

# What's next for the cannabis industry?

The legal cannabis industry has come a long way the past 2 years culminating in US Federal legislators considering the decriminalization of cannabis use in the USA. In this article, I take a look at what's been happening in cannabis as well as the steps ahead for cannabis to become decriminalized at the national level in the USA.

## **The US House Committee approves a landmark bill legalizing marijuana at the federal level**

In mid November 2019 the US House Committee approved the new cannabis bill. If successful, the bill would have the effect of removing cannabis from Schedule 1 of the Controlled Substances Act. This will also mean the states can still enact their own policies, but can now clear criminal records of people with low-level marijuana offenses. This is quite significant as marijuana arrests account for more than half of all drug arrests in the United States. Included in the legislation will be a 5% tax on cannabis products that would provide job training and legal assistance to those hit hardest by the so called war on drugs.

"The criminalization of marijuana has been a mistake," Chairman Rep. Jerrold Nadler, D-N.Y, has stated in commenting on the House Judiciary Committee bill that legalizes marijuana on the federal level.

## **Next steps**

The bill will still need to pass a vote in the full House before moving to the Senate for further approval. However, the legislation may face a tougher battle in the Republican controlled Senate, where majority leader Mitch McConnell opposes marijuana legalization. Concern has been expressed by

some republican members that the bill has gone a bit too far and will unlikely be passed at the senate level.

The bill has more than 50 co-sponsors including presidential contenders Elizabeth Warren, Kamala Harris and Cory Booker. Even Joe Biden has added his thoughts to the topic in saying that not “enough evidence” exists to prove whether marijuana is a “gateway drug”. And according to the National Institute on Drug Abuse, research is saying the majority of people who use marijuana do not “go on to use other ‘harder’ substances.”

**Legalizing cannabis has become a global movement following Uruguay and Canada’s move**



**Cannabis is already legal for recreational use in 11 US states, and for medical use in 33 states**

So far 11 states in the U.S. and the District of Columbia have legalized cannabis for recreational use whereas medical cannabis, prescribed by physicians, is legal in 33 states and Washington, D.C. The National Organization for the Reform of

Marijuana Laws has called the legislation the “biggest marijuana news of the year.”

The recent bill approval comes a few months after the House passed legislation that protects banks, credit unions and insurance companies in doing business with marijuana sellers serving marijuana businesses in states where the substance is legal. In addition, the act will provide protection from criminal liability to the financial services providers for providing services to cannabis-related businesses, as long as the business is in compliance with state law.

### **President Trump probably will end up supporting the cannabis bill**

President Trump has not given much away and recently stated: “We’re going to see what’s going on. It’s a very big subject and right now we are allowing states to make that decision. A lot of states are making that decision, but we’re allowing states to make that decision.” Another recent report on Trump’s view stated: “President Trump appears to be all in on the bill. Before jetting off to the G-7 summit in Canada, he told reporters,” I support Senator Gardner. I know exactly what he’s doing. We’re looking at it. But I probably will end up supporting that, yes.”

### **Legalization of cannabis in Canada completes one year now**

Canada has just celebrated its first anniversary of legal recreational use of cannabis. By way of a product upgrade, the governing body overseeing and regulating cannabis sales, Health Canada, is now accepting applications from companies seeking to produce cannabis derived goods such as edibles, beverages and vaping products. The edibles/beverages/vape market is projected to be a billion dollar boom for Canada’s burgeoning cannabis businesses.

### **Fancy some cannabis infused chocolate**



### **US farm bill legalized hemp**

Also in the last 12 months US President Trump signed into law the farm bill, which contained a provision legalizing hemp, a species of cannabis that CBD can be extracted from but that isn't psychoactive. Hemp has typically been used for industrial products like paper and textiles. Again the hemp market can easily grow to be a multi-billion dollar global market.

### **Other countries that may legalize cannabis next**

Apart from the US, the following countries are all likely to legalize cannabis, especially if the US does. Those countries are Jamaica, Czech Republic, Colombia, Peru, The Netherlands, Portugal, Spain, Iceland, and France. Another one is Australia where last month the capital city of Canberra legalized cannabis use. Mexico will also likely follow soon where personal use of recreational cannabis in amounts 5 grams or less is decriminalized (not a jailable offense). In fact, most of South America considers smoking cannabis no big deal. Even Russia allows cannabis in amounts up to 6 grams.

