

WeedMD Reports Fourth Quarter and Fiscal Year 2017 Financial Results



TSXV: WMD

May 1, 2018 (Source) – **WeedMD Inc.** (TSX-V:WMD) (OTC:WDDMF) (FSE:4WE) (“**WeedMD**” or the “**Company**”), a federally-licensed producer and distributor of medical cannabis, has announced its financial results for the fourth

quarter and fiscal year ending December 31, 2017.

WeedMD is pleased to report revenue of \$1.4 million in its first year of operations. Revenues were driven by a combination of cannabis sales to medical patients in addition to the sale of wholesale cannabis and genetics to licensed producers. Adjusted operating loss increased to \$5.2 million from \$2.1 million in the prior year due to an increase in headcount, marketing and development costs associated with product launches and ongoing sales as well as public company expenses. The company currently has a strong cash balance of \$48 million from recent financings and the exercise of warrants.

“We are incredibly proud of what we were able to accomplish in 2017, and looking forward, are even more excited about the years to come, especially with the recent announcement of our merger with Hiku,” said Keith Merker, CFO of WeedMD (see Hiku Brands Company Ltd. (CSE:HIKU) and WeedMD merger press release here). “Our large-scale, state-of-the-art greenhouse expansion is coming online shortly and we remain focused on executing at our new facility. We remain committed to our growing medical cannabis business and are also now looking forward to leveraging Hiku’s brands and retail footprint to

sell our product coast-to-coast in the coming adult-use market.”

For the years ended December 31st	2017		2016	
	(\$)		(\$)	
Revenue	1,451,062		–	
Net Comprehensive Loss	(8,805,222)		(1,989,927)	
Adjusted Operating Loss ¹	(5,225,366)		(2,064,524)	
Cash Used from Operations	2,986,928		2,102,000	
Loss per Share (Basic and Fully Diluted)	(0.15)		(0.05)	
As At December 31st	2017		2016	
	(\$)		(\$)	
Total Assets	39,605,187		10,052,971	
Total Liabilities	14,472,639		6,970,144	
Working Capital	25,713,807		7,721,517	

¹Adjusted Operating Loss is not a recognized measurement under IFRS and this data may not be comparable to data presented by other companies. Management believes Adjusted Operating Loss to be an important measure of the Company’s day-to-day operations, by excluding non-cash gains and losses and/or non-recurring items.

Fiscal Year 2017 Highlights

- Public listing on the TSX Venture Exchange under the symbol “WMD” after a successful completion of the reverse take-over of Aumento Capital V Corporation CPC
- Secured sales licence for dried flower products (April 2017), and production license (June 2017) and sales license (December 2017) for cannabis oil products at the Company’s indoor facility in Aylmer, Ontario
- Closed a \$15.0 million bought deal private placement of

- convertible debentures in November 2017
- Announced an oversubscribed \$34.5 million bought deal equity financing in December 2017 that closed in January 2018
 - Signed preferred supply agreements with four long-term care and retirement home providers totalling 29 homes with more than 3,000 beds across Canada, successfully executing on the Company's core medical initiative of targeting seniors including long-term care residents
 - Announced a large-scale, fully-funded greenhouse expansion comprising 610,000 sq. ft., with 220,000 sq. ft. coming online in 2018. The expansion remains on-track and within budget, with first harvests expected in summer 2018

Subsequent Events

- Entered into a definitive agreement to merge with Hiku Brands, bringing together two highly-complementary businesses and creating a unique and market-differentiating vertically integrated company with an industry-leading portfolio of brands, growing retail footprint, and significant cannabis production capabilities. For more information on the transaction, please see Hiku's investor presentation
- Commenced the sale of cannabis oil products under the company's *Entourage™* and *Axis™* brands
- Submitted an application to obtain a Health Canada Dealer's Licence under the Controlled Drugs and Substances Act
- Completed a LOI to enter into a joint venture with Phivida Holdings Inc. to manufacture and produce cannabis-infused beverages
- Appointed Kevin McGovern, chairman of McGovern Capital and founder of the beverage company SoBe, the fastest growing beverage company ever in the United States, as a board director

- Appointed Dr. Jonas Vanderzwan, a physician with more than 15 years of primary care experience, as Medical Director and Chair of the Clinical Advisory Board
- Completed strategic investments in Blockstrain Technology Corp., which has developed a comprehensive cannabis genetics archiving platform, and Snipp Interactive Inc., a global loyalty and promotions company focused on disruptive engagement platforms for consumers

The Company's financial statements and related management's discussion and analysis for the period are available under the Company's profile on SEDAR at www.sedar.com. All amounts are expressed in Canadian dollars and are in accordance with International Financial Reporting Standards unless otherwise noted.

About WeedMD Inc.

WeedMD Inc. is the publicly-traded parent company of WeedMD Rx Inc., a federally-licensed producer and distributor of medical cannabis and oils under the ACMPR. The Company operates a 26,000 sq. ft. indoor facility in Aylmer, Ontario, and is awaiting its second-site cultivation license for its greenhouse facility located in Strathroy, Ontario, representing 610,000 sq. ft. or 14 acres under glass. WeedMD has entered into supply agreements in addition to strategic relationships with established cannabis brands. WeedMD is focused on providing medical cannabis to the seniors' markets in Canada through its proprietary seniors care program. It is dedicated to educating healthcare practitioners and furthering public understanding of the role that medical cannabis plays – including as it pertains to regulatory requirements, indications and potential side effects.

For more information, access our investor presentation [here](#) and corporate video [here](#).

Forward-Looking Information

This press release contains forward-looking information based on current expectations. Statements about the date of trading of the Company's common shares on the Exchange and final regulatory approvals, among others, are forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

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