

## MEDCOLCANNA ORGANICS Inc. SIGNS AGREEMENT OF MAGISTRAL FORMULATIONS WITH RAPPI

Bogotá - Colombia  
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Bogotá, Colombia--(Newsfile Corp. - March 10, 2021) - Medcolcanna Organics Inc. (NEO: MCCN)("Medcolcanna", "MCCN" or the "Company"), a Canadian integrated medical cannabis company with operations in Colombia, is pleased to announce it has entered into a distribution agreement with the company responsible for the Rappi app for the distribution of MCCN's magistral formulations and to provide telemedicine services for the diagnosis and treatment of conditions and diseases with medicinal cannabis formulations.

Following the November 2020 INVIMA certification of MCCN's laboratory under its Good Elaboration Practices for Magistral Preparations with Cannabis (GEP) program, the Company has signed a distribution agreement with Rappi, a last mile delivery app. With its presence in over 150 cities in 9 countries, Rappi has more than 5.6 million users of its online grocery and pharmacy delivery services, making this app the largest and fastest growing direct to consumer delivery platform in the Latin American region with a compound monthly growth rate of 12% in 2020.

The deal between MCCN and Rappi is a commission-based arrangement, lowering the risk to the Company while giving it access to a well-developed and widely recognized distribution channel with potential to benefit more than 5.6 million active users in the region that spent, in 2020, more than \$4 million USD per month in pharmacy transactions alone, with growth expected to continue in 2021 in Colombia.

This agreement between Rappi and MCCN will provide patients immediate access to the Company's portfolio of medicinal cannabis products (accompanied by a doctor's prescription). The Company's strategy is to augment the market penetration of its magistral formulations by launching its telemedicine platform and e-health services, helping to get closer to the patient in an efficient and responsive manner leveraging a fully digital service.

Medcolcanna's telemedicine platform will be part of the services offered through the Company's in-app store. This will allow patients in need of these medicines to more easily consult a knowledgeable physician trained in prescribing these medications, educate themselves on the various formulations and receive these prescriptions in a safe manner, granting access to patients in remote locations immediate access to MCCN's portfolio of capsules, oils, sprays, transdermal gel, creams, and almost all pharmaceutical forms and reducing the need to consult with physicians in person.

This agreement requires implementation to be executed and available on the Rappi platform within the next 90 days. The agreement with Rappi is expected to increase exponentially the patient base of MCCN's Masana Clinic (formerly Medicina Nueva), a network of clinics specializing in cannabis formulations, and Grupo Curativa's network of physicians caring for more than 4,000 patients. All clinic patients will be receiving their prescribed medication fabricated by Soluciones Magistrales, the Company's certified magistral preparations lab.

This deal led by MCCN's CEO Felipe de la Vega is part of the Company's strategy to move into the pharma space after successfully setting up the commodities business unit, with two cultivation sites that are expected to reach approximately 40 hectares by the end of 2021, in which isolates and oils are being produced and are expected to bring the Company to self-sustainability upon completion.

Through MCCN's research and development (R&D) leveraging the ICP acquisition in 2019 and the agreement with Grupo Curativa and their extensive knowledge and proven formulations, the Company has secured a diversified portfolio to treat several conditions, including Crohn's disease, irritable bowel syndrome, chronic pain, psoriasis, nausea, insomnia, anxiety, epilepsy, and multiple sclerosis, among others.

According to PWC's 2017 projections (*Colombia Productiva - Planes de negocio Industria del Cannabis Medicinal*) the potential patient base in the country is 2.5 million people with conditions that can benefit from medicinal cannabis. The estimated price of the average prescription is approximately CAD\$50, with most patients needing monthly or bi-monthly refills of their prescription. The expected market size for medicinal cannabis in Colombia in 2032 is approximately \$480 million USD.

Felipe de la Vega, President and CEO of the Company, said: "We are happy to announce this agreement. Rappi is one of the most important marketplaces in Latin America and the most important in Colombia. Patients will have the chance to access telemedicine and acquisition of the formulas in a very simple manner and is a step forward in our strategy to become a leader in medical cannabis in the world."

Daniel Herrera, Chief Corporate Development Officer of the Company, commented: "This partnership is important for two main reasons, the alliance between our firms will bring increased education and access to medicinal options to people in need of these compounded medicines, and Rappi is a well-deployed and recognized distribution channel across many markets important for the growth of MCCN which we believe will accelerate the Company's penetration into the medicinal cannabis space across the continent."

BOGOTÁ, Colombia, Jan. 04, 2021 (GLOBE NEWSWIRE) -- Medcolcanna Organics Inc. ("**Medcolcanna**", "**MCCN**" or the "**Company**") (NEO: MCCN), a leading Colombian and globally integrated cannabis company, announces a bridge loan arrangement with certain executive officers (the "**Lenders**") of the Company (the "**Bridge Loan**").

Under the terms of the Bridge Loan, the Lenders will provide an initial bridge loan financing of \$275,000 for a two-year term at an annual interest rate of 7.85%, with interest payments completed quarterly and with amortization of same commencing fifteen months from the date of the loan. The Bridge Loan financing may be increased by additional amounts at the discretion of the Lenders. Payments on the principal of the Bridge Loan are deferred until fifteen months after the commencement of the Bridge Loan, unless certain financing events or positive cash flow milestones are achieved by the Company wherein repayment of the Bridge Loan would be accelerated. Final details of the Bridge Loan are subject to approval of NEO Exchange Inc.

This loan is considered to be a “related party transaction” pursuant to Multilateral Instrument 61-101, but the Company is availing itself of the exemptions from obtaining a formal valuation and obtaining “majority of the minority” approval due to the exemptions available in Sections 5.5(a) and 5.7(1)(a) of said instrument.

### **ABOUT MEDCOLCANNA**

Medcolcanna is a Canadian integrated medical cannabis company, whose fully licensed operations are based in Colombia. Led by a proven and successful management team, Medcolcanna has facilities in optimal growing locations which positions the Company to become a global leader in the medical cannabis market.

Medcolcanna employs state of the art organic agricultural technology and innovative pharmaceutical processes to produce high-quality products. The Company’s scalable production model and network of pharmaceutical partnerships globally ensures that they remain at the forefront of the medical cannabis industry.

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*Additional information about Medcolcanna can be found on its web site at [www.medcolcanna.com](http://www.medcolcanna.com)*

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### **Forward-Looking Statements**

*This news release contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”,*

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*Medcolcanna assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.*