All of this good news for the cannabis sector the past 2 years

has seen cannabis stocks do very well, despite some ups and downs.

One company we follow at InvestorIntel that can ride the wave of cannabis legalization is FinCanna Capital Corp. (CSE: CALI | OTCQB: FNNZF). FinCanna provides financing to top-tier companies in the licensed medical cannabis industry in exchange for a royalty on revenues by building its diversified portfolio of royalty investments in scalable, best-in-class projects and companies in U.S. legal states, with a focus on California. If the US cannabis bill gets passed into law it could be a big boost for FinCanna.

Attitudes have been changing towards a drug where users were once thought of as hardcore criminals. There is now more information out there on cannabis than there was when Congress passed the first law effectively criminalizing marijuana in 1937 and then passed another law in 1956 that set mandatory prison sentences for drug-related offenses which included marijuana.

Cannabis has gone from being a criminalized drug to being on the verge of a multibillion-dollar global boom. We will watch with interest to see if the US follows Uruguay and Canada's lead to legalize marijuana at the Federal level, most likely in 2020. If successful the devil will be in the detail, as decriminalizing and legalizing can mean two different things. If the US does move it is hard to see why the rest of the world would not follow. This would mean a decade long boom ahead for the global cannabis industry.

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# **SOL Global 'energized by their investments' in the cannabis and hemp industries**

Canada legalized cannabis for recreational use in October 2018. As of November 2018, ten US states have legalized recreational marijuana use. On December 20, 2018 the Farm Bill was signed into law, thereby removing hemp with a concentration of no more than 0.3% of tetrahydrocannabinols (THC) from the Federal controlled substances list, making <0.3% THC hemp legal.

The passing of the Farm Bill by the US congress should help boost the hemp industry which has potential to become a US\$20B industry. Legal cannabis spending is projected to reach \$100B in the US by 2029, and the global legal marijuana market is expected to reach US\$146.4B by 2025, growing at a CAGR of 34.6%. Industry insiders are saying this is a big moment for the American cannabis movement.

SOL Global Investments Corp. (CSE: SOL | OTCQB: SOLCF) is an international cannabis company with a focus on legal U.S. states. The company has partnered with the University of Miami in a R&D program which complements its strategic investments and partnerships across cannabis cultivation, distribution, and retail.

SOL Global CEO Brady Cobb added: "We are energized by the opportunities in this still-evolving industry and look forward to updating our shareholders with our comprehensive hemp strategy in the days to come."

## **SOL Global's strategic partnership with OG DNA Genetics Inc.**

On December 12, 2018 the Company provided a corporate update on its operations, strategy, and current financial position.

The update included the announcement of a strategic partnership with one of the most widely recognized and acclaimed global brands in cannabis breeding and genetics, OG DNA Genetics Inc. The Company's investment team has identified key market players and strategy in hemp cultivation that will ensure SOL maintains its leadership position as the cannabis industry continues to evolve.

SOL Chief Investment Officer Andy DeFrancesco said: "Our commitment to becoming one of the leading private equity cannabis investors globally is evidenced by our proven track record of identifying and investing in all-star teams, cutting-edge brands, and the most promising companies. The transaction with DNA Genetics is yet another strategic investment that further enhances our U.S. cannabis portfolio."

### **SOL Global investment and strategic partnership with GreenLight Pharmaceuticals Ltd.**

SOL Global also recently announced they are set to acquire an investment and strategic partnership in GreenLight Pharmaceuticals Ltd of Dublin, Ireland. GreenLight is a vertically-integrated medical cannabis company with a clinical research and development operation, a seed genetics program, cultivation operations, and Cannabidiol (CBD) brand and distribution operations. SOL Global will acquire a 25 percent stake in the equity of GreenLight for €1.8 million, with an option to increase its stake to 51 percent. Additionally the Company has also acquired an option to acquire a 75 percent stake in a future GreenLight subsidiary that successfully obtains a cannabis cultivation license in Ireland or Northern Ireland for an aggregate exercise price of approximately €1 million.





GreenLight medicinal cannabis cultivation

Brady Cobb, CEO. stated: "SOL Global is excited to partner with the clinical research team at GreenLight as they continue to develop R&D programs throughout Europe."

SOL is motivated to create value by investing in companies with meaningful products that bring a holistic approach to health and wellness. In particular SOL Global is actively growing a base of global cannabis investments with exposure to cannabis dispensaries and cultivation. With a soon to be released hemp strategy, SOL Global should open up further opportunities in the high growth cannabis industry.

