

# the cannin report

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# introduction



## why cannin?

Cannin Investment Group is uniquely positioned to fill unmet needs in the Cannabis & Hemp Industries. Our global team of analysts and cannabis industry veterans supply our subscribers with the tools and information to profit from cannabis stocks.

Cannin's mission is to help our members profit from investing in the best cannabis & hemp stocks. In fact, 78% of Cannin's fundamentals prove true within 30 days or less on 100+ recommendations over the past 2 years.

## cannin's products & services

Cannin provides our subscribers with valuable information to help profit from the volatile cannabis industry.

Cannin members gain exclusive access to algorithmically-driven BUY/SELL signals, daily rankings of 450 cannabis stocks using 10 of the best technical indicators and exclusive weekly content providing fundamental recommendations on the hottest cannabis and hemp stocks.

## risk disclosures

If you are considering investing in a company that is connected to the marijuana industry, be aware that marijuana-related companies may be at risk of federal, and perhaps state, criminal prosecution.

The Department of Treasury recently issued guidance noting: “[T]he Controlled Substances Act (“CSA”) makes it illegal under federal law to manufacture, distribute, or dispense marijuana. Many states impose and enforce similar prohibitions. Notwithstanding the federal ban, as of the date of this guidance, 20 states and the District of Columbia have legalized certain marijuana-related activity.”



# contact

# subscriptions



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# market & industry update

## cannabis

Two factors influence growth rate: the number of states moving to either legal adult use or legal medical market (current buyers of illegal cannabis transitioning to legal purchases); and the pure growth in the market (new people buying cannabis each year). These two paths give us a high and low range for the market for each year. We will continue to study the market research to determine which starting point is likely more accurate.

### USA legal sales estimate (billions)

2018 - \$8.0  
 2019 - \$9.3  
 2020 - \$10.7  
 2021 - \$17.5  
 2026 - \$41.3

### Canada legal sales estimates

2017 - \$400 mil  
 2018 - \$2.4 bil  
 2019 - \$4.0 bil  
 2020 - \$4.9 bil  
 2021 - \$5.1  
 2026 - \$6.4 bil

### hemp industry projections

#### USA

2018 - \$800 mil  
 2019 - \$1.0 bil  
 2020 - \$1.2 bil  
 2021 - \$1.4 bil  
 2026 - \$36 bil

CBD - 23% (\$184 mil - \$291 mil)

**Personal Care** - 22%

**Industrial** - 18%

**Food** - 17%

**Textiles** - 13%

**Supplements** - 5%

**Other** - 2%

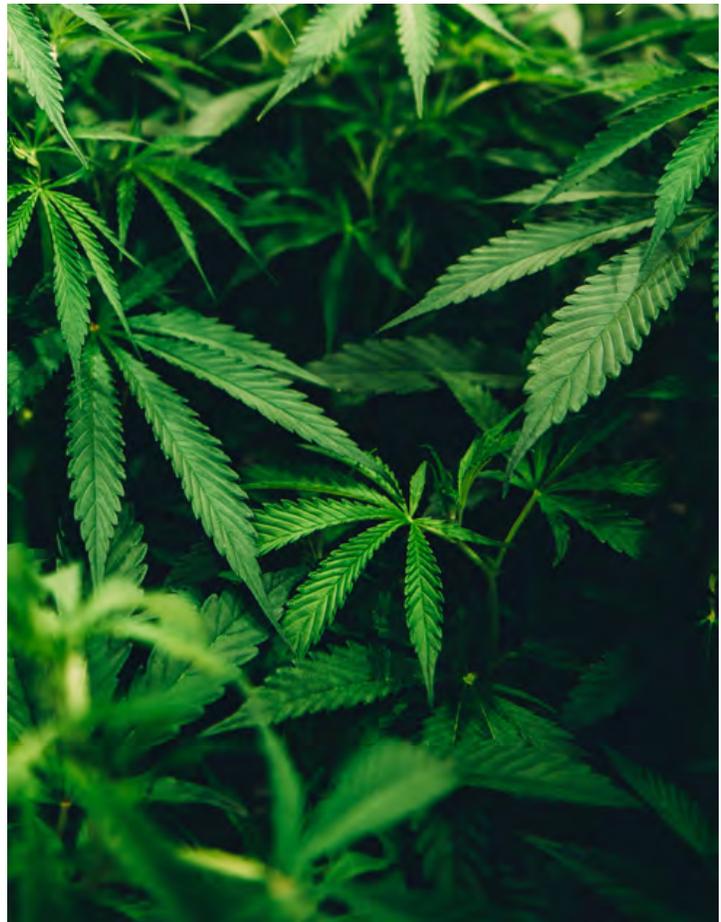
#### Canada

In Canada, consumer sales for 2018 were approx \$20 million USD and are expected to see a growth of up to 40%

2020 - \$2.4 - 4.8 bil

2021 - \$3.7 - 6.7 bil

2027 - \$15.26 bil



# fundamental analysis



# fundamental analysis

## How Does Cannin Evaluate Cannabis Companies?

Prior to investing in any stock, it's important to do your homework. Fundamental analyses and technical analyses are essential to any stock evaluation and should be done with care. Cannin is here to help. The following is how Cannin performs quick fundamental evaluations for our users. For Technical analyses by Cannin experts, please consult our Cannin Chronicle, Cannin Investment YouTube channel, and the Cannin website to perform guided technical analyses of your own.

Cannin uses a simple **Green/Orange/Red** rating system. Green means strong, Orange means neutral and Red means weak. In this manner you can quickly see a company's strengths and weaknesses. Cannin performs these analyses based on these ten main categories:

1. Business Focus
2. Size
3. Markets
4. Operations
5. Financials
6. Management
7. Branding
8. Valuation
9. Risks
10. Overall Recommendation

Look for Cannin featured companies as well as stock analysis on Cannin's blog and chronicle pieces located at [cannin.com](http://cannin.com)!



MariMed, Inc. (OTC: MRMD)

# fundamental analysis



## Location

**HQ:** Norwood, MA, USA  
**Facilities:** 3 States

## Focus: Strong

MariMed is focused on developing a comprehensive set of hemp and cannabis delivery products targeting patients from across the U.S. and Canada.

MariMed is transitioning from a consultant based management and advisory firm to an operator of seed to sale operations through acquisitions and consolidation of its cannabis clients. MariMed is licensing its own hemp and cannabis infused products line for the treatment of certain medical conditions through precision dosing.

## Size: Neutral

**Market Cap:** US \$271.1 mil  
**Enterprise Value:** \$309.4 mil  
**Number of employees:** 28

## Markets: Neutral

Primary: Delaware, Massachusetts, Nevada

Secondary: Illinois, Maryland, Rhode Island, Puerto Rico

Subsidiaries: Majority Subsidiaries: Mia Development, MariMed Advisors, Mari Holdings, Hatwell Reality Holdings, iRollie, ARL Healthcare, GenCanna



## Operations: Strong

Cultivation:

Present capacity: None

Future capacity: MariMed is in the process of developing in excess of 300,000 square feet of facilities for dispensing, production, and cultivation of legal cannabis and cannabis infused products.

Distribution:

Direct sales: Started direct sales of acquired hemp seed inventory by June 30, 2019 through dispensary and wholesale operation of ARL

Store networks: 10,000 square foot dispensary in New Bedford, Massachusetts is opening by end of 2019.

MariMed also intends to open two dispensaries in the Boston Area.

Supply Agreements: Agreement on large volume discounts on supplies from national vendors of cannabis cultivation and production to be acquired and resold at competitive prices to cannabis licensed clients.

Integration/Diversification:

Vertically integrated: Yes

Horizontally diversified: No

MariMed, Inc. (OTC: MRMD)

# fundamental analysis



## Financials: **Neutral**

Outstanding shares (diluted): 322.7 mil

Revenue (ttm): \$68.1 mil

## Management: **Strong**

CEO: Bob Fireman

CFO: John Levine

MariMed's CEO and Founder Robert Fireman is known as an early pioneer in the medical cannabis industry and for his expertise in the fields of entrepreneurialism, law and investment markets. MariMed's CFO and co-founder Jon Levine has over 25 years of experience in negotiating commercial real estate deals and helping in cannabis tax reporting requirements for key clients.

## Branding: **Neutral**

MariMed has developed precision infused products for specific medical conditions which are licensed under company-owned brands like Betty's Eddies™, Nature's Heritage™ and Kalm Fusion™ in the form of tablets, powders, dissolvable strips, fruit chews and microwaveable popcorn.

## Valuation: **Neutral**

Current share price: US \$0.945

Price to Sales: 5.35

52-Week Low/High: \$0.129 to \$1.02

EV / Revenue: 4.54

Price to Book: 31.24

## Financing: **Strong**

Net income in Q1 2021 was \$4.3 million with working capital at \$17.1 million. Cash on hand sits at \$13.6 million.

