



HAPA pharm BV

Investment Teaser August 2023

Private & Confidential



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Who We Are and What We Achieved So Far

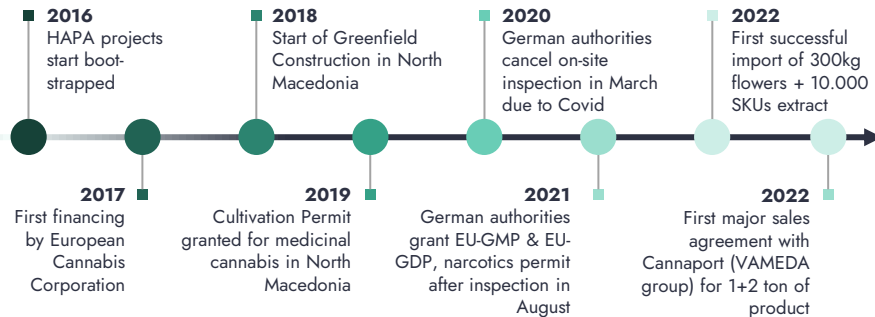
Introduction to HAPA pharm

“Building a leading herbal pharmaceuticals company with a focus on cannabinoid drugs”

HAPA pharm (the “Company” or “HAPA”) is a **fully vertically integrated European herbal pharmaceuticals platform with focus on cannabinoids & herbal drug innovation**, headquartered in Dortmund, Germany and with production facilities in North Macedonia. It is uniquely positioned to become one of the market leaders in the largest and most attractive medicinal cannabis markets globally.

The company has been in operation since early 2016 and is one of the few **German fully licensed** companies in the space. It is certified **from EU-GMP to EU-GDP, audited by German official authorities in 2021 and therefore can cover the whole value chain from seed to patient.**

The company works to gain direct patient access and to expand its product palette with **Cannabis 2.0 products** in the near term and aims to become active in the **development of cannabinoid and herbal drugs** in the future.



HAPA pharm's Unique Set-Up

>EUR 60m invested today

>100 Employees

80% Sales CAGR 2023E – 2025E

10t Production Capacity Today

Delivering to 300 Pharmacies

5 Cooperation-agreements

750 kg sold today



Investment Highlights



HAPA is a **fully vertically integrated European herbal pharmaceuticals platform with focus on cannabinoids & herbal drug innovation** positioned to become one of the market leaders in the largest and most attractive medicinal cannabis markets globally.

The Company has been in operation since early 2016 and is **fully licensed from EU-GMP to EU-GDP, audited by official German authorities in 2021**. Purpose built, state-of-the-art production facilities, extraction and greenhouses in North Macedonia. Production Capacity today amounts to 10,000kg of Medical Cannabis per year and can be upgraded to 50,000kg per year.

HAPA is supposed to have a **head start of more than 3 years** to all other companies that want to enter the sector; **significant market entry barriers** include building and licensing facilities to EU-GMP standard, i.e., planning, building, applying & waiting for audit slots, audit and inspections & final certification.

Today HAPA offers a **diverse, pharmaceutical grade product range** of oil and flower products targeting key patient requirements and produced at **highest quality standards** and at a production facility in a country with one of the lowest costs in Europe

The company is led by a **highly experienced international management team** based in Germany with a proven **track record in the cannabis market** & with **deep experience in the pharmaceutical industry**, perfectly positioned to develop HAPA into a leading herbal pharmaceutical company focusing on cannabinoid drugs.

HAPA is in position to **capture the market, with already 5 wholesale agreements signed**, investments in the production basis have been made, now it is the time to **expand market share** and to **extend the product portfolio with the aim of developing own cannabinoid drugs**.

