

On the road to positive cash flow, biopharmaceutical company Avicanna launches its proprietary Pura H&W™

written by InvestorNews | January 18, 2022

The cannabis sector has had a bit of a rough go over the last year or so, to say the least. In Canada, the worst performing stock on the TSE Composite index in 2021 was Canopy Growth Corp. (TSX: WEED | NYSE: CGC) dropping an abysmal 67% throughout the course of 2021. In fact, you'd be hard pressed to find a single cannabis name that showed a positive return over the year. I looked at about 20 equities and only found OrganiGram Holdings Ltd. (TSX: OGI | NASDAQ: OGI) that bucked the negative trend but that doesn't mean there weren't possibly a few more. Nevertheless, 2021 was not the year to be a diehard cannabis investor.

Will 2022 be the time to shine for cannabis? Perhaps, if you are in the correct segment or have the right name. I don't think we are going to see full on legalization in the U.S. this year that could potentially be the rising tide that lifts all boats. It strikes me that there may be a few more pressing matters on the political agenda that could take precedence over this subject, but you never know. In the meantime, I believe one has to focus on the road to profitability because sooner or later if you need to raise cash to survive in a sector with performance as poor as we saw in 2021 from cannabis it could be very difficult to get your hands on the capital you require to continue as a going concern. That's why today we are going to have a closer look at [Avicanna Inc.](#) (TSX: AVCN | OTCQX: AVCNF).

The Company has a few irons in the fire, so to speak, that are all coming along nicely on the road to positive cash flow. Avicanna is a Canadian commercial-stage biopharmaceutical company established in cannabinoid research, development, and evidence-based products. Avicanna's scientific platform has resulted in 30+ commercial and proprietary formulations and products including cosmetics, medical cannabis, and pharmaceuticals, in addition to its raw material business unit, which reaches across international markets. The latter, marketed under the Aureus™ brand, has successfully completed sales to 11 countries.

The two business segments I'd like to focus on today are the cosmetic business and the raw materials business. When I see what Kylie Jenner's net worth is after selling 51% of her cosmetics brand to Coty for \$600 million in 2019 it made me stop and think about what kind of money there was in this line of business. Ever since the legalization of cannabis in Canada and parts of the U.S. there has been a lot of hype but not a lot of profits. Recreational cannabis has struggled to compete with the illicit market (and still turn a profit), and cannabis 2.0 also seems to be having a hard time finding traction in the marketplace. Medical cannabis appears to be doing well in certain areas but still has a lot of clinical trials and evidence-based science work ahead of it before it hits the mainstream. That's why I'm quite intrigued by Avicanna's CBD derma-cosmetic products marketed under Pura Health & Wellness (H&W)™ or Pura Earth™. These registered, clinically tested products include a portfolio of functional CBD topical products that have been designed to deliver CBD in synergy with other natural ingredients for specific functional skin benefits.



Source: Avicanna Inc. [Corporate Presentation](#)

On December 22nd the Company [announced](#) the brand launch and commercialization in the United States of its proprietary Pura H&W[™] through its exclusive partnership with Red White and Bloom Brands Inc. (CSE: RWB). Avicanna's skincare line is currently available nationwide across Canada in medical channels in partnership with Medical Cannabis by Shoppers[™] and in adult-use sales channels through retailers in 4 provinces. These products are also currently being sold in Colombia and Ecuador with anticipated product launches in the UK, and certain Latin American countries in 2022. I like the kind of revenue that can be generated in this business segment.

Another key differentiator for Avicanna, at least to me, is their established, sustainable and economical cultivation and extraction infrastructure in Columbia. I've often wondered why there was such a frenzy to build greenhouses in Canada to cultivate cannabis when you had to anticipate that it would just be a matter of time before far more economic sources of raw materials were available. Aureus[™] is the Company's business-to-business raw material brand for cannabinoid Active Pharmaceutical Ingredients, feminized seeds, cannabis biomass, and formulations offered with quality testing and tracking. The Company's extracts include oils, cannabinoid distillates, and isolated cannabinoids (CBD, THC, CBG, and other cannabinoids), and bulk formulations (derived from hemp and cannabis cultivars). Avicanna was ranked highest amongst global cannabis companies in the SAM Corporate Sustainability Assessment in the 2020 Sustainability Yearbook, a sustainability index that has become the basis for numerous S&P Global ESG indices. And as noted earlier, the Company has realized commercial sales of CBD, CBG and THC with exports made into eleven countries. To summarize, their raw materials business is profitable and ESG friendly.