MariMed, Inc. (OTC: MRMD)

# fundamental analysis



## Risks: **Neutral**

The risks of investing in any cannabis company are currently high given the newness of the market. The risks of investing in this company are higher given the low national footprint, but are decreasing.

## Recommendation: **Strong**

MariMed is focused on transitioning from a management and advisory firm to an operator of seed to sale operations through acquisitions and consolidation of its cannabis clients.

MariMed is building a 10,000 square foot dispensary in New Bedford, Massachusetts that is open. MariMed also intends to open additional two dispensaries in Boston Area.

MariMed has a good chance to be a profitable company, as they have established strong distribution partnerships with multiple vendors. MariMed signed agreements on large volume discounts on supplies from national vendors to be acquired and resold at competitive prices to cannabis licensed clients.



MariMed's revenue from management, licensing, real estate, consulting and supply procurement operations increased 95.3% to approximately \$11.9 million from \$6.1 million.

Key revenue growth drivers were rental income from facilities in Massachusetts and Maryland leased to tenants, supply procurement services to clients and management fees.

MariMed's retired almost \$17 million of its debt, which is fantastic. They increased working capital \$19.3 million from Q1 2020 too. These are both great financial health signs.

MariMed management holds 31.6% of company outstanding shares listed which shows their moderate confidence in long-term outlook of the company.

For these reasons, we think MariMed, at or near its current price of \$0.945 a share is still a very good investment opportunity—though as the price rises this opportunity will eventually disappear. We are cautiously optimistic about its chances.

Greenlane Holdings (NASDAQ: GNLN)

# fundamental analysis



## Location

HQ: Boca Raton, FL, USA  
 Founded: 2005  
 Facilities: N/A

## Focus: Strong

Greenlane Holdings Inc. is a distributor of vape hardware and smoke equipment to the cannabis businesses, smoke shops, and retail locations. They supply some of the largest vape brands such as Juul and PAX. They own vapor.com and vaposhop.com. Their own estimates are 11,000 customer retail locations. None of their business is considered federally illegal as they do not touch the cannabis plant.

## Size: Neutral

Market Cap: US \$62.7 mil  
 Enterprise Value: US \$64.4 mil  
 Number of employees: 256

## Markets: Neutral

**Primary:** USA

**Secondary:** Canada, Spain

## Operations: Neutral

### Cultivation:

Present Productions: None

Future production: None, only concerned with development and distribution of premium products and accessories for smoking and vaping.

### Distribution:

Direct sales: Yes, through 2 websites

Store networks: 11,000 retail locations

Supply agreements: None

### Integration/Diversification:

Vertically integrated: No

Horizontally diversified: Yes



Greenlane Holdings (NASDAQ: GNLN)

# fundamental analysis



## Financials: **Strong**

Revenue (ttm): \$138 mil

Shares Outstanding (diluted): 16.7 mil

## Management: **Neutral**

CEO: Aaron LoCascio

Director: Adam Schoenfeld

CFO: William E. Mote Jr.

The CFO William Mote has over 25 years of experience. Mr. LoCascio and Mr. Schoenfeld are relatively inexperienced.

## Branding: **Strong**

They own HS, Vibes, K. Haring, Marley Natural, Aerospaced, and Groove. They also own vapor.com and vaposhop.com. They distribute Storz & Bickel, PAX, Juul, Firefly, Bic, Futurola, Grenco Science, Levo, Blu, Openvape, vapium, and many more.

## Valuation: **Neutral**

Current share price: US \$3.43

Price to Sales: 0.34

EV / Revenue: 0.46

52-week low/high: US \$1.83-\$8.73

Price/Book: 3.33

## Financing: **Strong**

They had \$42 mil in cash at the end of June 2020 and over \$100 million in total current assets. They should be fine moving forward!

## Risks: **Neutral**

The risks of investing in any cannabis company are currently high given the newness of the market. The risks of investing in this company are medium given that they do not touch the cannabis plant and are thus not federally illegal and their presence on the NASDAQ.

Greenlane Holdings (NASDAQ: GNLN)

# fundamental analysis



## Recommendation: **Strong**

Greenlane Holdings develops and distributes vape and smoke products and accessories across the USA. GNLN is a strong company for a number of reasons. They are the partner of choice for the largest vape companies in the nation, they distribute to over 11,000 retail locations, they have their own brand of child proof packaging (Pollen Gear), and they are starting to diversify their offerings with pre-rolled cones now offered.

They recently were listed on NASDAQ giving them a ton more liquidity, have over \$100 million in total assets, and a price to sales ratio of 0.18 (maybe the lowest of all companies we review) paint a very rosy financial picture.

More good news is their sales numbers for Q1 2021: \$34 million. Their big news was the merger with Kush Co, which was their largest competitor. This will create a monster company with very high revenues. Their P/S ratio may not reflect this revenue yet as the 0.34 and the 0.46 EV/Revenue are very low.

For these reasons, we think Greenlane, at or near its current price of \$3.43 a share, can be a good investment opportunity.



Vitality Biopharma (OTC: VBIO)

# fundamental analysis



## Location

**HQ:** Denver, CO, USA & Toronto, Ontario, Canada  
 Founded: 2014

## Focus: **Strong**

Vitality Biopharma is developing cannabinoid pharmaceuticals to treat neurological and inflammatory disorders, and to replace opiate painkillers with less addictive and dangerous cannabis-based medicines. Their unique cannabinoid platform currently is to bind cannabinoids to glucose (glycosylation), thus creating a new class of cannabinoids called cannabosides.

By binding cannabinoids to glucose, they remain inert until released in the gastrointestinal tract, enabling GI-tract targeting. This also means the THC is not absorbed into the greater system and brain, so they can use THC for medicinal purposes without causing psycho-activity. And they can use much larger doses than competitors can use without this delayed release glycosylation process. THC is an agonist of both CB1 and CB2 receptors, so it can relieve pain and inflammation in the GI tract.

## Size: **Weak**

Market Cap: \$8.1 mil  
 Enterprise Value: \$6.7 mil  
 Number of Employees: 8

## Markets: **Neutral**

Primary: USA  
 Secondary: Europe  
 Major Subsidiaries: Vitality Healthtech, Inc.

## Operations: **Weak**

### Cultivation:

No production yet. Still in clinical and preclinical studies.

They claims to have DEA-approved facilities designed to enable large-scale production of small molecule cannabinoid drugs by enzymatic biosynthesis

**Distribution:** None

### Integration/Diversification:

Vertically integrated: No

Horizontally diversified: No

## Financials: **Weak**

Revenue (TTM): None

Shares Outstanding (diluted): 50.8 million

## Management: **Neutral**

CEO: Michael Cavanaugh (Interim, as of May 2020)

CSO: Dr. Brandon J. Zipp Ph.D.

Chairman of the Board: Edward Feighan

CFO: Richard McKilligan



Vitality Biopharma (OTC: VBIO)

# fundamental analysis



## Branding: **Weak**

None yet with no products.

Valuation: Neutral

Current share price: \$0.16

Price to Sales: 8.04

52-week low/high: \$0.04-\$1.61

EV/Revenue: -3.64

Price/Book: 7.29

## Financing: **Weak**

They have just under \$885,000 in cash on hand. This sounds like a lot, unless you are trying to develop a drug, which is very expensive.

They had \$4.8 million of revenue in Q3 2020. Their losses from operations were \$4.2 million. They have \$117 million in total assets and \$187 million in total liabilities.

## Risks: **High**

The risks of investing in any cannabis company is currently high given the volatility of the market. The risks of investing in this company are more than some given their losses, low inventory and high total debt.

## Recommendation: **Weak**

This company could be successful. We are interested in it as a long-term investment opportunity, but very cold today, as it could be several years before they generate the revenue and profit to know.

Vitality appears to have young medically-skilled upper management, and market-savvy, veteran Board members with extensive experience in biotech startups. With its unique cannabis platform and drug candidates, it is targeting the opiate painkiller market—a big market—and more immediately, the GI-tract pain market. It appears to have a potentially viable, GI-tract targeted, THC-based (but non-psychoactive) drug candidate in clinical trials called VBX-100 with anti-microbial properties for treatment of severe C. difficile-caused diarrhea and colitis that can and does cause many deaths in sensitive elderly populations.

Now the less good news, depending on your perspective. The SEC had been investigating Vitality—both a private investigation and Section 8 (e) examination—with respect to a registration statement Vitality filed in 2016. This seems to be over but the company management (which changed twice) took the hit.

They only have <\$1 million in cash. They will have to raise more money soon and this will dilute their stock more, needing more revenue to bring the value back to where it was. This will all be incredibly challenging for them. Since we can't see the future, the investors here at Cannin prefer to watch this company longer to see how the results of more trials turn out, and how and when the treatment centers launch. It is more likely that they get bought or acquire another firm to make something happen. We don't see much happening with this stock anytime soon.