Taking Medical Cannabis Seriously

Market Positioning

Competition Trends



Wholesale Business Model

- Not long term viable, low barriers to entry and thin margins as a wholesaler



Medical Market as a pathway to Adult-Use Clients

- Catering to “recreational” clients through the medical market is highly dependent on further development of legislation
- Marketing approach not targeting pharmacies and patients, thus eroding initial market



Pricing will be a main market driver in the future

- International markets have shown that price will be the main driver of recreational markets in the future, shrinking margins are to be anticipated
- Producers in Germany or Denmark already face high production costs



Product Development

- Focus on developing branded products for the recreational market, only a limited protection of intellectual property is possible though



HAPA's positioning



Seed-to-Patient Model

- Independent business model, high barriers to entry and creating margins throughout the whole value chain



Focus on the Medical Market

- Current regulatory framework fully integrated, targeted marketing approach to pharmacies and relevant patient groups with standing relationships, recreational market opportunity only as a supplier



Lower price sensitivity

- Medical market demand has a low price elasticity of demand & HAPA has best in class unit economics with its production hub in North Macedonia

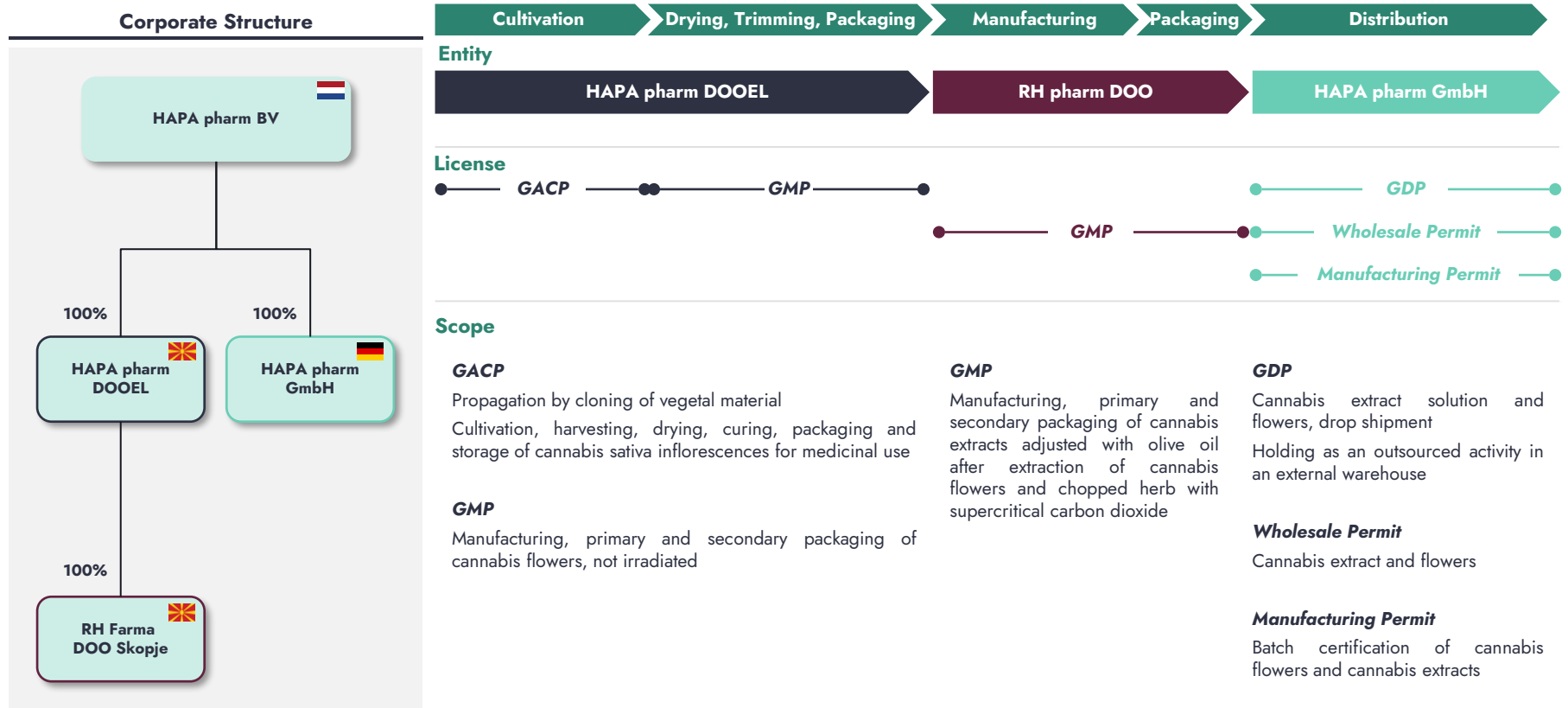


Development of APIs & Drug Products

- Medical market allows the development of an own intellectual property portfolio of active pharmaceutical ingredients and finished drug products