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## **Cannabis Today and Tomorrow the #1 Cash Crop for 2019**

There is little doubt that cannabis has had a great past few years especially with the legalisation of recreational use in



Canada on October 17, 2018. What's next for 2019?

## **Canadian companies will look to expand as the US may legalise further states in 2019**

With other legal cannabis spending projected to reach \$100 billion in the US by 2029, industry insiders see big things ahead for the American cannabis movement. This could also see Canadian companies look to the US to expand their ever growing portfolios. Currently there are ten US states that have now legalized cannabis, and 33 that allow medical use. The following US states are considered a reasonable chance to legalise cannabis in 2019 – Connecticut, Illinois, Minnesota, New Hampshire, New Jersey, New Mexico, New York, Rhode Island, and Vermont.

## **Other countries that may legalise cannabis soon**

The following are some countries that look likely to follow the Canadian lead in making recreational use of cannabis legal: Colombia, Jamaica, Spain, Portugal, Australia, and perhaps the United States.

## **Canada cannabis sales should boom but more retail outlets will be needed**

Recreational use of cannabis has been legal in Canada since Oct. 17, 2018; however so far Ontario consumers have only been able to buy the product online. A lottery system will be used to select who will be issued a retail license as only 25 of the first wave will be issued by April 1, 2019. So far in Alberta the province has approved 65 cannabis stores throughout the province, though it initially said there could be 250 by late 2019. Demand for quality marijuana since legalization remains strong however there is reported to be a shortage of retail outlets.

## **Some Cannabis companies will look to expand into hemp products**

The recent passing of the farm bill by the US congress legalizes hemp, an industry estimated to be worth \$867 billion. This will lead to a very strong 2019 for hemp products especially in the US.



### **A brief view of some of the cannabis participants listed in Canada**

FinCanna Capital Corp. (CSE: CALI | OTCQB: FNNZF) is one of two publicly traded pure-play Cannabis royalty companies uniquely focused on investing in licensed medical cannabis businesses with a focus on California. The Company's vision is to be the capital partner of choice for high growth, best-in-class businesses, focused on the licensed U.S. medical cannabis industry.

Global Cannabis Applications Corp. (CSE: APP | OTCQB: FUAPF) is a global leader in designing, developing, marketing and acquiring innovative data technologies for the cannabis industry. They are doing this by applying artificial intelligence, blockchain, and cryptocurrency to improve cannabis health sciences, under their Citizen Green platform.

NanoSphere Health Sciences Inc. (CSE: NSHS) is a nano

biotechnology company paving the way in the development of innovative delivery systems for cannabinoids and medications. The Company provides the only patented “nano-particle delivery system” to transport therapeutic agents directly into the bloodstream for maximum absorbency.



SOL Global Investments Corp. (CSE: SOL | OTCQB: SOLCF) is an international cannabis company with a focus on legal U.S. states. With recent hemp law changes in the US, the Company is energized by the opportunities and looks forward to developing a hemp strategy in this still-evolving industry. They have partnered with the University of Miami in a R&D program that compliments its strategic investments and partnerships across cultivation, distribution, and retail complement.

WeedMD Inc. (TSXV: WMD | OTCQX: WDDMF) is a Canadian producer and distributor of medicinal cannabis. The Company also collects vital data that also contributes to ongoing research. By doing so, they are able to provide healthcare providers and their patients with the information they need to fully comprehend the role medical cannabis can play in their pain-management regimen.

Cannabis can clearly become one of the world’s largest cash crops. With so many byproducts and potential in a growing

market investors will need to be patient for governments to sort out procedures and legal licensing.

2019 looks to be the year when we may start to see greater opportunities in the US as attitudes change towards the plant and more states are possibly legalised. Just remember the legal cannabis industry is in its infancy and will need time to grow, both in Canada and abroad.

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## **WeedMD's Kraft on how distribution agreements are critical to the cannabis business**

“At WeedMD we are very proud of the foundation we have built from the production platform. We have got 1,200 kilograms coming out of our original indoor facility in Aylmer, Ontario. With our expansion of a hybrid greenhouse in Strathroy we have 20,000 kilograms coming onboard of quality quads coming out of flower and then an additional 30,000 kilograms of production for oil. We have to find a home for that product. Clearly these distribution agreements are critical to the business and hitting our revenue and sales milestones.” States Michael Kraft, Chairman of WeedMD Inc. (TSXV: WMD), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** Michael you introduced me to the cannabis industry sector when it first started. What was that 2013/2014?