# Bonus Recommendation: Village Farms International

**Village Farms International** (NASDAQ: VFF) operates three segments that include: Produce Business, Energy Business, and the Cannabis and Hemp business. It owns and operates a 7-megawatt power plant that generates and sells electricity to British Columbia Hydro and Power Authority.

The company also produces and supplies cannabis products that are marketed and distributed under the Village Farms brand name to retail supermarkets and fresh food distribution companies.

Through VFF's majority ownership in its joint venture – Pure Sunfarms, the company built one of the largest and vertically integrated greenhouse facilities in North America. VFF is also the only publicly traded greenhouse produce company in Canada and has joint venture operations in hemp and CBD products.

Canada's licensed marijuana producers were excited about the legalization of Cannabis 2.0 products that include derivatives such as gummies and beverages. These products are priced at a higher rate which can help companies increase the bottom-line and benefit loss-making entities in the cannabis space.

VFF aims to leverage its expertise as a vertically integrated greenhouse grower in the rapidly expanding cannabis space. Its focus is to become the leading low-cost, cannabis producer in Canada. It is also pursuing opportunities to gain traction in the U.S. hemp-derived CBD market and has established two joint ventures for multi-state outdoor hemp cultivation and CBD extraction.

Analysts tracking VFF stock have a 12-month average target price of \$14.2. This indicates an upside potential of over 20% given its current trading price of Village Farms International, in USD9.57 as of 5/30/21

Curaleaf Holdings, Inc. (OTC: CURLF)

# fundamental analysis



## Location

HQ: Wakefield, MA USA  
 Incorporated: 2010  
 Facilities: Arizona, Florida, Connecticut, Maine,  
 Maryland, Massachusetts, Nevada, New Jersey,  
 New York, Oregon, Penn.  
 Symbol: CURLF (OTC), CURA (CN)

## Focus: Neutral

Curaleaf operates and owns 12 cultivation sites, 28 dispensaries and 9 processing sites with a focus on highly populated, limited license states, including Florida, Massachusetts, New Jersey and New York. Curaleaf leverages its extensive research and development capabilities to distribute cannabis products in multiple formats. They are focused on patient education, physician engagement and community outreach to build national retail brand.

## Size: Neutral

**Market Cap:** US \$9.95 billion  
**Enterprise Value:** UUS \$10.3 billion

## Markets: Strong

**Primary:** Operations in eleven states (Arizona, Florida, Maine, Maryland, Massachusetts, Nevada, New Jersey, New York, Ohio, Oregon and Pennsylvania)

**Secondary:** Approvals growing

### Subsidiaries, Interests:

Majority: PalliaTech MD Processing, PalliaTech AZ, Curaleaf Midtown, Spark Dispensary, Los Suenos  
 Minority: Groen Investment Group

## Operations: Strong

### Cultivation:

Curaleaf is currently producing 83,000 lbs/yr. They are also extracting upwards of 20,000 grams of cannabis oil weekly.

Future production: 260,000 lbs/yr

Distribution:

Direct sales: Yes.

Curaleaf Holdings, Inc. (OTC: CURLF)

# fundamental analysis



**Store networks:** Current footprint allows for 71 stores operational by 2020 YE. Curaleaf's primary method of sales currently occur in its brick-and-mortar dispensaries across the U.S. However, the Company also offers home delivery services across the State of Florida, in compliance with all state regulations. Also in Florida, the Company offers drive-thru service at one of its dispensaries. In multiple States, the Company offers customers the option to order online to pick-up in store. Curaleaf aims to expand its e-commerce operations and delivery operations, where permitted, to offer convenient access for its customers and meet the demands of an evolving retail landscape.

**Supply agreements:** In August 2018, Curaleaf entered into a purchase agreement to acquire 100% of the membership interests of ATG, a registered marijuana dispensary licensed by the Massachusetts Department of Health, operating a 53,600 square foot cultivation facility in Amesbury, Massachusetts and a medical dispensary in Salem, Massachusetts. In the same month, they also entered into a purchase agreement to acquire 100% of the membership interests of HMS Health, LLC, a holder of Stage 2 licenses to cultivate and dispense medical cannabis and a Stage 1 license to process medical cannabis in the State of Maryland

## Integration/Diversification:

Vertically integrated: Yes.

Horizontally diversified: Yes, they are entering hemp and cannabis based medicine business arms.

## Financials: **Neutral**

Revenue (ttm): \$790 million  
Shares Outstanding (diluted): 608.9 mil

## Management: **Neutral**

CEO: Joseph Bayern  
Chairman: Boris Jordan  
COO: Neil Davidson

Curaleaf financed their expansion through their listing on the Canadian security exchange. Ex-CEO Mr. Lusardi has almost a decade of cannabis experience through which he has cultivated bottom-up expertise in cannabis company implementation and management, as well as 20 years' experience in finance, private equity and entrepreneurship. To support this company, he raised over \$500 million dollars to invest into the Company's infrastructure, research and development, and staff (through Russian investors, Boris Johnson).

## Branding: **Strong**

Curaleaf has become the most accessible national cannabis brand with the largest operational branded dispensary footprint in the country and the recent launch of our CBD line under Curaleaf Hemp.

Their strategic presence in highly populated, limited license states, which has served as an important foundation for aggressive expansion plan across the country. Multiple product formats provide an array of administration options (inhalation, ingestion, sublingual, topical) for the novice user to the experienced user.



Curaleaf Holdings, Inc. (OTC: CURLF)

# fundamental analysis



## Financing: Strong

Curaleaf raised approximately C\$520 million (US\$400 million) in an oversubscribed private placement offering led by GMP Securities L.P. and Canaccord Genuity Corp. (the "Co-Lead Agents"), on behalf of a syndicate of agents, including Cormark Securities Inc., Eight Capital and Haywood Securities Inc.

## Valuation: Neutral

Current share price: US \$14.49

Price to Sales: 10.72

52-week low/high: US \$5.10 to \$18.38

Price to Book: 6.17

EV/Revenue: 12.98



## Risks: Neutral

The risks of investing in any cannabis company are currently high given the volatility of the market. The risks of investing in this company are definitely lower than most given their cost-cutting attention, lower margins than their peers, and high-quality product.

## Recommendation: Neutral (Short Term) & Strong (Long Term)

CuraLeaf Holdings operates an integrated network of medical and wellness cannabis facilities throughout the United States. CuraLeaf cultivates, processes, markets, and dispenses marijuana products in a range of forms, including flower, pre-rolls and flower pods, dry-herb vaporizer cartridges, concentrates for vaporizing, concentrates for dabbing, tinctures, lozenges, capsules, and edibles.

Multiple product formats provide an array of administration options, including inhalation, ingestion, sublingual, and topical.

CuraLeaf is one of a very large group of operators to successfully obtain cultivation licenses in more than one of the modern, limited license, merit-based application state programs. Recently they pulled back on their Cura Partners deal to 55 million shares down from 95.5 millions shares. This lower value is the current reality for many cannabis deals.

CuraLeaf Holdings was the largest marijuana initial public offering (IPO) ever, with the company temporarily boasting a lofty valuation of more than \$4 billion, after its debut in late October. Managed Revenue grew to \$87.8 million in full year 2018, up 209% on a year-over-year basis, and Total Revenue increased 298%, driven by a combination of organic growth and acquisitions.

Curaleaf has a strong capital position with \$314 million cash on hand at year end, supported by a prudent capital allocation strategy is focused on strategic acquisitions and rapid store expansion. CuraLeaf should start to see an improved bottom line, as it generates synergies throughout the marijuana supply chain. The company currently covers 70% of the U.S. cannabis market, reaching 134 million of the addressable population. They just purchased the largest outdoor grow in Colorado, Los Suenos. They are on a tear and we expect it to continue in 2021.

For these reasons, we think CuraLeaf, at or near its current price of \$14.49 a share, is a **very good investment opportunity**.

Flower One Holdings (OTC: FLOOF)

# fundamental analysis



## Location

HQ: Toronto, ON, Canada

Incorporated: 2007

Symbol: FLOOF (OTC), FONE (CSE)

## Focus: Strong

Flower one is a major cannabis player in the state of Nevada although their headquarters are in Toronto. They have greenhouses, extraction facilities, and edible/beverage brands all grown, extracted and formulated in Nevada.

## Size: Neutral

Market Cap: \$55.7 mil

Enterprise Value: \$158.2 mil

Number of employees: 92

## Markets: Neutral

Primary: USA (Nevada, California)

Secondary: Canada

Subsidiaries, Interests: Cana Nevada Corp., CN Landco III, LLC

## Operations: Strong

### Cultivation:

Current production: They grow in two greenhouses. The first is their flagship 400,000 sq ft facility with an extra onsite 55,000 extraction facility for making concentrate material. They currently harvest around 10,000 plants per week with 140,000 lbs per year.

Future production: They also operate a smaller 25,000 sq ft greenhouse harvesting 4,500 plants with an onsite edible and beverage kitchen. This facility harvests around 4,500 plants per weekly cycle.

