

18 March 2024

Kanabo Group Plc
("Kanabo", the "Group" or the "Company")

Agritec, Marks Milestone in the Medical Cannabis Project

Pursuant to its announcement on 17 July 2023, Kanabo Group plc (LSE: KNB) announces that its partially owned subsidiary, Kanabo Agritec Ltd. ("Agritec"), has now received an advance payment of over EUR 200,000 from its contract with Taima. Agritec is providing consulting services and equipment and expects a further payment of an equal amount upon completion of Phase 1, totalling over EUR 500,000 in revenue for Agritec.

Agritec provides consulting services for facility planning, design, and implementation to produce medical cannabis. Its expertise includes choosing genetics, automating irrigation and fertigation, installing humidity control systems, and optimising harvest through bespoke solutions.

Taima was incorporated as an SPV (special purpose vehicle) in 2019 and is seeking to establish a network of facilities for the cultivation and distribution of medical-grade cannabis in Spain. Notably, partners from Aurea Capital Partners, a Spanish investment firm focusing on renewable energy and sustainable agriculture, are invested in the project. Agritec currently holds 5% of Taima's issued share capital, and its shareholding will incrementally increase up to 20% based on the achievement of specific milestones.

Avihu Tamir, Kanabo Group Plc CEO:

"I am encouraged by the progress of Agritec's first venture and our strategic collaboration with Taima. This strategy is integral to our expansion, especially as we leverage our established distribution channels in the UK. This initiative is a significant step towards enhancing our supply chain and producing high-quality medical cannabis products. It prioritises quality and competitive pricing, enabling scalable growth. Our focus on these areas, combined with Agritec's expertise, makes Kanabo Group a long-term player with a built-in advantage in the industry."

The Project

The project is running in two stages, with Phase 1 currently underway. Following completion of Phase 1, the Spanish Agency of Medicines and Medical Devices ("AEMPS") will inspect the facility and will grant a license for the production and manufacturing of medical cannabis and its products, subject to the successful passing of the inspection.

Upon receipt of the licence, the directors of Kanabo believe that Agritec will implement Phase 2 of the project, which Agritec expects to last between 8 and 12 months. At the conclusion of Phase 2, the facility will be fully operational and capable of producing up to 3,000 kg of cannabis flowers annually.

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About Kanabo Group plc

Kanabo Group plc (LSE:KNB) is a digital health company committed to transforming patient care through its innovative technology platform and specialised treatment offerings. Since its inception, Kanabo has been focused on researching, developing, and commercialising regulated medicinal cannabis-derived formulations and therapeutic inhalation devices.

Kanabo's NHS-approved online telehealth platform, The GP Service, provides patients with video consultations, online prescriptions, and primary care services. Leveraging its telehealth capabilities, Kanabo launched Treat It, an online clinic focused on chronic pain management that provides patients with secondary care.

With its two complementary business divisions, Kanabo has established itself as an end-to-end digital health provider, offering telehealth consultations and prescriptions alongside the delivery of tailored treatments.

The Company's partially owned subsidiary, Kanabo Agritec Ltd, is a cultivation consultancy supporting cannabis businesses in developing new farms through infrastructural, research, and product guidance. These farms deliver high-quality raw materials for Kanabo's formulas and product line.

At Kanabo Group Plc, we are dedicated to providing patients with the highest quality medical treatments and more accessible healthcare experiences.

Visit www.kanabogroup.com for more information.

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