**Michael Kraft:** Beginning of 2014.

**Tracy Weslosky:** Michael I see that you just put out your third quarter results. I read you have increased revenue by 461% year-over-year prior to opening of Canada's adult use market. Can you just talk to us about a couple of your highlights from your third quarter results because there was quite a few results/updates?

**Michael Kraft:** Sure. I think the most significant is our topline of sales increased from approximately \$350,000 to an excess of \$2 million dollars. Behind that is our growth in patients, medical patients, which is paramount to our business. In addition we continued to generate revenue from the sale of genetics domestically to other LPs, which is part of our MO to seed the industry. Notably is also our first export shipment to Australia. It is actually the first legal shipment of genetics into Australia that we are very proud about. We also see growth coming from the export of our genetic business.

**Tracy Weslosky:** Call me an old fashioned investor, but we like things like distribution for instance. I noticed you have a deal with Shoppers Drug Mart and several distribution channels including an announcement with Lifford Cannabis Solutions. Can you tell us more about your distribution infrastructure?

**Michael Kraft:** At this juncture distribution is critical. We meet as a company the focus whether be it for the board or management level as distribution, distribution and distribution. WeedMD has successfully secured relationships with a number of provincial agencies ranging from BC, Alberta through to Ontario through to Nova Scotia. We have also secured a notable distribution agreement supply agreement with Shoppers Drug Mart. In summary WeedMD has secured critical distribution platforms across Canada. That includes the retail channel with Shoppers Drug Mart for the drugstore chain.

**Tracy Weslosky:** My take on this is the reason why you are securing all of these critical distribution channels is

because of your production. What I see, a half a million square feet of cultivation. Correct me. Tell me about your actual production Michael.

**Michael Kraft:** At WeedMD we are very proud of the foundation we have built from the production platform. We have got 1,200 kilograms coming out of our original indoor facility in Alymer, Ontario. With our expansion of a hybrid greenhouse in Strathroy we have 20,000 kilograms coming onboard of quality quads coming out of flower and then an additional 30,000 kilograms of production for oil. We have to find a home for that product. Clearly these distribution agreements are critical to the business and hitting our revenue and sales milestones...to access the complete interview, [click here](#)

Disclaimer: WeedMD Inc. is an advertorial member of InvestorIntel Corp.

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## **Rewards abound with an app that provides a Loyalty Love-In for the investment market.**

My computer screen saver has a "Join Microsoft Rewards" program that promises me value. Win points, secure rewards, it's a win-win. But this loyalty love-in game is a hard one to win, unless of course, you have the team, the technology, and are proving that you can build an online community with trust?

Who does this in today's day and age when many of us have quit visiting sites that require username and passwords, understanding the algorithms of data collection and associated artificial intelligence may or may not be our friend? Global

Cannabis Applications Corp.'s ("GCAC") (CSE: APP | OTCQB: FUAPF) Brad Moore has identified this formula by doing what no other reward program does through the Citizen Green Community, and will pay us like no other for our data.

The investor I had breakfast with this morning said to me: "You know Tracy, everyone is an investor nowadays – they want to buy stock on Friday and sell it on Monday."

Not a licensed investment advisor, so this is not a buy recommendation, but having been in the public markets since 2001, I, like many in our audience, am a self-directed investor and want to see my money grow. So count me in, as 1 of the 650,000 members and climbing of Citizen Green.

Over the years we have seen many companies whose share price seems undervalued. And to make this column more interesting, I decided to go on record with my interest in GCAC and buy CAD\$2500 worth of Global Cannabis Applications' CSE: APP. The plan? Hold it for 12-weeks, and let you know what I sell it for. Let me be clearer. Today, I bought 15,000 shares of \$APP.C at CAD\$0.165 for a total of \$2475 which I will sell on February 14, 2019.

So why Global Cannabis Applications Corp. or GCAC as many refer to it?

For me, I always have my interest engaged by the leadership and in this case, it was the CEO Brad Moore's engaging and data building plan-of-action when he said in his last ii-interview with me: "We are basically building the smartest budtender in the world".