These are just two of what I think are Avicanna's differentiators but there's a lot more going on. Their third quarter MD&A was 40 pages long if you'd like to have a read. Another near-term catalyst is agreements signed by the Company with two companies founded by former NBA star Al Harrington for the use of his brands, re+PLAY™ and Viola™. On December 20th Avicanna [announced](#) the launch of re+PLAY™ branded CBD topicals products in Canada across adult use channels in Alberta and Ontario, and medical channels in partnership with Medical Cannabis by Shoppers™. Granted all these late December announcements won't show up in the Company's Q4 results but there is definitely momentum. Gross revenue and product sales grew sequentially in each of the first three quarters of 2021. If that trajectory continues in Q4, then the addition of the two incremental deals noted above could make for an exciting Q1, 2022.

With all that said, Avicanna was not cash flow positive or profitable as of the end of their third quarter (Sep 30, 2021) and might not be come year end 2021. However, you can see the direction things are going and make a case for some exciting results in early 2022. With only 46 million shares outstanding and a market cap of C\$23 million based on yesterday's close, there could be a lot of leverage to a quarterly result that shows positive numbers.

Biden's win brings a "green"

market wave and cannabis extraction team attracts the Sixth Wave

written by InvestorNews | January 18, 2022

“Waves are inspiring not because they rise and fail, but because each time they fall. They never fail to rise again.” – Josh Billings

The Democratic “blue” wave failed to materialize during the recent U.S. elections but the “green” cannabis wave continues to build. Five states (Arizona, Mississippi, Montana, New Jersey, and South Dakota) easily passed ballot initiatives for the legalization of either recreational or medical cannabis use.

Currently, the medical use of cannabis is legalized in 35 states and the recreational use of cannabis is legalized in 15 states. Although federally illegal in the U.S., there is speculation that the Biden win is an important first step on the path towards the federal decriminalization of cannabis.

In the U.S., medical and recreational cannabis sales are on pace to exceed US\$15.5 billion by the end of 2020, an increase of approximately 40% over 2019, and grow by 30% in 2021.

To meet the higher demand, technology advancements have manifested in all parts of the supply chain, especially in the extraction and purification process.

Extraction

The three main methods of cannabinoid extraction are (1) ethanol or alcohol extraction; (2) hydrocarbon extraction, using butane or propane; and (3) carbon dioxide (“CO2”) extraction. If higher purity levels are required, a distillation process, often using chromatography technology, can increase purity levels into the high 90%.

As the industry shifts into pharmaceutical-grade production to meet medical and cannabis-infused products, cannabis extract producers continue to search for innovative ways to improve the purity of cannabinoid isolates and control costs.

One of the challenges for cannabis extract producers is that organic material has varying properties from batch-to-batch and a potential processing risk when scaling operations.

Sixth Wave – Cannabis Extraction Using Nanotechnology

[Sixth Wave Innovations Inc.](#) (CSE: SIXW | OTCQB: ATURF) is a nanotechnology company focused on the detection and extraction of target substances (e.g. cannabinoid, gold, or Covid-19) at the molecular level using patented technologies.

Led by a team of PhDs and scientists, Sixth Wave’s Affinity™ System uses a proprietary Molecular Imprinted Polymers technology in the process of extracting cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”) from hemp and cannabis.

The extraction process uses porous polymer beads and the polymer is designed to attract a specific molecule. As CBD and THC are both molecules, Sixth Wave created proprietary polymers to specifically target those molecules in the extraction process.

Benefits of Sixth Wave’s Technology

Unlike other batch processes that purify components out of a product in various stages, Sixth Wave’s process can take a wide

variety of input materials, run it through the solution, and the polymer will selectively extract the specific cannabinoids. The resulting cannabinoid isolate can be up to 99.9% pure.

Chromatography, the legacy technology for purifying cannabinoid extractions, is considered to have issues with high capital and operating costs, efficiency, and scalability.

The Affinity™ System was designed to be highly automated and user friendly, requiring minimal training and human intervention. The system uses lower-cost components, minimizes the need for intermediate batch processing, and can be operated continuously, making it a more cost-effective solution.

Dr. Jonathan Gluckman, President and CEO of Sixth Wave, said, “As we know, a major challenge for the cannabinoid purification industry will be the delivery of customization and flexibility, with medicinal and recreational applications demanding exceptional product diversity. The Affinity™ System is highly capable in this regard, with the potential to tailor extraction media to recover any one of the hundreds of cannabinoids available to us.”

Market Size

According to a recent study, the cannabis extraction market is expected to be worth US\$28.5 billion by 2027, growing at 16.6% annually.

The growing legalization of cannabis in various countries and the use of CBD and THC for treating illnesses such as arthritis, anxiety, and nausea are the main factors driving growth.