### Distribution:

Direct sales: They are vertically integrated so they distribute their products to their own dispensaries. They distribute mainly through their house partner NLVO.

### Integration/Diversification:

Vertically integrated: Yes

Horizontally diversified: No

## Financials: Neutral

Revenue (TTM): \$30.4 mil

Shares Outstanding (diluted): 275.4 million



Flower One Holdings (OTC: FLOOF)

# fundamental analysis



## Management: **Neutral**

CEO: Ken Villazor

CFO: David Kane

CSO: Kellen O'Keefe

VP of Ops NV: Salpy Boyajian

## Branding: **Weak**

Their branded partners include Cookies, 22Red, Lift Tickets, Kiva, Heavy Heitters, Old Palm, Palms, Huxton and more. Their house brand NLVO has helped them introduce all their products into the Nevada marketplace. Many of these partners are located in CA and will assist in their market entry their soon.

## Valuation: **Neutral**

Current share price: \$0.201

Price to Sales: 1.41

52-week low/high: \$0.081-\$0.66

EV/Revenue: 5.21

Price/Book: 0.90

## Financing: **Neutral**

Recent proceeds of their public offering of 23 million equity units at \$0.25 raised \$5.75 million. They also completed a non-brokered financing of 9,497,000 unites for additional \$2.37 million. They have \$4.5 of cash on hand for the rest of 2021.

## Risks: **Neutral**

The risks of investing in any cannabis company are very high given the immaturity of the market and all competitors. This company has les risk as they have concentrated mainly on only one market, Nevada, making sure that costs are not spread out and execution is much simpler.



Flower One Holdings (OTC: FLOOF)

# fundamental analysis



## Recommendation: **Strong**

Flower One Holdings is working on dominating the Nevada legal cannabis market. They have approximately 480,000 sq ft of greenhouse and processing facilities in the state. They are now generating revenue, attempting to formulate and market new products (including edibles and beverages), and launch these products into the Las Vegas market.

They do have strong cultivation and are partnering strategically to move their flower inventory into the hands of some pretty strong brands. We think this will pay off.

Q2 sales were slightly lower than Q1 2020 at \$3.8 million but they currently have revenue TTM of \$21 million. This year they just announced record revenues for Q1 2020!

They are starting to fix the financials toward profitability too. Current write downs, amending their May 2020 debt agreement, inventory value adjustments and their long term debt loan agreement for \$39 million with Subersive REIT all will help. So will getting their new products into dispensaries.

We like this company to realize some nice short-term gains in 2021 and a buy now could yield nice returns in the 3 - 6 month time frame. They still have work to do however long term prior to their march in the competitive California market. This will take a lot of capital so hopefully they increase profitability prior to the move.



Trulieve Cannabis Corp (OTC: TCNNF)

# fundamental analysis



## Location

HQ: Quincy, Florida, USA

Founded: 2018

Facilities: Florida

Symbol: TCNNF (OTC), TRUL (CSE)

## Focus: Strong

Trulieve Cannabis Corp is a growth-oriented, licensed, vertically-integrated, seed-to-sale cannabis company headquartered in, and focused on, Florida, the third most populous state in the USA. It is the leading medical cannabis company there, with a significant market share of the state and 43 stores. They also have dispensaries in CA (1), MA (opening soon), and CT (1).

Trulieve grows all its products in-house, and distributes them to Trulieve-branded dispensaries in Florida, as well as directly to patients via home delivery. It makes approximately 300 SKUs (products), including smokable flowers, flower pods for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges.

## Size: Strong

**Market Cap:** US \$7.1 bil

**Enterprise Value:** \$7.1 bil

**# of employees:** 1800

## Markets: Strong

**Primary:** market leader in Florida

**Secondary:** MA, CT, and CA in the near future, Canada

## Operations: Strong

### Cultivation:

Current production: Trulieve currently has 1.7 million sf of cultivation space on four sites, using both indoor and greenhouse facilities. It can now grow 30,000 kg of cannabis per year and is increasing its greenhouse capacity. It grows 45 cannabis flower strains and expects to grow revenue in Florida, as that state recently passed legislation allowing the sale of smokable cannabis flower.

Trulieve produces 100% of the products sold in its Trulieve stores. It extracts 50,000 grams of active THC or CBD per week. They use ethanol extraction mostly. It also uses CO2 extraction for terpene extraction and CO2 vaporizer products. It has a 55,000 sf building for production and shipping activities, with a kitchen for edible products and a hydrocarbon extraction facility, expecting the future legal sale of edible and hydrocarbon products in Florida.

### Distribution:

Direct sales: Patients can order products for delivery on-line or by calling the Trulieve call-center, which takes roughly 2,000 calls per day. It offers next day delivery in most of Florida. Patients can also place orders for in-store pick-up online or via the call center.

Store networks: It operates 43 of the 120 dispensaries in Florida (Florida allows 25 per licensee, plus five once a company reaches 100,000 active patients). Trulieve's original 14 dispensaries which opened before the cap was enacted are grandfathered in, allowing them 39.

Trulieve Cannabis Corp (OTC: TCNNF)

# fundamental analysis



Through February 2019, Trulieve had served nearly 215,000 unique patients in Florida.

Supply agreements: In December 2018, Trulieve bought Life Essence, a seed-to-sale cannabis company developing multiple locations in Massachusetts. Life Essence is applying for licenses to build and operate three medical dispensaries, three recreational stores, and a 126,000 sf cultivation facility.

In November, 2018, Trulieve bought 80% of Leef Industries, a licensed medical and adult-use dispensary in Palm Springs, California. It will buy the rest pending purchase approval by California, expected in Q2 of 2019.

## Integration/Diversification:

Vertically integrated: Yes

Horizontally diversified: Not much, though they will eventually have both medical and adult use (recreational) businesses

## Financials: Strong

Outstanding shares (diluted): 63.7 mil

Revenue (ttm): 619.3 million

## Management: Strong

CEO: Kimberly Rivers, \$150,

CFO: Mohan Srinivasan, \$200k

COO: Kevin Darmody

## Branding: Strong

Trulieve's CBD products are designed to treat pain, seizures, muscle spasms, nausea, loss of appetite, and symptoms associated with conditions such as cancer. Its products have low THC and are available for patients who need non-euphoric care.

It has over 300 Trulieve-branded products, including smokable flower, flower pods for vaporizing, concentrates, topicals, capsules, tinctures, and vape cartridges. Its marketing consists of education and outreach to physicians, patients and potential patients.

Trulieve's educational materials help physicians understand the science behind cannabis, their production standards, and that its products are created to provide relief.

Trulieve offers the "Truliever" loyalty program which grants points and discounts. It communicates with patients and physicians through email, text, social media and online chat.

## Valuation: Strong

Current share price: US \$38.97

Price to Sales: 7.84

Price to Book: 9.90

52-week low/high: US \$11.50 to \$53.73

EV / Revenue: 11.47



Trulieve Cannabis Corp (OTC: TCNNF)

# fundamental analysis



## Financings: Neutral

In August 2018, it completed a private placement raising net proceeds of \$47 million. In May 2018, it borrowed \$12 million from directors of Trulieve at 12%.

At the end of 2018, Trulieve had current liabilities of \$34.7 million and cash of \$24.4 million. Trulieve plans for aggressive growth from acquisitions and expansions. It expects to raise additional capital. It has banking relationships but not access to traditional bank financing. It has been successful at raising capital privately. It expects to generate adequate cash to fund continuing operations and their revenue shows it!

## Risks: Neutral

The risks of investing in this company may be somewhat lower than many cannabis companies in that Trulieve has substantial revenue and income, and is a leader in its main market (54% market share by their own estimates). However, given the rapid changes affecting the economy generally, and the cannabis industry in particular, no company can guarantee to maintain a competitive advantage in the market.

## Recommendation: Strong

Trulieve has a very strong position in Florida, the third largest US medical cannabis market. They are clearly the market leader in productions, storefronts, and revenue.

They plan to also expand their growing capacity in Florida though they have not specified how much. But they have bought businesses in Mass and CA, and the one in Mass has enough grow space to boost their output to 45,000 kgs per year in the coming few years.

This should increase their revenue by 50%, possibly taking them close to \$300 million in revenue. Their very large, very recent news is the agreement to acquire Harvest Health in an all-stock deal valued over \$2 billion! This will make them one of the largest cannabis companies in the United States.

They already maintain over 50% market share in Florida, have over 500% revenue growth year over year, and have 300+ SKU's. There is no upper limit for Trulieve at the moment. This company may be in a race with Curaleaf to see who gets to over one billion revenue per year in pure cannabis sales.

For investors who don't mind waiting a year for a solid return, we think Trulieve at its current price presents a good opportunity for long term gain



# Why is Jushi Holdings a Strong Buy?

Let's face it – with mounting concerns about the next market correction or crash it's simply not a great time to be an investor. As always, buy and hold cannabis stock investors should avoid buying or selling stocks based on the short-term market movements.