Fully Vertically Integrated Set-Up

Seed-to-Patient Approach

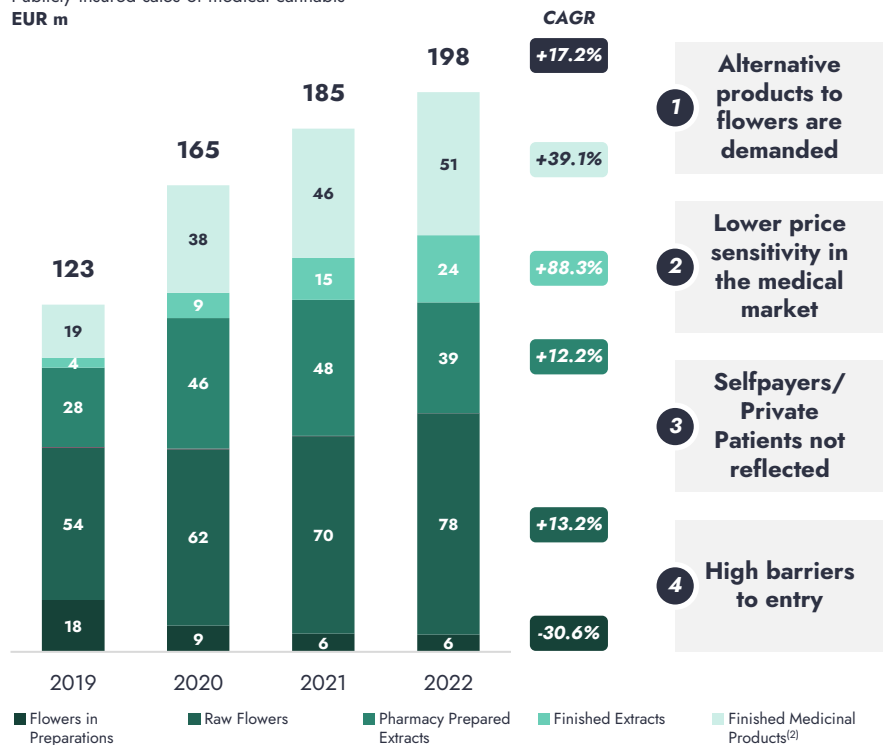


Market Opportunity

Patient Demand Shifts Towards Application Forms of Classical Medicine

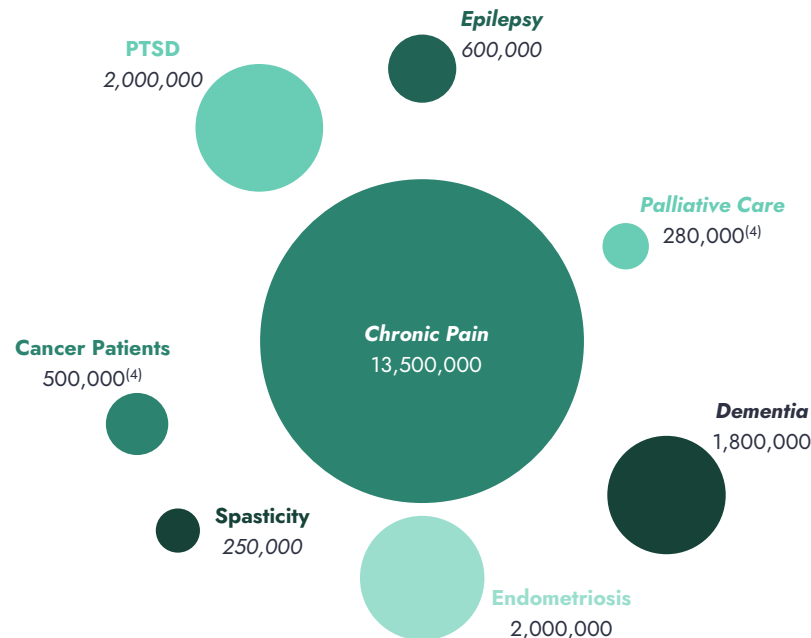
Medical Market Opportunity in Germany⁽¹⁾

Publicly insured sales of medical cannabis
EUR m



The Future of Medical Cannabis – Finished Medicinal Products

Estimated patient populations of interest in Germany for cannabinoid drugs⁽³⁾
Patients



HAPA's Growth Strategy

Becoming a leading Herbal Pharmaceuticals Company with a Focus on Cannabinoid Drugs

TODAY

HAPA is a vertically integrated, GMP manufacturer with best in class unit economics and direct & indirect distribution capabilities

10t

Flower Production Capacity p.a.

