

13 March 2017

## Satipharm Sales Update and Expansion of European Distribution Network

- **Satipharm's flagship product, Gelpell-CBD Microgel Capsules, now available for sale throughout all pharmaceutical outlets in Germany**
- **Strategic partnership with online pharmaceutical reseller enables shipping of Satipharm products globally – removing significant payment gateway issues**
- **European sales footprint further expanded following signing of binding LOI with one of the fastest growing pharmaceutical distributors in Denmark**
- **MMJ to work with distribution partners to roll out strategic sales and marketing campaign across Europe aimed at boosting brand awareness and product sales**

**MMJ PhytoTech Limited (ASX: MMJ) ("MMJ" or "the Company")** is pleased to provide the following sales and operations update on its wholly-owned Switzerland-based subsidiary, Satipharm AG ("Satipharm").

Satipharm has secured Pharmaceutical Central Numbers (PZN codes) for its 10mg and 50mg Gelpell-CBD Microgel Capsules, enabling both products to be sold in all pharmacies throughout Germany.

The Company's online distribution partner, German Bodfeld Pharmacy, has commenced the shipping of Satipharm's cannabidiol ("CBD") extract products to regulated markets globally, further enhancing the Company's capacity to rapidly scale up product sales. Importantly, German Bodfeld Pharmacy accepts all major payment methods, which solves a key payment gateway issue imposed on CBD producers globally due to the federal U.S. ban of cannabinoids.

In addition, Satipharm has signed a binding Letter of Intent ("LOI") with a leading pharmaceutical distributor and retailer in Denmark for the marketing and distribution of Satipharm's products throughout Scandinavia. The Company expects this partnership to provide direct access to hundreds of thousands of potential new customers, to be targeted through an extensive sales and marketing campaign.

### **MMJ PhytoTech's Managing Director, Andreas Gedeon, commented:**

"Satipharm's continued expansion and penetration of key markets in Europe is a key focus for MMJ, and has the capacity to serve as a significant value catalyst for our shareholders in the near-term.

The availability of our Gelpell-CBD Microgel Capsules over the counter throughout all German pharmacies is a key milestone, and positions Satipharm as one of the leading CBD suppliers in Europe.

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The focus is now on implementing an extensive sales and marketing campaign across key European markets including Denmark, Germany, Norway, Sweden and Finland, with the aim of significantly increasing sales over the next 6-12 months.”

-ENDS-

### For media and investor inquiries please contact:

**Andreas Gedeon**  
**Managing Director**  
**+1 (250) 713 6302**  
**agedeon@mmj.ca**

Released through Sam Burns, Six Degrees Investor Relations, M: +61 400 164 067



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<http://www.mmjphytotech.com.au>

### About MMJ PhytoTech Limited

**MMJ PhytoTech Limited (ASX. MMJ)** is focused on becoming a large-scale cannabis producer, targeting direct supply to the growing Canadian medical and recreational markets which will have an estimated combined value of C\$8-9 billion by 2024. The Company controls operations across the entire medicinal cannabis value chain through three business units, strategically located in favourable jurisdictions with supportive regulatory frameworks in place.

MMJ has signed a definitive agreement with Canadian-based Harvest One Capital Corp. (TSXV NEX: WON.H) for the sale to Harvest One of 100% of the issued shares of United Greeneries Holdings Ltd and Satipharm AG.

**United Greeneries Holding Ltd.** has established world-class growing facilities in Canada, including the fully licensed Duncan Facility. MMJ is the first Australian-based company to receive a Canadian medicinal cannabis cultivation licence, and one of only a few companies globally with the capacity to commercially cultivate medicinal grade cannabis in a federally regulated environment.

The Company's Swiss-based, medicinal products division operates under its 100% owned subsidiary, **Satipharm AG**, and is currently focused on developing regulatory compliant, unique oral delivery technologies that have the potential to deliver safe, effective and measured doses of medicinal cannabis to customers. MMJ began production of its first

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capsule product in May 2015, and is committed to providing novel treatment options throughout regulated markets globally.

**PhytoTech Therapeutics Ltd** is MMJ's Israel-based subsidiary responsible for the clinical research and development activities. In March 2016, PhytoTech Therapeutics completed a phase 1 clinical study which highlighted the safety and performance of Satipharm's capsule formulations in delivering CBD compounds to trial subjects.