"I like their Citizen Green platform because of the information." Starts our Social Media Director Sharron Clayton. Then she goes on to add: "The database is very informative. Basically, it takes all the guess work out of how to select what medical cannabis is right for each patient."



Is this why they use the trading symbol "APP"? I asked our production manager Sam Markham who has a real handle on the cannabis market on our team and to whom we regularly consult with. Not impressed with my witticism, he explained that GCAC's Citizengreen.io platform creates a loyalty program that covers the industry and is not tied to a single location, giving customers the ability to still be part of the "community" without being tied to a single store, expanding GCAC's reach.

If you think about it, when have we ever received loyalty points for buying prescriptions? Better yet, Sam in our team tells me we get points for providing follow-up reviews of the prescription. With incentive for community interaction through the reward of Citizen Green Coins or CGC's, GCAC is collecting valuable information for the medical market and data towards helping in the management of every cannabis "pain to strain" issue and enhancing our life experience.

But consider? If the Citizengreen.io platform can do it right for the cannabis market, as Matt Bohlsen wrote a week ago become the "world's first end-to-end – from patient to regulator – medical cannabis data solution" is there any reason this might not step over the cannabis medical wall and right into the lap of the global medical market? Now in this future hypothetical scenario, the \$APP.C shareholder would be the "citizen in the green"...

On a final note, we reviewed some highlights on CSE: APP this morning that we thought we might share with you –

1. **History.** Past price activity has shown acceptance by market to higher market cap (REF: Traded in 01/18 @.99 per share or 5x current mkt value)
2. **Trading.** Trades on both CDN and US stock Exchanges (CSE: APP | OTCQB: FUAPF) for investor access
3. **Sponsorship.** Good broker sponsorship (Trapeze Capital Corp EST 1999)

4. **Market Cap.** Current Low market cap offers price opportunity with manageable share float. (Current Mkt Cap about \$11.5 million/57.5 million shares outstanding.)
5. **Volume.** Trades enough daily share volumes for long- and short-term investors. (Average daily volume 300k shares)

We also liked the overview on the Citizen Green Platform written by InvestorIntel's Matt Bohlsen in a story titled The world's first end to end, from seed to sale, patient to regulator, medical cannabis data solution is here

*The Citizen Green platform is the world's first end to end, from seed to sale, patient to regulator, medical cannabis data solution. It uses 6 core technologies: mobile applications, artificial intelligence, smart databases, blockchain and digital reward tokens; all designed to speed the process of quality shared data. The objective is to use advanced technology to create an online community portal. Every cannabis strain affects patients in a different way, and this is about sharing personal knowledge across a social media style platform to inform other members of personal experiences. By joining the Citizen Green community a medicinal user can now find more information on their particular condition through other users experiences and learn how best to treat it. Transactions and earnings will be in the form of "Citizen Green Token", GCAC's cryptocurrency. Citizen Green Tokens, which fuel the Citizen Green economy, are earned for contributing information, and experiences and can be used to receive discounts on purchases and access a full range of related services. There is even a Citizen Green phone app, which as of Q2 2018 already had 650,000 users. GCAC plans to more than double the number of users by Q2 2019 to reach 1.4m global users.*

If you missed last week's interview, GCAC to Sponsor MJBizCon 2018 in Las Vegas – [click here](#)

