

WeedMD Reports Third Quarter 2018 Financial Results

November 29, 2018 (Source) –

- *Increased Revenue by 461% Year-Over-Year Prior to Opening of Canada's Adult-Use Market*
- *Experienced Leadership Team in Place to Navigate Rapid Expansion Phase and Accretive Business Development Initiatives*
- *Secured Sales Licence for State-of-the-Art Hybrid Greenhouse in Strathroy, Ontario, with Fully-Funded Path to 500,000 Square Feet of High-Quality, Cost-Effective Cannabis Cultivation*

WeedMD Inc. (TSX-V:WMD) (OTCQX:WDDMF) (FSE:4WE) (“WeedMD” or the “Company”), a federally-licensed producer and distributor of medical-grade cannabis, is pleased to report its financial results for the three and nine months ended September 30, 2018.

For the quarter ending September 30, 2018, the Company reports revenues of \$2.0 million, representing a year-over-year increase of 461%. Revenues of \$5.2 million in the first nine months of fiscal 2018 represents a 784% increase compared to the same period during the 2017 fiscal year.

“The third quarter was another strong growth period for WeedMD. We increased revenues by more than 450% compared to the prior year and rapidly ramped up production capacity at our state-of-the-art hybrid greenhouse. Through strategic additions to our highly experienced management team, we strengthened our production, sales, marketing, and business development capabilities,” said Nichola Thompson, Interim CFO of WeedMD. “Our fully-funded path to more than 500,000 square feet of high-quality, cost-effective cultivation footprint provides us with significant advantages to capitalize on a

tight cannabis supply market at the onset of the Canadian adult-use market.”

“We are exploring opportunities to expand internationally, including having recently supplied our industry-leading cannabis genetics to Israel’s Pharmocann and Australia’s Medifarm,” said Keith Merker, CEO of WeedMD. “As the cannabis industry evolves into increasingly differentiated, high-margin product offerings across the medical and adult-use segments, WeedMD has positioned itself to take full advantage of market opportunities in Canada and internationally.”

Financial Highlights

For the three month period ended September 30	2018	2017
	(\$)	(\$)
Revenue	2,001,369	356,479
Income (Loss) and Comprehensive Income (Loss)	9,904,660	(557,807)
Adjusted Operating Loss*	(1,367,207)	(583,714)
Cash Used from Operations	(1,076,709)	(1,016,408)
Earnings (Loss) per Share (Basic and Fully Diluted)	0.09	(0.01)
As at	September 30, 2018	December 31, 2017
	(\$)	(\$)
Cash and Cash Equivalents	36,059,767	24,692,678
Total Assets	87,698,288	39,605,187
Total Liabilities	9,856,688	14,472,639
Working Capital	44,949,614	25,713,807

*Adjusted 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.

Corporate Highlights During and Subsequent to the Quarter ended September 30, 2018

- **Completed First Shipments of Adult-Use Cannabis to Provinces:** Successfully servicing supply agreements with the Ontario Cannabis Retail Corporation ("OCRC") – operating as the Ontario Cannabis Store ("OCS"), Alberta Gaming, Liquor & Cannabis Commission ("AGLC"), British Columbia Liquor Distribution Branch ("BDLDB"), and Nova Scotia Liquor Corporation ("NSLC"), the Company delivered its first shipments of WeedMD-branded cannabis, in entirety and on time for the launch of Canada's adult-use market which commenced October 17, 2018.
- **First Harvest Completed and Sales Licence Obtained for Large Scale State-of-the-Art Greenhouse:** Completed the first harvest from the Strathroy facility in September 2018, turning impressive yields from a combined 70,000 square feet of current production capacity. In addition, WeedMD secured a licence from Health Canada to sell cannabis cultivated at its greenhouse facility. The sales licence permits the Company to transport cannabis from the Strathroy greenhouse to its nearby indoor facility in Aylmer, for packaging and distribution for WeedMD's medical and adult-use customers.
- **Exported Cannabis Genetics Internationally:** Launched the sales and exports of genetics by completing first shipments to Medifarm, a privately-held Queensland-based licensed producer, distinguished in Australia for being the first licensed medical cannabis producer to be authorized for therapeutic use. WeedMD also completed the shipment of its cannabis genetics to Israel's

Pharmacann, a privately-held pharma-agricultural medical cannabis producer working under the authorization of Israel's Ministry of Health.

