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## **Gold Leaf Europe's Response to Concerns About Investing in the Republic of North Macedonia**

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**T**he Republic of North Macedonia has had a reputation as a country in which corruption, a dysfunctional rule of law, and eroded trust in institutions has negatively affected its business climate and economic growth.

This was true in the not-too-distant past. Hence, one can easily find negative information on the country by Googling “graft and corruption in North Macedonia.”

However, due to concerted government and citizen efforts, the country has made considerable progress over the past few years in greatly reducing corruption and improving its business climate to attract foreign investment.

Gold Leaf Europe (GLE) would not have invested the time, effort, and money that it has devoted to building its cannabis growing facility in North Macedonia if it had any concern about the advisability of doing so.

The country attracted GLE’s interest shortly after medicinal cannabis cultivation and sale was approved by the North Macedonia Legislature because of its extremely low labor, utility, tax, and operating costs.

GLE’s principle, Ed Cichon, thoroughly researched the business climate, discussed the proposed GLE project with the American Embassy in Skopje, and visited companies doing business in North Macedonia before moving forward.

Corruption is not entirely absent in the country. The former Minister of Health, who headed the agency that oversees cannabis cultivation and licensing, was fired in early 2024 for holding up applications in return for remuneration (i.e., a bribe). He was dealt with quickly and has been replaced with a new Minister of Health.

[Transparency International’s Corruption Perceptions Index](#), ranked North Macedonia 76th and the U.S. 24th out of the world’s 180 countries in 2023. In its 2019-2022 rankings, North Macedonia received scores of 85 in 2022, 87 in 2021, 111 in 2020, and 106 in 2019, thus, showing steady improvement, improving by 35 points since 2020 alone.

For comparison, Bahrain, China, and Moldova also received 2023 scores of 76. Countries scoring lower in 2023 than North Macedonia include India (93), Argentina (98), Brazil (104), Egypt (108), the Philippines (115), Mexico (126), and Russia (141). During the same period, the U.S. received scores of 24 (2022), 27 (2021), 25 (2020), and 23 (2019), thus, remaining relatively stable.

GLE encourages you to do your own outreach and research on North Macedonia's current business climate. Links to articles and contact information for three international companies, including a London-Stock-Exchange company, and a North Macedonia-based company with licensed cannabis growing facilities so you can find out:

- ✓ Why these companies chose to locate cannabis growing facilities in North Macedonia,
  - ✓ What the business climate and interactions with government agencies is like,
  - ✓ What, if any, corruption these companies have encountered, and
  - ✓ The experiences these companies have had in operating growing facilities in North Macedonia.
- Here's a link to an April 3, 2023 article about PharmaCann's North Macedonia project:  
<https://www.mmjdaily.com/article/9331218/north-macedonian-grower-receives-export-license/>.
  - The article begins by stating: *“North Macedonia has been eyed by many cannabis companies globally thanks to its combination of favorable climate conditions and low operational and labor costs.”*
  - This is the reason Ed Cichon began researching the possibility of locating a cannabis growing facility in North Macedonia.
  - Here's another article, published September 10, 2020, about PharmCann Poland obtaining its Good Manufacturing Practice (GMP) certification “to produce medical cannabis extracts at its facility in North Macedonia”:  
<https://mjbizdaily.com/macedonian-made-medical-cannabis-could-soon-be-available-in-germany-poland/>.
  - The article notes that, at the time the article was written, flower exports were not allowed in North Macedonia, only cannabis extracts. This changed in 2021, as noted in the next article.
  - *“North Macedonian Cannabis Flowers to be Exported to Europe for First Time,”* June

29, 2021: <https://businessofcannabis.com/north-macedonian-cannabis-flowers-to-be-exported-to-europe-for-first-time/>

- ✓ This article notes that “the granting of the all-important license to PharmaCann is the result of five years of hard work and more than €20 million of investment.”
- ✓ By comparison the Gold Leaf Europe project has been underway for THREE YEARS – when Ed Cichon first began researching the business climate in North Macedonia, current growing methods and how they could be improved – WITH \$1 MILLION SPENT TO DATE, which resulted in the granting of the only cannabis growing license issued in North Macedonia in 2023.
- ✓ The June 29, 2021 article also states: “*As evidence grows of cannabis’ therapeutic benefits for treating a variety of diseases and conditions, Mr. Keskovski [the CEO of PharmaCann International] expects Europe to become the largest medical cannabis market in the world in the next five years. However, there are still only a limited number of European-based facilities producing high-quality, cannabinoid-based products.*” [i.e., the demand is greater than the supply, leading higher sales for each gram/pound of cannabis].
- Warsaw-based [PharmaCann Polska sp ZOO](#) is a subsidiary of [PharmaCann International](#) as is of [NYSK Holdings DOOEL](#), the largest producer of medical cannabis in North Macedonia. It has additional growing and production facilities in Brazil, Germany, Croatia, and Uzbekistan.
- The headquarters for PharmaCann Polska and PharmaCann International is: Jana Pawła II 22, 02-133 Warsaw, Poland, Tel: +48 602 377.
- NYSK is located at: Industrial Zone Kojija, Municipality of Petrovec, Skopje, Republic of North Macedonia, Tel: +389 2274 75 76.
- The CEO of PharmaCann International, NYSK, and V1Solutions, another North Macedonia company involved in the cannabis industry, is Zlatko Keskovski, email: [CEO@v1solutions.eu](mailto:CEO@v1solutions.eu).
- V1Solutions is located at: Bul. M.H. Jasmin 2/2-01, 1000 Skopje, North Macedonia, Tel: +389 71 360 370.
- It offers consulting services for Pharma Business, Executives and Key Headhunting, and Implementation of Startup Projects, among others.

- PharmaCann is one of the largest U.S. cannabis producers with growing facilities and retail outlets in 50+ locations and 10 cultivation/processing facilities in 8 states. Its website can be viewed at: <https://www.pharmacann.com/>.
- PharmaCann's U.S. corporate offices are located at: 190 South LaSalle Street, S La Salle St 29th Floor, Chicago, IL 60603; Tel: [\(888\) 493-6066](tel:8884936066). It's CEO is Brett Novey, Tel: 312-667-6260.
- See the SEC Form D for PharmaCann at: [https://www.sec.gov/Archives/edgar/data/1621435/000162143523000001/xslFormDX01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/1621435/000162143523000001/xslFormDX01/primary_doc.xml)
- Here's a January 2, 2024 article about the London-Stock-Exchange- and OTC-Markets-Group-listed UK firm, [Hydrogen Utopia International PLC \(LSE: HUI and OTCQB: HUIPF\)](#), acquiring a 49% stake in the North Macedonia-based Ohrid Organics: [https://www.ade.llc/files/ugd/7694c1\\_ba24fd8c7a8444948cf7883263ea9917.pdf](https://www.ade.llc/files/ugd/7694c1_ba24fd8c7a8444948cf7883263ea9917.pdf)
- See its Cannabis webpage, which was updated on April 5, 2024: <https://www.proactiveinvestors.co.uk/cannabis>
- Hydrogen Utopia International is a part of Proactive UK Ltd., located at: 2<sup>nd</sup> Floor, 35 Great St. Helen's Street, London, EC3A 6AP. Tel: +44 207 989 0813.