2

Medical Cannabis Products in the Market

€3.1m

Revenue⁽¹⁾

neg.

EBITDA⁽¹⁾

GROWTH OPPORTUNITIES



Expand Distribution Channels

Get direct patient access via acquisitions and corporations with digital health providers
LOI for first acquisition signed



Cannabis 2.0 & Herbal Drugs

Upgrade facility to expand lab & R&D capabilities to allow for the production of Cannabis 2.0 products and herbal drugs



Develop Own API

Developing HAPA's own proprietary API lays the foundation for future drug development projects & creates IP for the company



Develop Cannabinoid Drugs

Leverage HAPA's manufacturing competence, direct patient & doctor access and develop own cannabinoid drugs

TOMORROW

HAPA owns proprietary clinical data, develops a fine selection of Rx & patient individual pharmaceuticals globally

50t

Flower Production Capacity p.a.

4+

Medical Cannabis Products in the Market

>€30m

Revenue⁽²⁾

>€10m

EBITDA⁽²⁾

HAPA pharm's Team

Entrepreneurial Management Team with complementary Skills



Ricardo Pendon
CEO & Founder

Serial entrepreneur across industries & health insurance



Ludwig Lutter
CFO

Experienced CFO, hands-on experienced in multiple IPO and M&A transactions



Dr. Malgorzata Meunier
CSO

Seasoned pharma executive & cannabis expert with experience as R&D lead and General Manager



Alexander Rieg
COO

One of the first German medical cannabis importers & wholesalers, co-founder of BCP(1)



...supported by an advisory board of sector veterans



Prof. Dr. Markus Veit

Member of the German Pharmacopeial Expert Committee at BfArm(2), 200+ approvals of phytopharmaceuticals



Héctor Jausas

Head of Life Science Department at Fieldfisher & Co-Managing Partner of Conférence Bleue



Dr. Ascher Shmulewitz

Experienced Founder, Investor and Manager at Biopharma and MedTech companies and funds



Dr. Christian Rybak

Partner at Ehlers, Ehlers & Partner with a focus on the Pharma, MedTech and Life Science Practice



Rupert Haynes

Held a variety of leadership roles within biopharma and biotech, including Head of Global Marketing at GW Pharmaceuticals



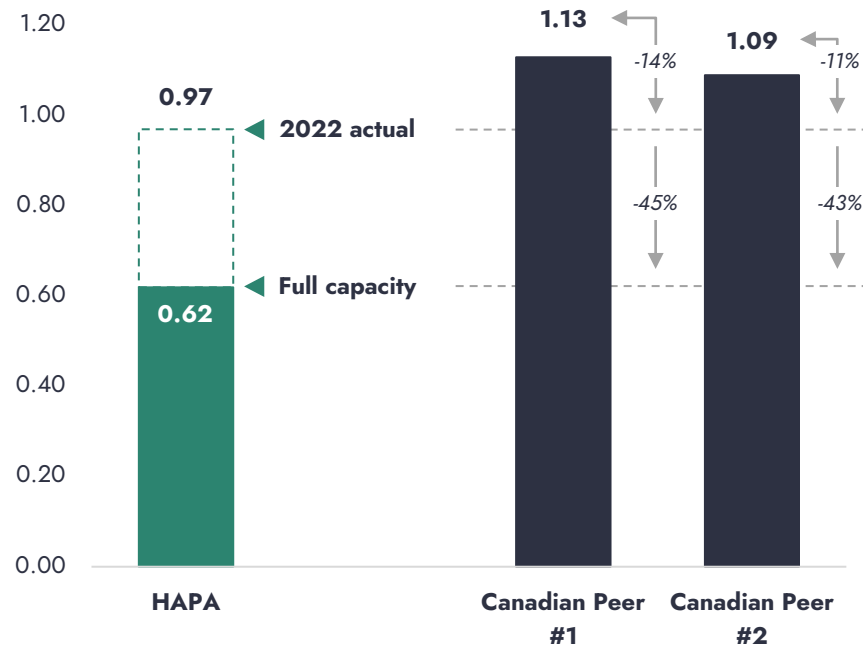
High Growth Opportunity With Best in Class Unit Economics