Remember “time in market” not “timing the market” is the key for long term success. Jushi Holdings is one such cannabis stock that shows plenty of promise – but why is Jushi Holdings a strong buy?

The company aims to grow by acquiring distressed assets, opportunistic acquisitions, and competitive applications. It is a vertically integrated player that started off focusing on select markets, building a brand name for itself there, and then moving on to the next state. Jushi now has 16 stores operating across six states and it expects to open 10-12 stores this year. Let's see why we think this cannabis stock is a strong

Believe it or not, Jushi is one of the fastest growing cannabis stocks. In 2020, the company's revenue soared by an astounding 690% while its gross profits increased by 760%. Jushi is also generating impressive amounts of cash. As of March 31, Jushi Holdings reported \$168 million in cash on its balance sheet.

Although shares of Jushi Holdings have gained 600% over the past 12 months, this cannabis stock still trades for just about \$6 per share. With huge gains like these, it's tough to believe that this cannabis stock is still so undervalued.

“

**"We continued to achieve solid operational and financial performance in the first quarter of 2021,"**

**Jim Cacioppo, CEO Jushi Holdings**

”

With this cannabis stock, investors benefit from a high-growth business model that is much less expensive than other cannabis stocks in the space.

Sounds great but why is Jushi a Strong Buy?

Last month Jushi announced that its wholly-owned subsidiary, Pennsylvania Medical Solutions entered into an amendment of its existing lease with Innovative Industrial Properties (IIPR), making available an additional \$30 million in funding for the first phase of property development of the facility.

This underrated pot stock is a, and its growth is just getting started. Cannabis investors who buy Jushi shares now will likely see incredible long-term gains.

Jushi shares are currently trading at \$6.02. Analysts have given this cannabis stock a median target of \$10.00.

With an upside like this, Cannin.com believes Jushi Holdings to be a strong buy and a valuable addition to your cannabis stock portfolio.

AusCann Group Holdings, LTD ( OTC: ACNNF)

# fundamental analysis



## Location

HQ: Perth, Western Australia  
 Founded: 2013  
 Symbol: ACNNF (OTC), AC8 (ASX)

## Focus: Strong

Producing and selling medical cannabis to patients in Australia, and later the world. They are focused on creating cannabis treatments for pain, plus other conditions. This is a \$9 billion market in Australia alone. Many investors know of them from their relationship (now closed) with Canopy Growth.

## Size: Neutral

**Market Cap:** \$27.1 mil

**Enterprise Value:** \$15.1 mil

**# of employees:** 32

## Markets: Strong

**Primary:** Australia (and Tasmania), Chile, through partnership

**Secondary:** MA, CT, PA, and CA in the near future, Canada

**Subsidiaries:** DayaCann (Chile), Yarra Glen Vineyards Holdings, ACN 096 717 458 Pty Ltd, Australian Commercial Wines Pty Ltd.

## Operations: Neutral

**Cultivation:** None

Current production: Drug development focusing on their first product, for chronic pain, a dry powder 50:50 ratio of THC:CBD in a hard shell capsule formulation.

**Distribution:** Initial sales of their capsules are currently being ordered.

**Direct sales:** Yes

**Store networks:** Has an agreement with the leading Australian pharmacy API to distribute medical cannabis through nationwide pharmacy networks

## Integration/Diversification:

Vertically integrated: Yes

Horizontally diversified: No

## Financials: Weak

Revenue (ttm): \$1.27 million

Shares Outstanding (diluted): 317 million

## Management: Neutral

CEO: Nick Woolf

CFO: Quentin Megson

Director: Max Johnston

Director: Bruce McHarrie

Director: Krista Bates



AusCann Group Holdings, LTD ( OTC: ACNNF)

# fundamental analysis



## Branding: **Strong**

Most of their drugs cover anti-convulsion, anti-inflammatory, anti-nausea, glaucoma, pain management and appetite stimulation areas. They have not branded any of their drug candidates yet as none are approved.

## Valuation: **Weak**

Current share price: \$0.09  
 Price to Sales: 16,600  
 52-week low/high: \$0.081-\$0.20  
 EV/Revenue: 4,710  
 Price/Book: 1.62

## Financing: **Strong**

AusCann has no debt but is burning cash fast; typical of most pharma companies undergoing drug development. Clinical trials are expensive, and they have over \$34 million to pay for the next few (company net assets were reported at \$34.37 million). They have around \$15 million in cash on hand.

## Risks: **High**

The risks of investing in this company may be somewhat higher than many cannabis companies in that they have no revenue, have no approved drugs, and are in a smaller market (ASX).

## Recommendation: **Weak**

AusCann is often referred to as having the lead position in the Australian cannabis industry. They used to have Canopy Growth as 10% investors but now Canopy has been replaced by local Australians Merchant Capital.

From a licensing perspective, they are ahead of other competitors in Australia. They can produce, sell import, and export. They may have a strong position if they can deliver on production and distribution. It's a big unknown.

The company has reported only \$1.2 million in revenue for the year. This revenue was not based on sales as none of their drug candidates are approved. The drug furthest along is their 1:1 THC:CBD capsule for chronic pain indications. This would be a large market to enter (Pain drugs) but they are still a ways away from sales for this drug.

Its price to sales ratio is an astronomical 16,000 and they EV/Revenue is 4,710. We don't typically see values this high in our analyses (remember lower is better here).

They do have a partnership with Tasmanian Alkaloids Pty Ltd. to distribute medical cannabis in Tasmania. TasAlk produces 40% of the world's alkaloid raw material and a partnership with DayaCann, the only licensed medicinal cannabis grower in Chile. These deals extend their reach internationally.

For all the reasons above, we rate this stock as Weak. Perhaps in a few more years their drugs will be closer to approvals and they'll be closer to revenue. Until then, expect dilution if you're a shareholder.

Elixinol Global (OTC: ELLXF)

# fundamental analysis



## Location

HQ: Denver, CO USA & Sydney, Australia  
 Founded: 2017  
 Facilities: Colorado, Amsterdam, Sydney  
 Symbol: ELLXF (OTC), EXL (ASX)

## Focus: Neutral

Elixinol Global sells hemp derived CBD products all over the world under the Elixinol brand. They perform all their own manufacturing and cultivation. Import/export markets include America, Europe, the UK, and Australia.

## Size: Weak

**Market Cap:** US \$36.7 mil  
**Enterprise Value:** US \$17.2 mil  
**Number of employees:** 91

## Markets: Neutral

**Primary:** USA, Australia  
**Secondary:** UK, Europe  
**Subsidiaries:** Hemp Foods Australia, Haemophilia Foundation, Nunyara Pharta, Elixinol BV, EXL International Holdings

## Operations: Neutral

**Cultivation:**  
 Present capacity: 12,000 sq ft facility complete

## Distribution:

Direct sales: e-commerce site currently under expansion. This accounts for ~30% of the 2020 Q1 revenue  
 Store networks: Did around \$1 million in retail sales in 2020 Q1  
 Supply Agreements: NA

## Integration/Diversification:

Vertically integrated: Yes  
 Horizontally diversified: No

## Financials: Weak

Revenue (ttm): \$15 million  
 Shares Outstanding (diluted): 314.7 mil



Elixinol Global (OTC: ELLXF)

# fundamental analysis



## Management: **Weak**

CEO: Oliver Horn

CFO: Ron Dufficy

CEO Americas: Tom Sicilian

They switched CEO's twice in one month in 2020 and have one global CEO, one CEO for the America's, and another CEO for Europe. Confused? So is everyone.

## Branding: **Strong**

Elixinol USA's brand is the best thing they have going. They produce a number of SKUs which are exported from the USA to over 40 countries and they've won multiple awards for their CBD products (best tincture, highest quality, innovation award etc). They recently sold Hemp Foods Australia for working capital.

## Valuation: **Weak**

Current share price: US \$0.12

Price to Sales: 1.85

EV / Revenue: 1.14

52-week low/high: US \$0.09-\$0.245

Price/Book: 1.36

## Financing: **Neutral**

They had \$42 mil in cash at the end of June 2020 and over \$100 million in total current assets. They should be fine moving forward!

## Risks: **High**

They have recently sold off a few assets including Hemp Foods Australia and have \$20.2 million on hand in cash. Recently attempted to raise \$11 million from institutional investors.

## Recommendation: **Weak**

Elixinol is a CBD cultivator, manufacturer, and exporter of well-branded hemp derived CBD products. They have a huge global footprint with business offices in Australia, the USA, UK, and Europe.

They had tough 2019 and 2020 years. Revenues for 2019 dropped 16% from 2018 and due to covid-19 all retail sales are significantly down. 2020 saw their share price lose almost 80% of its value. Revenue (ttm) is now up to \$15 million and this is positive news.

