

WeedMD takes measured steps for stronger positioning in the cannabis market

Cannabidiol (CBD) products are reaching into the mainstream through a growing health and wellness sector, and savvy companies are looking to position themselves to make the most of this momentum. The health and wellness market grew to over \$1 trillion globally as of 2017. Positive shifting regulations globally are opening major international markets to CBD products, especially CBD infused food, beverages and natural health products. The growth of the CBD sector is being driven by a global shift in the legal status of cannabis. Canada is only the second country in the world (Uruguay was the first) and the first G7 nation to implement legislation to permit a nationwide marijuana market.



WeedMD's under glass facility

On July 12, 2018 WeedMD entered into a Memorandum Of Understanding with the British Columbia (BC) Liquor Distribution Branch (LDB) to supply the province with high-quality, branded cannabis products for sale in BC's adult-use

market. This agreement represents another key milestone in WeedMD's strategic plan to develop a national distribution platform for the Company's medical and adult-use products. The Company is actively working with additional provincial distributors, regulators, and retailers to expand its adult-use distribution program.

Keith Merker, Chief Executive Officer of WeedMD said: "BC is widely recognized for having one of the most mature and developed cannabis consumer markets in Canada. We are very proud that the province will be offering WeedMD's quality products. As the provinces develop their cannabis retail strategies, we are emerging as a supplier to multiple distribution channels and categories. This deal is another step in our strategy to provide access to our products in emerging legal adult-use markets across the country."



WeedMD's medicinal product

WeedMD will supply the BC market with recreational cannabis products at the advent of legal sales starting October 17, 2018. However, legal cannabis will be heavily regulated. Under the current legislation, adults will only be allowed to carry up to 30 grams of dried cannabis and it will not be sold in the same location as alcohol or tobacco.

WeedMD Inc. has a market cap of C\$ 155 m. WeedMD reported revenues of \$1.14 million for the first quarter of 2018. Revenues consisted of the sale of dried medical cannabis, live cannabis plants and cannabis oils, to both patients and through wholesale B2B channels. The Company also maintained a strong cash balance of \$48 million as of the end of the quarter.

The new laws are expected to spark a billion-dollar industry, given total spending on marijuana could surge as high as 58%, especially as users are expected to be willing to pay a premium for legal access to the drug. With their MOU in place with BC to supply the province with branded cannabis products, having the company actively working with additional provincial distributors, and with new legislation about to make the cannabis industry expand, WeedMD could be about to “grow” significantly.

WeedMD Inc. (TSXV: WMD) is a Canadian company based in Aylmer, Southern Ontario. It is a federally-licensed producer and distributor of medical cannabis, including dried marijuana, cannabis oil, cannabis resin, marijuana plants, and marijuana seeds in Canada. The company has a research and development supply and collaboration agreement with Revive Therapeutics Ltd. The Company operates two indoor facilities representing 610,000 sq. ft. under glass.