



RAMM Pharma Enters European Cannabis Market with Strategic Investment in Canapar Corp.

Toronto, Ontario (December 30, 2020) – RAMM Pharma Corp. (including its wholly owned subsidiaries, the “Company” or “RAMM”) (CSE: RAMM), a leader in plant-derived cannabinoid pharmaceutical and other cannabis-based products, is pleased to announce that the Company has acquired 49% of Canapar Corp. (“Canapar”) (the “Canapar Shares”). The Canapar Shares were acquired from Canopy Rivers Corporation (“Canopy Rivers”), a wholly owned subsidiary of Canopy Rivers Inc. (TSX: RIV) (OTC: CNPOF). Canapar, through its wholly owned subsidiary Canapar SrL (“Canapar Italy”), will be one of Europe’s largest vertically integrated Cannabis companies when fully operational. Canapar’s state of the art extraction plant is the largest in Europe and has been custom designed for the production of active compounds to be used in high-quality pharmaceutical, wellness and cosmetic products from its 1,000-hectare Italian-based organic hemp production and processing platform. The strategic investment is expected to immediately enhance RAMM and Canapar’s ability to capitalize on the rapidly expanding European and global cannabis markets, provide additional opportunities to expand RAMM’s distribution footprint for its portfolio of internationally registered and approved pharmaceutical and other cannabis-based products and further leverage Canapar’s significant investment in its extensive vertically integrated operation and industry expertise.

“Canapar is positioned to be a leader in the European Cannabis market and this strategic investment provides RAMM with a significant presence in Europe creating a prominent and differentiated global platform,” stated Jack Burnett, Chief Executive Officer of RAMM.

“We welcome RAMM as a strategic investor in Canapar and are very optimistic about the opportunities to cross-leverage our respective expertise, product portfolios and established presence in an expansive number of international markets”, stated Sergio Martines, Chief Executive Officer of Canapar.

A video overview of Canapar’s operations can be found [here](#) and additional information about Canapar and can be found on its website www.canapar.com.

About the European Cannabis Market

Europe represents one of the largest potential cannabis markets globally. The Europe cannabis market is currently valued at US\$3.5 billion and expected to reach US\$37 billion by 2027 with an anticipated CAGR of 29.6% from 2020 to 2027 (ResearchAndMarkets.com, 2020). European countries are experiencing a transformation in the regulations for marketing cannabis and related products, facilitating easier cultivation, processing, and trade of the cannabis-derived products across this region.

Terms of the Transaction

The Canapar Shares were acquired for C\$7,000,000 pursuant to the terms of a share purchase agreement (the “Agreement”) and represent approximately 49% of the issued and outstanding shares of Canapar on a non-diluted basis. Canopy Rivers is also entitled to additional contingent consideration of C\$2,000,000 payable in cash or issuable in common shares of RAMM, at the sole discretion of RAMM, on the achievement of certain production milestones at Canapar Italy’s production facility in Sicily. In accordance with the terms of the Agreement, RAMM was also assigned Canopy Rivers’ rights under an investor rights agreement which includes: (i) the right to designate one nominee to Canapar’s current three person board of directors (or two nominees if the size of the board increases to six persons or more); (ii) the right of RamM to maintain its pro rata ownership percentage of Canapar in connection with future financings; and (iii) a call option providing RAMM with the right to purchase 100% of Canapar’s interest in its investees companies for the greater value of C\$200,000,000 or eight times EBITDA.

About Canapar Corp.

Canapar with its wholly owned subsidiaries in Europe is an Italy-based manufacturer and processor of CBD oil and isolates, which are increasingly used as an input into new commercial products in the health and wellness industries. Canapar has secured more than 1,000 hectares of hemp through its outsource farming model and entered into an academic partnership with the University of Catania's Department of Agriculture. Canapar is also advancing its CBD extraction and processing capabilities through its new facility and is expecting to transform 600 metric tons of hemp biomass annually into CBD isolates and derivative products for distribution in Europe following the commissioning of its extraction machinery. With demand for products that contain natural active ingredients derived from plant extracts increasing significantly, Canapar plans on developing CBD-infused cosmetics, skincare, and beauty products for the Italian cosmetics market, which is the fourth largest such market in Europe, as well as the global market, which provides strong demand for "Made in Italy" brands.

About RAMM Pharma Corp.

Led by renowned cannabis industry experts and backed by successful pioneers in the cannabis sector, RAMM is a leader in the field of cannabinoid pharmacology and product formulation for cannabis-based pharmaceuticals and other cannabis-based products. Founded in 1988 in Montevideo, Uruguay, the Company is a well established pharmaceutical and medical product business that has developed medically registered and approved plant-derived cannabinoid pharmaceutical products. The Company currently has multiple approved and registered products that have been authorized for sale in Uruguay and compassionate use in several Latin American countries, as well as a pipeline of new products in various stages of approval and development produced in the Company's state of the art Good Manufacturing Practice (GMP) certified cannabis formulation facility. Further to its industry leading activities in the cannabis sector, the Company operates a successful pharmaceutical, cosmetic and nutraceutical product development and medical services business which has been servicing the local market for 30 years.

RAMM Pharma Corp. includes wholly owned subsidiaries Medic Plast SA, Yurelan SA, Glediser SA and Ramm Pharma Holdings Corp.

Additional information about the Company is available at www.rammpharma.com.

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Cautionary Note Regarding Forward-Looking Information

*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", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking statements relate, among other things, the Company's strategies and objectives, and future expansion plans.*

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: the anticipated benefits of the acquisition of the Canapar Shares to the Company and its shareholders; the future growth potential of the Company on a post-acquisition basis; commissioning of Canapar Italy's extraction machines; efficacy of the Company's product offerings; the expected timelines associated with the production, roll-out and availability of the Company's products; the ability to meet increased demand for the Company's products, changes in prices of required commodities; the impact of COVID-19 on the Company's workforce, suppliers, partners, customers, and other essential resources and what effect those impacts, if they occur, would have on the Company's business and operations; future growth potential of the Company; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Uruguayan, Latin American, European and international medical and recreational cannabis markets and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in Uruguay or internationally; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.