They have recently changed leadership (twice in a month) in 2020 and this has come with a "refocus" of their core businesses. They will drop white label and bulk services as well as have sold off non-core assets including Hemp Foods Australia. They are also re-launching their brand and attempting to scale up their e-commerce site. They also announced the acquisition of CannaCare Health in early 2021 (worth up to 15 million). Will this help them turn it around? Perhaps, but not immediately.

Based on their most recent annual filings, Elixinol's price to sales (P/S) is 1.85, which is very attractive in most stocks. The steps they are currently taking to refocus will ultimately prove beneficial, but this will take time. We do like them long term (>12 months) so if you have cash, and are patient, this one is for you. In the short term however, stay away. There is too much negative currently.

Medical Marijuana, Inc. (OTC: MJNA)

# fundamental analysis



## Location

HQ: Poway, CA, USA (Outside San Diego)  
 Founded: 2011 (Previously Hemp Deposit Dist. Corp.)  
 Incorporated: 2003  
 Symbol: MJNA (OTC)

## Focus: Neutral

Medical Marijuana, Inc. is an investment holding company in the medical marijuana and industrial hemp-based CBD market. Despite its name, it currently focuses primarily on hemp-based CBD, not cannabis (marijuana)-based products, because they prefer a federally legal product where they don't have to worry about different legality across state lines.

They want mainstream products everyone can buy. Its products include patented cannabinoid products, seed and stalk, and isolated high value extracts manufactured for the pharmaceutical, nutraceutical, and cosmetic industries. It also licenses its testing, genetics, packaging, tracking, and production for the medical cannabinoid industry.

It engages in marketing and distribution of hemp oil-based CBD products, and R&D of cannabinoid-based pharmaceuticals. In addition, it provides management support to cooperatives, collectives, health and wellness facilities, and medical clinics; and consulting and securities services to businesses in the legal cannabis industry. With its chewing gum-based cannabis/cannabinoid medical products, it focuses on the treatment of pain and other medical disorders.

## Size: Neutral

Market Cap: US \$56.5 mil  
 Enterprise Value: US \$62.5 mil  
 Number of employees: 91

## Markets: Strong

Primary: USA  
 Secondary: Brazil, Japan, Asia  
 Facilities in San Diego, Lindon, Utah, Warsaw Poland, Monterrey Mexico, Sao Paulo Brazil.  
 Majority Subsidiaries: Kannaway, LLC, HempMeds Mexico, Dixie Elixirs, HempMeds Brasil, Hempwire LLC, Canipa Holdings, HempVap LLC, Canchew Biotechnologies, Red Dice Holdings, phyto Animal Health Company

## Operations: Neutral

### Cultivation:

MJNA began selling their European grown CBD products in the US in 2012. They still grow at the same 750-family co-op in Austria they started with. They use no herbicides, pesticides, or chemical fertilizers. To extract their CBD oil, they use no harsh solvents, and test their product multiple times in the process.

### Future production:

MJNA plans to set up domestic cultivation, production and sales of their products in countries around the world where they choose to sell their product

### Distribution:

**Direct sales:** Yes, online.

**Store networks:** Yes, through its subsidiaries HempMeds and Kannaway

**Supply agreements:** N/A

Through its distribution divisions, HempMeds and Kannaway, Medical Marijuana has sold CBD hemp oil products to over 200,000 people. It also offers the first legal cannabis products in Brazil and Mexico, creating access to over 320 million people.

Medical Marijuana, Inc. (OTC: MJNA)

# fundamental analysis



## Integration/Diversification:

Vertically integrated: Yes

Horizontally diversified: No

## Financials: **Weak**

Revenue (ttm): \$58.9 million

Shares Outstanding (diluted): 3.44 billion

## Management: **Neutral**

CEO: Dr. Stuart Titus

COO: Blake Schroeder

CFO: Brooke Beers

MJNA's management team have made questionable decisions in the past. Their stock has tumbled in 2020. Can they pull it out of the dumps?

## Branding: **Neutral**

Medical Marijuana's products focus on CBD hemp oil, a federally legal extract, that is non-psychoactive, contains a full spectrum of phytocannabinoids, and is high in CBD (cannabidiol). Derived from hemp, it contains almost no THC which is why it can be sold nationwide legally.

Its CBD products include nutritional supplements, including pure CBD hemp oil extracts, tinctures, sprays, capsules, and vaporizers. They also offer CBD hemp oil bath and body products, from shampoo and conditioner to bath soaks and acne treatments.

Their brands include Real Scientific (hemp oil), Dixie Botanicals, CanChew Gum, Cannabis Beauty Defined brand (anti-aging skin cream, moisturizer, exfoliant, cleanser, toner, and bath soak), Hemp Vap (hemp vaporizer), Kannactiv (skin care), and Revive (food supplement). Axim Botanicals, which owns the patent on gum delivery of CBD, is also part of their family of companies.

## Valuation: **Neutral**

Current share price: US \$0.04

Price to Sales: 1.45

EV / Revenue: 1.87

52-week low/high: US \$0.01-\$0.22

Price/Book: 0.55

## Financing: **Neutral**

They have \$4.7 million in cash on hand and around \$10 million in other assets as of Q1 2021. Total reported assets are \$88 million.

## Risks: **High**

The risks of investing in any cannabis company are currently high given the volatility of the market. The risks of investing in this company are similarly high given the global CBD market as a whole getting slammed in 2020, covid halting sales in Asia and Europe, and recent cost cutting measures.

Medical Marijuana, Inc. (OTC:MJNA)

# fundamental analysis



## Recommendation: **Neutral**

Unlike most of its competitors, Medical Marijuana has chosen to focus not on cannabis, but on hemp-based CBD products. This could be wise, since hemp is mostly legalized in the US and CBD is projected to grow to a very large market in the coming years.

This company has some admirable qualities. Operating since 2003, it has valuable experience, a history of being first in quite a few aspects of this business, including the first to sell CBD products in the US and first to establish a global pipeline. It has established a solid production, distribution and sales operation of well-branded hemp-based CBD wellness products, good revenue (\$75 million last year), and strong markets in Asia and Europe. It has a patent on delivering CBD through chewing gum (through Axim), which may (or may not) prove profitable, sells products in Brazil and Mexico to treat epilepsy and MS, and is researching a CBD product to treat other illnesses.



Unfortunately, the negatives for this company are strong too. The first reason we are concerned about this stock is the incredible amount of money it spends every year. On \$75 million in revenue they still lost a net \$90 million in 2019! We are all for spending to get ahead of the competition, but this seems extreme. Current debt stands at \$10.5 million and operating cash flow at \$11.9 million.

The second, and more serious, reason we cannot currently get excited about this company is the stunning number of outstanding shares it has—over 3.4 billion. This is far beyond what reasonable investors can tolerate. With this many shares outstanding, future profit will be divided up far too many times to create a meaningful earnings per share growth, preventing the stock from rising much with future profit increases. We feel there are many other better opportunities in this sector.

The astronomical share count is almost certainly why the stock is stuck in the doldrums at \$0.04. This price is down 95% from its IPO in 2009. If it remains a penny stock, which it looks like it will for the near term, it will never attract attention from serious investors, including institutional investors.

If the company can reduce its shares significantly, hopefully to well under 1 billion, and begin to report a profit, we will take a second look then. Until then, there are better places to invest.

# HempFusion's CBD Products Enter China

HempFusion Wellness, a leading health and wellness Company offering premium probiotic supplements and products containing CBD, is pleased to announce following its launch of Probulin Probiotics on Alibaba Group Holding's Tmall Global ("Tmall"), it has now received conditional approval to launch HempFusion's CBD products on Tmall, the world's largest cross border online marketplace reaching more than **750 million new potential new consumers** across mainland China, Hong Kong, Macau and Taiwan.



