

Israeli medical cannabis company Globus Pharma to invest NIS 4 million in building greenhouses abroad:

The company will build up to 25 acres of greenhouses in a foreign country outside of Israel

The company will be able to finance operations from its own resources

The new activities will produce about \$75 million in revenue, which will grow to an annual rate of \$300 million

Ashkelon, March 18, 2018 – 'Globus Pharma', which has signed a detailed agreement with 'Together' (TASE: TGTR), and which specializes in growing and producing medical cannabis in Israel and exporting its products to international markets, announced that it has reached a binding memorandum of understanding for cooperation.

Globus Pharma will build and operate a complex of greenhouses for growing, marketing and exporting up to about 60 tons annually of medical cannabis and its products in an area of up to 25 acres outside of Israel, in a foreign country.

Under the terms of the agreement, Together will hold 51% of the partnership, and the foreign company, which owns the permits and licenses from the relevant authorities for growing, producing, exporting and marketing cannabis will hold 49% of the partnership. A detailed agreement will be signed within 60 days.

Financing for the project will be undertaken through a loan from the owners of Together with an initial amount of up to NIS 4 million, subject to and according to the stages of the business plan, which will be attached to the detailed agreement. Any further amount that will be needed as equity for the project, if and to the extent required, will be provided by Together according to the progress of the project and its needs, and according to its decision alone. The partnership will repay the owner's loan from the first sums of money that will be available as liquid assets for distribution.

The companies intend building and operating the greenhouses as soon as possible so that the first crop will be harvested in the first quarter of 2019. For this to happen, the partnership will work to complete building the greenhouses no later than six months after the signing of the detailed agreement. In the first stage, the annual yield of cannabis will be about 15 tons and this will be gradually increased to 60 tons according to marketing and distribution agreements with strategic enterprises that the company plans to promote in the short-term.

According to the company's estimates, the price of a gram of medical cannabis today sold to the distributor is about \$5 per gram. With this in mind, the operating company estimates that potential revenue in the first stage from activities in the foreign country, in 2019, will amount to \$75 million and up to revenue of \$300 million per year according to the amount grown.

Master Growers with many years of experience will support the company in setting up the project from its inception and will instruct the projects managers and agricultural staff throughout the growing process including production and processing of output for products destined for sales worldwide and with the completion of the project, the company will be able to generate medical cannabis revenue by realizing its global strategy of growing, marketing and exporting medical cannabis while reducing its growth and export being concentrated in just one country.

The project will help the company generate substantial revenue from growing cannabis at the same time as the export activities the company expects with the granting of export approval by the Israeli government.

Globus Pharma Founding Partner, Nissim Bracha, said, "We are realizing the company's business strategy of establishing an international agro-technology company. The agreement to build a major complex of greenhouses in a foreign country lays the infrastructure for creating revenue outside of Israel and without dependence on the government's approval of exports. I am convinced that creating cash flow from abroad will lead to diversifying the company's sources of income."

He added, "It is our intention to manage the operations abroad through our own managers with an orientation to the foreign country while relying on the company's farming experts that have many years of experience in growing, enhancing and harvesting medical cannabis products. We believe that producing cannabis products in countries with climate, cost and labor advantages, available water and land will improve profitability for every gram of medical cannabis sold, while creating major value for the company's shareholders."