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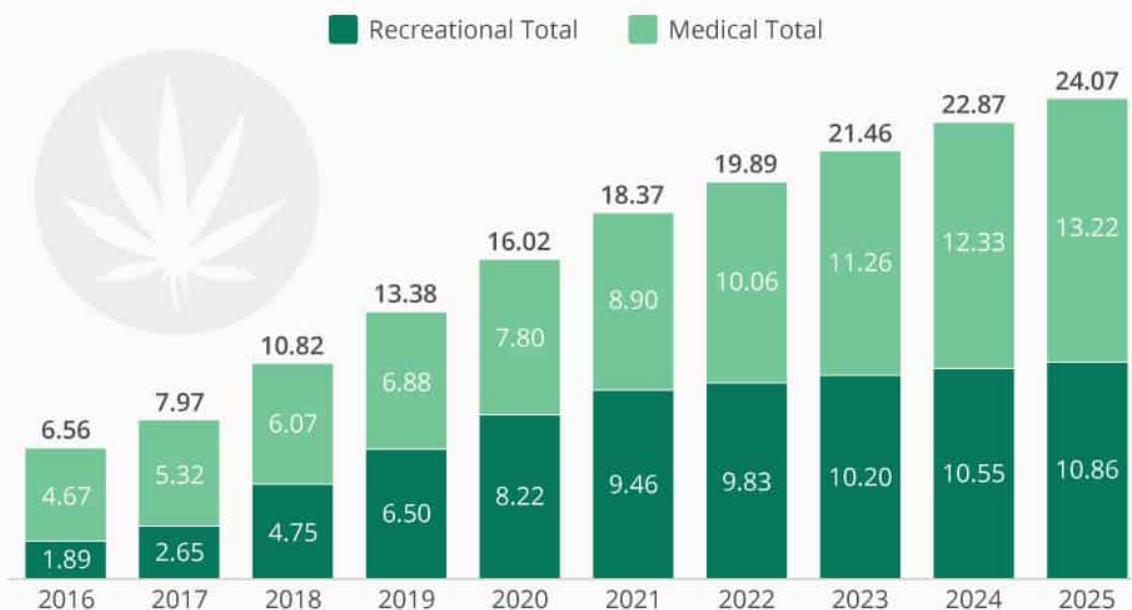
# **On track to have more than 500,000 square feet of cultivation for the medical cannabis sector**

The benefits of medical cannabis are becoming increasingly evident and recognized as an acceptable form of treatment. The global medical cannabis market size in 2017 was ~US\$ 11 billion. The market value is expected to reach ~US\$ 37 billion by 2023, for a CAGR of ~22% during 2017-2023. The US market will follow a similar trajectory.

**The US medical and recreation marijuana market forecast to grow strongly**

## U.S. Marijuana Market: The Grass Is Getting Greener

Projected growth of U.S. recreational and medical marijuana sales (billion U.S. dollars)



@StatistaCharts Source: The Cannabis Industry Annual Report

statista

The US medical and recreation marijuana market forecast to grow strongly

WeedMD Inc. (TSXV: WMD | OTCQX: WDDMF) is a Canadian producer and distributor of medicinal cannabis. The Company collects vital data that also contributes to ongoing research. By doing so, they are able to provide healthcare providers and their patients with the information they need to fully comprehend the role medical cannabis can play in their pain-management regimen, and enable them to make informed decisions regarding their overall health.

WeedMD 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.

### The last few weeks have been good for WeedMD

On November 13, 2018 it was announced that WeedMD has secured

a licence from Health Canada to sell cannabis cultivated at its greenhouse facility in Strathroy, Ontario. The original licence, issued under the Access to Cannabis for Medical Purposes Regulations, was successfully migrated to a licence under the Cannabis Act and its regulations.

Keith Merker, CEO of WeedMD said: “We are thrilled to secure approval to begin selling the medical-grade cannabis that we’ve been cultivating at our production facility in Strathroy. The Company continues to meet its production milestones on schedule and on budget. Beyond that, we are on track to have more than 500,000 square feet of cultivation online by 2019.”

On October 31, 2018 WeedMD announced it had signed a multiyear retail sales distribution agreement with Lifford Cannabis Solutions to represent WeedMD’s premium cannabis brands and products for the adult-use retail market in British Columbia and Alberta.

Brett Moon, SVP, Sales and Marketing at WeedMD, said: “With the onset of legalization, WeedMD’s products are garnering the attention of a discerning and knowledgeable cannabis audience.”

Back in August 2018 the first harvest was announced from the Strathroy facility. The first harvest was completed in early September and resulted in an impressive yield from the first 10,000 square foot grow room. The Company marked the event with a WeedMD “First Harvest” celebration party, a community open house that welcomed well over 120 guests that included WeedMD’s Board of Directors, local government, business leaders, investors, media representatives and employees.



## WeedMD's Harvest party in Aylmer

There has been a lot of activity at WeedMD in the last few months including:

- Piloting a proprietary genome tracking program along with Blockstrain to protect cannabis genetics and intellectual property and launching Blockstrains revolutionary "genome to sale" software. (October 24)
- Partnering with a leading Quebec product formulation laboratory to spearhead cannabis product development. (October 23)
- Developing a pilot project to convert a popular Toronto-based medical cannabis center to a WeedMD cannabis education center. (October 16)
- Completing its first shipment of adult use cannabis. (September 28)
- Exporting cannabis genetics to Australia's Medifarm. (September 13)

WeedMD is having great success in such a huge growing market, and with so much activity going on one would assume that they must be looking forward to the next "harvest celebration party".