Sixth Wave is currently working with several customers designing larger processing capabilities. In April, the Company announced an agreement with Green Envy for the purchase of a minimum of

three Affinity™ extraction units. It expects to deliver the first revenue-generating system to Green Envy by the end of this year. Expect more deals to be announced as the Company shifts from development to production.

The Company is well funded as it recently closed a \$1.15 million financing and intends to use the proceeds for the deployment of its Affinity™ cannabis extraction units as well as for other general corporate purposes.

Time to jump on Sixth Wave to ride the resurging cannabis trend.



[SOURCE](#)

FinCanna Capital's CEO on being the only pure royalty company in the cannabis industry

written by InvestorNews | January 18, 2022

InvestorIntel's Tracy Weslosky spoke with Andriyko Herchak, CEO of [FinCanna Capital Corp.](#) (CSE: CALI | OTCQB: FNNZF), about FinCanna's cannabis royalty portfolio and its competitive advantages in the cannabis industry. "We are the only pure royalty company in the cannabis sector," he said. "We don't need much revenue to be profitable."

Andriyko went on to say that while other companies in the capital-intensive cannabis sector “are losing money quarter to quarter, we are opposite. We have low capital cost, low operating cost and we are designed to be profitable.” He added, “The companies we invest in are synergistic. They are working together to expand their customer base and market together.” By investing in FinCanna, he said, “you are investing in different companies that don’t compete against each other but actually work with each other to maximize revenue. FinCanna is like an index that works together.”

Andriyko also provided an update on QVI, FinCanna’s largest investment that just started operations and is scaling up. He said, “They are located in Sonoma county California. They are offering a co-manufacturing edibles facility in large scale. They can produce essentially any type of edible under one roof. Demand is off the charts for them right now.”

To watch the complete interview, [click here](#)

Disclaimer: FinCanna Capital Corp. is an advertorial member of InvestorIntel Corp.

Herchak on how FinCanna offers investors a way to invest in top quality private cannabis

companies

written by InvestorNews | January 18, 2022

“FinCanna is diversified by investing in four companies to date. We have enough money for a fifth investment. We are diversified both geographically in California and across a number of different sectors. We invest in private companies. If you want to invest in top quality private companies the only way to invest in them directly is through us.” States Andriyko Herchak, CEO and Director of [FinCanna Capital Corp.](#) (CSE: CALI | OTCQB: FNNZF), in an interview with InvestorIntel’s Tracy Weslosky.

Andriyko went on to say that FinCanna is focused on the US with a primary focus on California, the largest cannabis market in North America. Andriyko also provided an update on FinCanna’s portfolio companies. He said that FinCanna’s four portfolio companies include QVI, ezGreen Compliance, Refined Resin and CTI. All the companies are startups in different stages of growth. QVI is the last company that FinCanna invested in and is expected to produce royalty this quarter. ezGreen Compliance is a Point-of-Sale software compliance firm that has signed a large client in California.

To access the complete interview, [click here](#)

Disclaimer: FinCanna Capital Corp. is an advertorial member of InvestorIntel Corp.

David Sutton on innovation in the cannabis market and what's next for NanoSphere Health Sciences

written by InvestorNews | January 18, 2022

"Listing in Canada gave us enormous exposure as well as helped us identify a partner, a licensed producer, there that could help us expand our exposure to the cannabis market. Canada is on the forefront of doing this on a global basis. It made sense to look to Canada and to Delta 9 as providing that avenue...They are very innovative in how they are growing. They are using new technologies to ensure a better product. They are using these pots. We saw their innovation and our innovation in how to deliver cannabis as a match made in heaven." States David Sutton, President and Director of [NanoSphere Health Sciences Inc.](#) (CSE: NSHS), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: David we know that InvestorIntel audience members like the jockey. It is a very competitive market out there. You have quite the reputation for actually turning transformed concepts into profitable businesses. You selected NanoSphere. Can you tell us why?

David Sutton: Absolutely. This technology has disruptive capabilities in multiple industries. When you have a piece of technology that can do that, the potential for profitability and revenue growth is phenomenal.

Tracy Weslosky: David, in addition to selecting NanoSphere as a candidate you want to turn into a profitable business, are there

any benefits on listing and being based in Canada? How does this Delta 9 fit into this program?

David Sutton: Listing in Canada gave us enormous exposure as well as helped us identify a partner, a licensed producer, there that we could expand our exposure to the cannabis market. Canada is on the forefront of doing this on a global basis. It made sense to look to Canada and to Delta 9 as providing that avenue.

Tracy Weslosky: David I obviously do not have my head around Delta 9. Can you tell us a little bit more about this competitive technology?

