import license and a distribution license for medical cannabis in Germany and has entered into an agreement with a pharmacy chain that owns over 100 pharmacies in Germany. The company also holds a R&D license for medical cannabis in Germany, because the German company conducts R&D on unique strains of medical cannabis and examines its



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influence on various diseases. The German company estimates that it expects to receive an import license and formal distribution license in September 2018.

Together CEO Nissim Bracha: "We are delighted with Together's current international expansion through realizing the business strategy of creating a large and major company in the world cannabis market. As part of our continued contacts with the German customer, we took the decision to combine the capabilities of the two companies in order to bring about fulfillment of better synergy. On completion of the deal, Together will operate throughout the value supply chain in the cannabis sector – from R&D of unique strains as IP, through cultivation, manufacturing products, marketing and distribution and on to reaching the end-user customer. In our view, Germany is the first substantial anchor for our operations in Europe, while we are setting up a farm for additional cultivation outside of Israel, in Europe, from where we can supply medical cannabis produce to Germany and other countries in the region. We believe that with active involvement in every stage, the company will enjoy the value created while maximizing value for all the company's shareholders.

About Together and Globus Pharma

Together (TASE: TGTR) operates in the field of medical cannabis through its subsidiary Globus Pharma, which is currently setting up an advanced agricultural and technological infrastructure for cultivating, producing and marketing medical cannabis in Israel and abroad. The company has marketing and distribution agreements with leading companies in the medical cannabis sector in Germany and Canada amounting to an overall 80 tons of produce annually. Together Pharma has more than 20 years of knowhow in cultivating medical cannabis and the company is in advanced stages of receiving marketing approval in Germany and the entire European market, including submitting a request to receive a European permit for exporting medical cannabis products and receiving a license to distribute them throughout Europe.

<https://together-pharma.com>