



Nikita Fahrenholz invests in Farmako and joins the advisory board

- The former Book-a-Tiger and Lieferheld.de founder joins Farmako
- Enormous growth within 18 days: second largest supplier in Germany
- Highly regulated pharmaceutical cannabis market: complex licensing and certification procedures are biggest entry barriers

11 April 2019, Frankfurt a.M. Nikita Fahrenholz, founder of Book a Tiger and Lieferheld.de, acquires shares in Farmako for a high six-digit amount. Following its market entry in March, Farmako is already Germany's second largest distributor of pharmaceutical cannabis products. Founded in September 2018, the company has currently 40 employees and is headquartered in Frankfurt a.M., Germany. Subsidiaries in Great Britain and Denmark.

Serial entrepreneur Nikita Fahrenholz invests a six-digit sum in Farmako. The company has been selling cannabis products from the Netherlands to German pharmacies since March. Farmako covers the running costs after 18 days on the market. Revenue is already invested directly into research and development.

In February 2019, Farmako applied for a patent at the European Patent Office. The molecular biologist Patrick Schmitt, Chief Science Officer (CSO) and co-founder of Farmako, has developed a process that uses biosynthesis to produce over 180 different cannabinoids such as THC or CBD. Since beginning of April, a team of 14 researchers has been working on the method ([Video](#)). "We are creating a bridge from the pharma industry to cannabis. Cannabis pharmaceuticals can be standardized and patented," says Sebastian Diemer, co-founder and investor of Farmako. "Nikita has an impressive track record in building fast-growing teams." Fahrenholz will join Farmako's advisory board. He will supervise topics such as global expansion, finance and IPO. Delivery Hero, which had acquired Lieferheld.de five years before, went public on the Frankfurt Stock Exchange in 2017. Today, the market capitalization amounts to around 6.5 billion euros.

"Take over market leadership in Europe"

"Farmako has grown rapidly after its market entry. This shows how promising the market and the companies are, and in particular that European patients need cannabis drugs urgently," says Nikita Fahrenholz. "No other company is currently in such a good position to become the market leader in Europe. Farmako is not just a trading company for pharmaceutical



cannabis. The great potential is the company's know-how in research. Farmako's patent pending biosynthetic cannabinoid production process will completely turn the industry upside down." Currently, patients still receive naturally grown cannabis flowers and extracts. Thanks to Farmako's biosynthetic manufacturing process, production costs for cannabis pharmaceuticals can drop to one thousandth. In addition, the pharmaceuticals can then be standardized.

Similar growth as for tech companies, but early cash flow

"Many German and European venture capitalists don't really bother about the pharmaceutical cannabis market," says Sebastian Diemer. So far, there has not been a single financing round with known VCs in Germany. "The dynamics in the cannabis market are similarly growth-oriented as in typical tech business models. As a smart cannabis entrepreneur, contrary to the typical SaaS company, you don't need tens of millions of euros to cover your costs. This is a much more pleasant situation for every entrepreneur," says Diemer:

"Farmako is about passion, it is a life task for me. I am also passionate about my operations in order to become Europe's number one in this young, extremely dynamic European market".

Farmako, founded in September 2018, entered the market in March 2019 and became the second largest supplier of cannabis products in Germany within 18 days. So far, the cannabis products have come from the Netherlands. A recently concluded import agreement assures Farmako that PharmaCann Polska will supply up to 50 tonnes of cannabis flowers and extracts over the next four years. This makes Farmako one of the few companies in Germany with sufficient supplies of pharmaceutical cannabis to fulfill the demand of European pharmacies reliably and continuously. "Currently the bottlenecks are so great that German pharmacies cannot serve patients. It is estimated that only 40 percent of the market is covered," says Niklas Kouparanis, CEO and founder of Farmako.

Market entry barriers: Regulation, licensing, certification

"In this complex and highly regulated pharmaceutical market, we have prevailed over our competitors at an impressive pace. The biggest barriers for new companies are licensing procedures, such as cooperation with authorities in various countries in the area of import and export, or the certification of pharmaceutical products, which must meet the highest EU GMP standards. We have proven to work fast and reliable in this," says Niklas Kouparanis.



In Canada, a number of cannabis companies have emerged that are already worth billions. The market there has grown from 170 million to 30 billion Euros in three years. In Germany, pharmaceutical cannabis has been legal since 2017. Market experts of Prohibition Partners expect the European market to be worth 58 billion euros in 2028.

"In Canada, listed companies are already worth multiple times their profits. However, these companies have not been able to fulfill the demand of European patients and pharmacies in the recent weeks. This was one reason why we were able to gain significant market shares within a short period of time," says Kouparanis. "With Farmako, we stand for European cannabis for European patients. Of course, this is not exciting for any VC, but for experts in health or biotech or for experienced private investors such as Nikita Fahrenholz. Typical Series A, B and C rounds do not exist due to early significant sales." Farmako had already gained Heartbeat Labs, a partner with high expertise in the healthcare and medicine, for the seed financing.

About Farmako

Farmako GmbH is a research-based pharmaceutical company based in Frankfurt. The company relies on the distribution of pharmaceutical cannabis and research in order to catch up on the research backlog in the field of pharmaceutical cannabis. Farmako plans to become a vertically integrated market leader in every European country with a legal basis in this market. Farmako already has branches in Germany, Denmark and the United Kingdom.

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