David Sutton: They are very innovative in how they are growing. They are using new technologies to ensure a better product. They are using these pots. We saw their innovation and our innovation in how to deliver cannabis as a match made in heaven.

Tracy Weslosky: Speaking of Canada and, of course, North America, you just recently announced that you began production through one of your vertical companies in California. Can you give us some highlights of this deal please?

David Sutton: Absolutely. The company is actually called Vertical Companies. Why we selected them to license our technology to is, as the name suggests, they are vertically integrated from grow all the way through distribution, which is key in the California market as they require a third-party distribution to get your products into retail outlets.

Tracy Weslosky: You have just moved into Indiana with your NanoSerum Hemp solution. This sounded kind of fun. Can you tell us a little bit more about this?

David Sutton: This is our hemp-based CBD product that can now be

shipped across state borders. Has a lot of the similar benefits that our other products do, but now we have a wider audience. Not everyone likes to get high every day, but everybody likes to take a dietary supplement or receive the benefits of CBD every day. It is an enormous market that we are launching in the Midwest to start.

Tracy Weslosky: The ten story vantage point for NanoSphere really has to do with your patent for the nanoparticle delivery system. I think it is a good time to remind us all about this competitive advantage.

David Sutton: Absolutely. We have 2 patents. The first patent revolves around our nano encapsulation technology and how we put that together no matter what we put inside of it. It provides us protection in any industry that we are operating in. Now our cannabis patent that utilizes what we call the master patent provides us wide protection in the cannabis space. It provides better bioavailability, consistent dosages and unique benefits that you cannot find anywhere else...to access the complete interview, [click here](#)

Disclaimer: NanoSphere Health Sciences Inc. is an advertorial member of InvestorIntel Corp.

Global Cannabis Applications' Brad Moore on the impact of

artificial intelligence in the medicinal marijuana market

written by InvestorNews | January 18, 2022

April 29, 2018 – “We use different forms of artificial intelligence to actually come up with a product of data that dispensary workers, LPs, and retailers can use to create better prescriptions so that when you go home you have more confidence that certain products can help you with your glaucoma or your arthritis or whatever ailment that you are suffering from.” states Brad Moore, CEO and Director of [Global Cannabis Applications Corp.](#) (CSE: APP | OTCQB: FUAPF), in an interview with InvestorIntel’s Peter Clausi.

Peter Clausi: It feels like the cannabis industry has been around forever. I am sitting here drinking my breakfast with an old Abba Medix mug, but the industry is changing rather rapidly. We see it evolving into a more high-tech area and your company is in that space.

Brad Moore: Yes it is. A lot has changed over the last couple of years. We have gone from lots of growing. Now into we have to start looking at how we are going to sell this stuff and what products are going to work best and that is data.

Peter Clausi: For about the past year Global Cannabis has been working with various forms of blockchain technology and distributed ledger technology to try and build up data that is saleable. Can you tell us about your basic revenue model?

Brad Moore: Sure. Our basic revenue model is we basically look at various forms of data, from the anecdotal side to clinical trial side. We use different forms of artificial intelligence to actually come up with a product of data that dispensary workers,

LPs, and retailers can use to create better prescriptions so that when you go home you have more confidence that certain products can help you with your glaucoma or your arthritis or whatever ailment that you are suffering from. Part of the big revenue model comes just from that ability to provide access to people to that data.

Peter Clausi: Are you doing the actual testing or are you aggregating test results from third parties?

Brad Moore: We are actually aggregating data from two different sources from the clinical studies. We will be participating using our own cryptocurrency and finding clinical studies. We are pretty excited about that as it launches. The other way is we have two input devices which we are launching that will soon have a significant amount of cannabis users on it and we use social listening to bring those anecdotal inputs. You have to remember just because 50 people were in a study and they are talking about what products or they are getting studied to see for a certain strain to see if it helping with arthritis there is tens of thousands of people online having that exact same conversation. We use cutting edge technologies to bring it in.

Peter Clausi: Nice. One of the problems in the space is that the government has had a stranglehold on the feed of cannabis for so long there is actually very little data out there. Aggregating reliable anecdotal evidence is a big part of the data.

Brad Moore: And you have to measure. That is why the studies that are there so important. When we look at the way our system looks is we actually look at the individual. We do not look and say, like, 25% of people said this in a study. We look at the exact answers so that when we have people online we compare those and that is where the machine language in the narrow path neurological pathways come in actually extrapolating...to access

the complete interview, [click here](#)

Disclaimer: [Global Cannabis Applications Corp.](#) is an advertorial member of InvestorIntel Corp.