- **Secured DTC Eligibility and Graduated to OTCQX® Best Market:** Secured Depository Trust Company ("DTC") eligibility and commenced trading on the OTCQX® Best Market under the ticker symbol "WDDMF," providing more visibility to US shareholders and greater liquidity.
- **Partnered with Leading Quebec Product Formulation Lab:** Signed a pivotal agreement with Montreal-based Smart Medicines GMP Inc. ("Smart Medicines"), a leading-edge research-driven organization that creates, develops and launches pharmaceuticals, natural health products and cosmetics led by Dr. Domenico Fuoco.
- **Announced Multi-Year Retail Sales Distribution Agreement:** Entered into a retail sales distribution agreement with Lifford Cannabis Solutions ("Lifford"), led by long-time cannabis advocate, influencer and media personality Lisa Campbell, to represent WeedMD's premium cannabis brands and products for the adult-use market in British Columbia and Alberta.
- **Building the Team & Board:** WeedMD also made the following appointments and hires:
 - **Nichola Thomsson, Interim CFO.** Nichola Thompson was appointed as Interim CFO. Nichola has more than 15 years in senior finance roles; previously held management positions at Discovery Air, Deloitte & Touche, and Siemens, Nichola obtained her Chartered Professional Accountant & Chartered Accountant designations in 2007.
 - **Dr. Domenico Fuoco, Chief Innovation Officer.** Prior to joining WeedMD, Domenico was President of Smart Medicines. He has nearly 20 years of analytical chemistry experience and is widely recognized in the R&D health sciences community.
 - **Josephine DesLauriers, Senior Vice President, People.** Josephine has been at the forefront of

building the WeedMD team, expanding the employee base fourfold since January 2018. She has over 15 years of experience in a variety of HR-related functions and is widely recognized in the health-care sector for her work in seniors care and housing.

- **Brett Moon, Senior Vice President, Sales & Marketing.** Prior to joining WeedMD, Brett served as a Vice President at Mosiac, Canada's largest sales and marketing agency. At Mosaic, he led a variety of sizeable accounts relating to beer, spirits and cannabis in Canada. Brett brings over a decade of experience in controlled substances and regulated industries.
- **Dan Healey, Vice President, Operations.** With over 30 years of experience in a variety of operations and quality roles, Dan previously held management positions at Parmalat Canada, Nestle and Maricann Group. He is an engineering technology graduate who brings industry insights and professional knowledge in developing, implementing and achieving manufacturing excellence in productivity and quality.
- **Robert Gora, Vice President, Patient & Client Experience, Medical.** Prior to joining WeedMD, Robert held numerous roles including sales, medical education, marketing and business development in the pharmaceutical industry. With over 16 years of experience, he was most recently the General Manager of Medical at MedReleaf.
- **Marianella delaBarrera, Vice President, Communications & Corporate Affairs.** With over 10 years of experience in developing and leading worldwide communications strategies for Bombardier Aerospace, Marianella is a trained journalist, veteran spokesperson and senior strategist that has worked on numerous high-profile product

launches and international affairs.

- **Michael Pesner, CPA, CA, Independent Director.** Appointed to WeedMD's Board of Directors and Chair of the Company's Audit Committee. Michael is the President of Hermitage Canada Finance Inc., specializing in financial advisory services and previously was a Senior Partner at KPMG for 26 years. Additionally, he is a member of several public and private company boards.

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 cannabis and cannabis oil for both the medical and adult-use markets under the Cannabis Act. The Company operates two facilities: a 26,000 sq. ft. indoor facility in Aylmer, Ontario and a state-of-the-art greenhouse facility located in Strathroy, Ontario. The Greenhouse currently has 44,000 square feet of licensed space in production and is expected to have a total footprint of more than 500,000 square feet online by year-end 2018. WeedMD has a multi-channeled distribution strategy that includes supply agreements with Shoppers Drug Mart and provincial distribution agencies, as well as through strategic relationships across the seniors' market in Canada.

For more information, access WeedMD's investor presentation [here](#) and recently updated corporate video [here](#).

Cautionary Statement on Forward-Looking Information

This press release contains "forward-looking information"

within the meaning of applicable Canadian securities legislation which are based upon WeedMD's current internal expectations, estimates, projections, assumptions and beliefs and views of future events. Forward-looking information can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy.

The forward-looking information in this news release is based upon the expectations, estimates, projections, assumptions and views of future events which management believes to be reasonable in the circumstances. Forward-looking information includes estimates, plans, expectations, opinions, forecasts, projections, targets, guidance or other statements that are not statements of fact. Forward-looking information in this news release include, but are not limited to, statements with respect to internal expectations, expectations with respect to actual production volumes, expectations for future growing capacity and the completion of any capital project or expansions. Forward-looking information necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the cannabis industry in Canada generally; the ability of WeedMD to implement its business strategies; competition; crop failure; and other risks.

Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, WeedMD does not undertake any obligation to update or revise any forward-

looking information, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for WeedMD to predict all such factors. When considering this forward-looking information, readers should keep in mind the risk factors and other cautionary statements in WeedMD's Annual Information Form dated December 13, 2017 (the "AIF") and other disclosure documents of WeedMD filed with the applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com. The risk factors and other factors noted in the AIF and other disclosure documents could cause actual events or results to differ materially from those described in any forward-looking information.

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