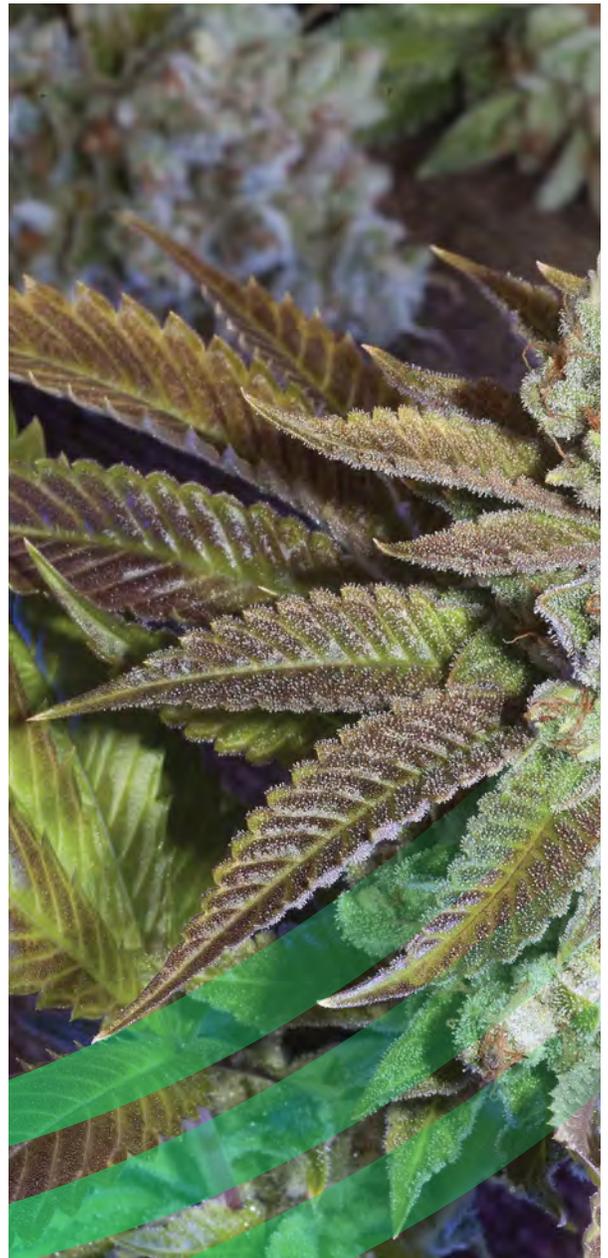
...Our goal is to achieve the same brand awareness and reach that top spot.  
- HempFusion CEO Paul Mitchell



HempFusion's topicals with CBD are expected to launch on Tmall soon and will include its OTC drug listed Acne Relief, Eczema Relief, and Sports Relief Creams, Pain Relief and Sports Pain Relief Balms, Pain Relief Gel and Wound Ointment, with more products expected to follow.

These unique formulations include a proprietary skin nourishing and moisturizing base with Aloe vera, Sheabutter, Jojoba Oil, Hemp derived omega fatty acids and CBD as well as many other botanicals.

HempFusion is ranked #2 in brand awareness according to a recent survey conducted by Brightfield Group. "Our goal is to achieve the same brand awareness and reach that top spot in Greater China," added Dr. Mitchell.



Aphria, Inc. (NASDAQ: TLRY)

# fundamental analysis



## Location

HQ: Leamington, ON, Canada

Founded: 2013

Symbol: TLRY (Nasdaq)

## Focus: Neutral

Aphria is a cultivator and supplier of medical marijuana in Canada. They've traditionally distinguished themselves as a low cost cultivator. Recently, they've announced a reverse merger with Tilray, which will make them the largest cannabis company in the world as measured by sales. This has driven their stock price crazy (down first, then way up).

## Size: Strong

**Market Cap:** US \$6.7 billion

**Enterprise Value:** US \$7.25 billion

**Number of employees:** 1000

## Markets: Strong

**Primary:** Canada

**Secondary:** USA, Germany, Brazil, UK (10 countries so far)

**Subsidiaries:** CC Pharma GmbH, SweetWater Brewing Company, CannWay Pharma, Verve Dynamics Inc., LATAM Holdings, Broken Coast Cannabis, Nuuvera Germany GmbH

## Operations: Neutral

**Cultivation:**

**Current production:** Over 255,000 kg annually (plus Tilray's over 100,000 kg annually)

**Future capacity:** 2,400,000 sq ft of capacity in Canada

**Distribution:** Direct sales: yes, online through its online store or phones. Also wholesale shipping of MMJ plant cuttings and dried buds to other licensed producers.

**Integration/Diversification:**

Vertically integrated: Yes

Horizontally diversified: No

## Financials: Strong

Revenue (ttm): \$611 million

Outstanding shares (diluted): 446 million



Aphria, Inc. (NASDAQ: TLRV)

# fundamental analysis



## Management: Strong

CEO: Irwin Simon  
 CFO: Carl Merton  
 COO: Jim Meiers  
 CSO: Denise Faltischek

Mr. Simon will become the CEO and Chairman of the post-merged Aphria/Tilray. The board of directors will also be expanded.

## Branding: Strong

Aphria's current product packaging for medical cannabis is plain and simple, typical for the medical field. Solei Sungrown Cannabis is for the novice user. RIFF is a culture-based brand. Good Supply is the regular user brand and Broken Coast is the premium brand.

Tilray has a cannabis brand called CANACA™, celebrating Canadian roots and pride as the country becomes the world's first G7 nation to federally legalize cannabis for adult-use. Tilray signed an agreement with Sandoz Canada, a division of Novartis, to create and sell co-branded and co-developed non-combustible medical cannabis products. They also recently were selected as a supplier in France.

## Valuation: Neutral

Current share price: US \$15.23  
 52 week high/low: \$4.41-\$67  
 Price to Sales: 7.26  
 EV/Revenue: 11.86  
 Price/book: 5.36

## Financing: Neutral

Aphria has cash and cash equivalents of \$425 million CAD. They've reported liabilities at \$863 million CAD as of Q2 2021. Their net loss for the three months ending Nov. 30 2020 was \$120 million CAD.

## Risks: Neutral

The risks of investing in any cannabis company are currently high given the market. Given the recent financial state of the company and the market volatility all things oil and flu relations, risks are very high today.

Aphria, Inc. (NASDAQ: TLRY)

# fundamental analysis



## Recommendation: **Strong**

Aphria is a vertically integrated Canadian cannabis company growing most of their crops in energy efficient greenhouses. They have a presence in 10 countries, on 5 continents. They are one of the founders of the Canadian market and one of the largest cannabis companies in the world.

Now they are the king of the cannabis world. In late 2020, they announced a reverse merger with Tilray. Aphria's shareholders will own 62% of Tilray stock and they will pay a 23% premium to do so. The combined company should have revenue around \$685 million!

The deal should be good for Aphria, and great for Tilray. Tilray's losses in 2020 should be on the mend with some senior notes converted to class 2 common stock. The combined company should also be able to shed expenses with duplicate management teams. Aphria gets access to US markets (where Tilray is listed) and the clinical trials that are all in process.

Aphria's stock was down on this news but since 2021 has increased over 70%. Their price to sales is at 7 and price to book is 2.6. These are reasonable. The expected revenue and cost savings should yield a clear road to profitability as long as management makes no missteps. The company is now all under the Tilray brand name.

We expect short-term losses in the stock price (see our technical analysis this week) but long term gains in 2021 once the merger is done. Given the strong revenue, international presence, and overall status, we give the stock a Strong rating for the long term.



IsraCann Biosciences, Inc. (OTC: ISCNF)

# fundamental analysis



## Location

HQ: Vancouver, BC, Canada  
 Founded: 2010  
 Facilities: Tel Aviv, Israel  
 Symbol: ISCNF (OTC), IPOT (CSE)

## Focus: Strong

IsraCann is an Israeli firm focused on cultivation. They're targeting outdoor grows to utilize the ground and sun in Israel to attempt to make low cost cannabis for export into Europe. They are targeting production costs of only \$0.40 per gram (compared to an average of \$1.50 per gram in Canada).

## Size: Weak

**Market Cap:** US \$28.5 mil  
**Enterprise Value:** US \$26.6 mil  
**Number of Employees:** 3

## Markets: Strong

**Primary:** Israel  
**Secondary:** Europe starting with Germany  
**Majority Subsidiaries:** Cannisra crops Ltd, Isracann Holdings Inc, The Cranium

## Operations: Neutral

### Cultivation:

**Current production:** They have a JV with 55,000 sq ft

**Future capacity:** The JV can grow to 160,000 sq ft in greenhouses with lots of outdoor land available to them. Their own facility will be 230,000 sq ft and have capacity of 23,500 kg per year.

Israel was the 3rd country to develop an export framework for cannabis (behind Canada and the Netherlands). They will use this to their advantage and supply Europe with their low cost cannabis. Israel has 46,000 medical patients with 90,000 anticipated by year's end.

### Distribution:

Direct sales: Yes  
 Store networks: None

### Integration/Diversification:

Vertically integrated: Yes  
 Horizontally diversified: No



IsraCann Biosciences, Inc. (OTC: ISCNF)

# fundamental analysis



## Financials: **Weak**

Revenue (TTM): **-\$81,000**

Shares Outstanding (diluted): 143 million

## Management: **Weak**

President, CEO, Director: Darryl Jones

CFO: Yana Popova

COO: Matt Chatterton

Management experience includes investment advising, project management, and accounting.

## Branding: **Neutral**

They will rely heavily on the "made in Israel" brand with a focus on quality. Both cannabis for export as well as CBD products will be explored. Low cost, lots of sun, and good soil are all trends of grown in Israel.

## Valuation: **Neutral**

Current share price: US \$0.200

Price to Sales: 8.83

52-week low/high: US \$0.124 - \$0.386

EV/Revenue: 54.02

Price/book: 1.41

## Financing: **Weak**

After Q3 2020 (August 31st, 2020) they had \$3 million of working capital. They raised about \$150k through warrants and options. The company has around \$1 million in debt. They have \$2.32 million of cash on hand now.