Canada's new legislation will see so many new markets opening

up supporting the cannabis industry and WeedMD's development.

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# **The only patented “nano-particle delivery system” to transport cannabis directly into the bloodstream drives interest**

The medicinal industries have created many secondary businesses and products that go on to be huge successes.

NanoSphere Health Sciences Inc. (CSE: NSHS) is a nano biotechnology company paving the way in the development of innovative delivery systems for cannabinoids, medications, nutrients, and animal health. The Company provides the only patented “nano-particle delivery system” to transport therapeutic agents directly into the bloodstream for maximum absorbency. The Company's initial focus has been on cannabis delivery systems.

## **Evolve Formulas – A nano-particle delivery system for cannabis**

NanoSphere's Evolve Formulas is the provider of the world's first and only scientifically proven nano-particle delivery system for cannabis. NanoSphere's Evolve Formulas and applicators are very unique in the way they deliver medicinal cannabis to the body. By encapsulating cannabinoid molecules in lipid membranes, they are transported through the skin and into the bloodstream within minutes. NanoSphere's delivery system makes particles easy to absorb and completely bypasses



the gastrointestinal tract. No more need for needles or swallowing horrible medicines.

## NANOSPHERE HEALTH SCIENCES



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### NanoSphere's delivery systems

On October 10 2018, NanoSphere announced that it has entered the next phase of its partnership with Vertical™, the largest fully integrated company in the legal medical cannabis industry. Official production has started to bring its commercial cannabis brand, Evolve Formulas, into the California market.

Robert Sutton, Chairman and CEO of NanoSphere Health Sciences and Evolve Formulas said: "We're thrilled to break ground and enter the next phase of our partnership with industry leader Vertical by bringing our patented technology to the world's largest legal cannabis market. With California representing nearly a third of the North American cannabis market, the commencement of production in this powerhouse state marks an enormous step for the Evolve Formulas brand in our national expansion strategy."

## Product Overview:

**Evolve Cannabis**  
Nano-Encapsulated Intra-Oral THC  
5 mg / 10 mg THC



Faster time of onset.  
Clinically proven to  
work within 10-20  
minutes



Optimized for rapid  
absorption and delivery to  
cannabinoid receptors



The only delivery  
system available in  
cannabis



Formulated with  
pharmaceutical-grade  
cannabis. Tested for  
purity and refined for  
quality

Vertical™ recently presented Evolve™ to a trade show for the California legal cannabis industry. J. Smoke Wallin, President of Vertical said: “Evolve stood out for its unique value proposition to patients everywhere. This has led to a backlog of pre-orders from accounts waiting for us to launch with California compliant packaging in November. The market can’t wait!”

Evolve Formulas is currently available in over 200 dispensaries in Colorado, with hemp-based products soon to launch in Indiana. California is the first of numerous markets across the country to begin manufacturing the Evolve Formulas products under NanoSphere Health Sciences’ licensing partnership with Vertical.

NanoSphere has already partnered with Delta 9 Cannabis INC to bring products from its cannabis brand, Evolve Formulas, into the Canadian market.

### **Future markets next for NanoSphere**

NanoSphere’s first push has been into cannabis delivery; however Nanosphere also has several other potential markets it plans to tap into in the future as shown in the graphic below.

Current Market Sizes				
	Medical & Recreational Cannabis	Pharmaceutical & OTC	Dietary Supplements	Animal Health
Commercial Application	NanoSphere Cannabinoids	NanoSphere Rx & OTC	NanoSphere Nutraceuticals	NanoSphere Animal Health
US Market Size	\$24 billion <sup>1</sup>	\$333 billion <sup>2</sup>	\$131 billion <sup>4</sup>	\$23 billion <sup>5</sup>
Canadian Market Size	\$4 billion <sup>1</sup>	\$18 billion <sup>2</sup>	\$10 billion <sup>2</sup>	\$5 billion <sup>3</sup>
Revenue Source	Product Sales & License	License & Royalty	Product Sales	License & Royalty

### NanoSphere's potential markets

NanoSphere certainly ticks all the right boxes. They have an in demand (and award winning) product for cannabis delivery, and can expand across other sectors delivering pharmaceuticals, over the counter medicines, dietary supplements and animal health products. The runway for potential future growth is huge. One to follow.