Financial Performance

Best in Class Unit Economics

Production Cost per Gram⁽¹⁾

EUR

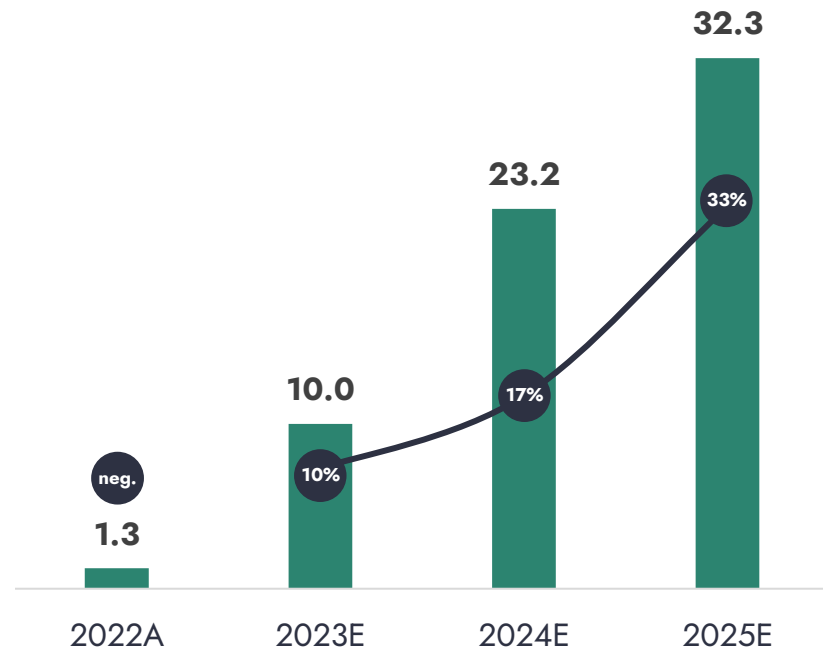


High Growth Potential in the Next Years

Revenue⁽²⁾

EUR m

EBITDA margin %



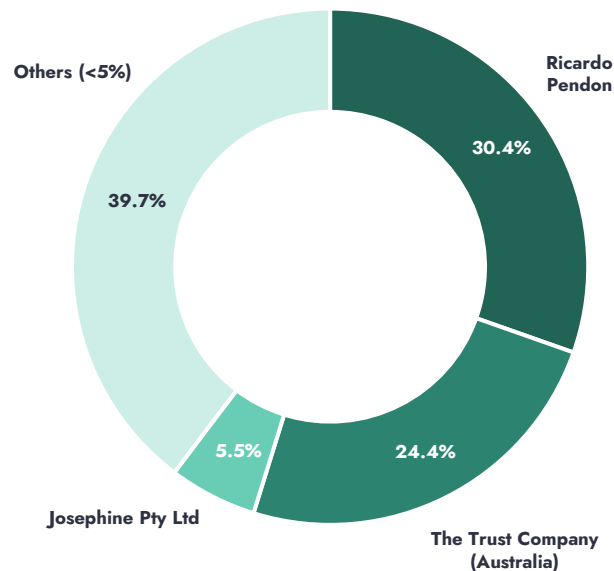
(1) As of latest available financial statements of reporting peers
 (2) 2022 gross revenues, unaudited pro forma figures, 2023 – 2025 according to business plan

Investment Opportunity

Current Funding Round and Use of Proceeds

Capital increase amount	EUR 20m – 30m
Round	Series B
Financial Advisor	Baader Bank
Use of proceeds	Product Development <ul style="list-style-type: none">• Vape Products• Herbal Products• Terpenes Facility Expansion <ul style="list-style-type: none">• GLP Lab/In-Vitro• Shock freezing Direct Patient Access Sales & Marketing
Targeted closing date	Q3 2023
Current Investors	European Cannabis Corporation

Current Shareholder Structure



Caught Your Interest?

Get in contact!

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