## Risks: **High**

The risks of investing in any cannabis or hemp company are currently high given the newness of the market. Given the net losses, and covid delays in licensing, these risks are still medium.

IsraCann Biosciences, Inc. (OTC: ISCNF)

# fundamental analysis



## Recommendation: **Neutral**

IsraCann Biosciences is a cultivator in Israel. They are striving to become a low cost cultivator, which will give them an advantage in exporting their products to Germany and eventually all of the EU.

IsraCann has been slightly delayed in planting their first crop and blame covid-19 as well as licensing. The good news is that the Israeli government has approved rules for export of cannabis. This export will occur at a fixed price of CAD \$5.50 per gram. If they are indeed able to produce cannabis at \$0.40 per gram there would be fantastic profit margins in supplying the EU with smokable cannabis.

Locally the Israeli market is growing too. With an estimated 200,000 patients consuming an estimated 85 tonnes per year, there should be plenty of demand locally. Although they have no revenue yet from cannabis related businesses, they do have promise. They just need to get that first crop planted.

The company reported losses of \$838,792 during the three months ending August 31st, 2020. This is compared to new losses of \$894,848 in 2019. They have around \$3 million in working capital so they can fund most of 2021 now. Without significant revenue after that from cultivating they will need to raise funds.

We generally like this company, although the management team is slightly inexperienced. If they can have a few successful harvests and export to Germany, there will be revenue to drive stock prices higher. This is at least 5-6months away however. For the short term, this is rated Neutral but watch it long term for this to switch to Strong.



Cronos Group (NASDAQ: CRON)

# fundamental analysis



## Location

HQ: Toronto, ON, Canada

Founded: 2012

Facilities: Ontario, BC, Israel, Australia, Germany

Symbol: CRON (Nasdaq), CRON (TSX)

## Focus: Strong

Cronos is a cannabis investment company that invests in cannabis producers either with, or actively seeking, a production license. These are in federally legal markets, and are typically Canadian companies. They have a few cannabis brands: Peace Naturals (Ontario), COVE, Spinach, PEACE, Lord Jones. Cronos is geographically diversified and vertically-integrated, with a presence on five continents.

They have four joint ventures, including in Israel and Australia, and holds minority interests in cannabis-related companies and Licensed Producers. Its strategy has four elements:

- building an efficient global operation
- diversifying revenue
- developing IP that ensures enduring margins
- growing a portfolio of brands with customer loyalty

## Size: Strong

**Market Cap:** US \$2.77 bil

**Enterprise Value:** US \$1.54 bil

**Number of Employees:** 297

## Markets: Strong

**Primary:** Canada, USA

**Secondary:** Colombia, Israel, Germany, Australia

**Majority Subsidiaries:** Zeus Cannabinoids, LLC; Cronos Growing Company Inc.; Cronos Australia, OriginalBC Ltd.



## Operations: Neutral

### Cultivation:

**Current production:** 40,000 kgs/year on 70,000 sf of grow space

**Future capacity:** 117,000 kgs/year on 420,000 sf of grow space

Cronos' reported cannabis shipped was 6,927 pounds in Q3 2020, which was double their Q2 2020 numbers. They are shifting somewhat from growers to extractors and this is being reflected in their repurposing of cultivation space on the Peace Naturals Campus to production and manufacturing space for concentrates.

### Distribution:

Direct sales: Yes

Store networks: Cronos sells medical dried cannabis and oils through wholesale and direct-to-consumer channels under its medical cannabis brand, Peace Naturals.

Cronos Group (NASDAQ: CRON)

# fundamental analysis



## Financials: **Neutral**

Revenue (ttm): 50.9 million

Outstanding shares (diluted): 371.7 mil

## Management: **Neutral**

Executive Chairman: Mike Gorenstein

CEO: Kurt Schmidt

CFO: Jerry Barbato

Head of Marketing: Eric Klein

## Branding: **Strong**

Brands include Peace Naturals, Cove, Spinach, and Lord Jones, their CBD line. Peace Naturals is the health and wellness line, Cove the premium line, spinach is the mainstream line and lord jones concentrates on consumer goods for adults

## Valuation: **Neutral**

Current share price: US \$7.38

Price to Sales: 51.77

52-week low/high: US \$4.91- \$15.83

EV/Revenue: 30.20

Price/book: 1.76

## Financing: **Strong**

The \$2.4 billion invested by Altria has Cronos sitting pretty with \$1.24 billion in cash. This amount dwarves all other cannabis companies who are struggling to raise enough cash to stay afloat.

## Risks: **Neutral**

The risks of investing in any cannabis or hemp company are currently medium given the newness of the market. Given the recent revenue growth and losses, these risks are still medium.

## Recommendation: **Strong**

In February 2018, Cronos Group became the first licensed producer to list on a major stock exchange in the United States. They also are known as one of the biggest cannabis companies on the planet and have the backing of one of the largest tobacco companies on the planet currently (fiscally and at the board level).

They have had some financial reporting woes recently, which hurt investor trust. They have reported earnings above expectations though, which has driven the price up around 30% in the last week.

The price to sales ratio is 71, way too high to touch given the revenue in Q3 this year. The enterprise value to revenue is also very high, at 33. Both of these numbers will need to come down to below 10 for us to feel comfortable long term.

Given how trendy this stock is, we expect short-term gains with a new Biden campaign in power in 2021. During that time, the company's management should continue to make the books look healthier and to hopefully become profitable. If they do this, the long-term outlook is much rosier.

# medical research

# medical research news & trends

## increasing acceptance of cannabis is driving medical research and innovation

Cannabis has been used for medicinal purposes around the world for several millenia, but it is far from just an old folk remedy. Modern medical research has shown it to be an effective treatment for a wide range of conditions from the pain, nausea and loss of appetite commonly experienced by cancer and HIV/AIDS patients to anxiety, depression, epilepsy, psoriasis, gastrointestinal disorders, and hepatic encephalopathy.

It is now widely accepted that cannabis could play an important role in the fight to end the opioid addiction crisis that is plaguing the United States. Both THC and CBD, the two most commonly studied compounds found in cannabis, have powerful analgesic properties, and CBD has the additional advantage of being non-psychoactive. Cannabis is impossible to overdose on, and has few of the serious side effects that are common with opiates, such as organ damage.

Cannabis is safer, cheaper, and more easily manageable than methadone, naltrexone and buprenorphine, which are currently used to treat opioid addiction. For many users, cannabis and low-THC/high-CBD products can therefore serve as excellent substitutes for opioid painkillers, and have the potential to save many lives as well as reducing healthcare costs. As an added benefit, various forms of cannabis can also lessen the symptoms of withdrawal from dependency on opiates, as well as benzodiazepines and alcohol.

While there are lingering misconceptions about the safety of cannabis in some quarters, general attitudes towards it have shifted considerably. Rapid growth in the cannabis sector is now driving innovation in a number of associated areas, including the medical field. Research into applications for cannabis compounds is increasing, and both traditional pharmaceutical groups and specialist biotech companies are developing cannabis-based therapies as well as synthetic analogs.

A handful of medications based on cannabis, or on its specific properties, are already available in various markets, and several others are in the pipeline for launch over the next few years. These prescription drugs contain standardized dosages of the active compounds, have undergone clinical trials, and are approved by the FDA – factors that make them attractive to many physicians and patients who might be hesitant about recommending or using cannabis itself.

In the United States, cannabis is still classified as a Schedule I drug, which is (incorrectly) defined by the Drug Enforcement Agency as having "no currently accepted medical use and a high potential for abuse". As research and medical cannabis product availability gather pace, it will become increasingly harder for the DEA to keep cannabis on the Schedule I list of controlled substances. Even if cannabis-based pharmaceuticals do not prove to be the deciding factor in legalizing cannabis throughout the country, their widespread use is sure to contribute to the lifting of the federal prohibition.

As the cannabis-based pharmaceutical sector develops and its products become widely prescribed, demand for high-quality medical-grade cannabis and industrial hemp will rise. The growth of this sector is therefore likely to be beneficial to producers of top-quality raw materials that can negotiate supply agreements with cannabis-based pharmaceuticals, as well as for the manufacturers of these medical products themselves.

## medical research news & trends

# increasing acceptance of cannabis is driving medical research and innovation, may soon help combat opioid epidemic



**D**rug overdose deaths are now all too common in the United States and the current opioid epidemic is the worst drug crisis US History. Two-thirds of all drug overdose deaths involve an opioid. This crisis recently made national headlines after The White House officially declared the opioid epidemic a public health emergency in late 2017.

In light of this declaration, Public Health Officials plan to roll out initiatives to combat this crisis such as: greater access to opioid treatment for patients in isolated areas, expedited hiring process for the Department of Health and Human Services and allocation of federal grant funds to target those with opioid addictions among other measures. While these measures may help aid in the effort, experts say Congress will need to allocate billions of dollars to properly address the crisis.

Despite increasing awareness of the dangers of opioid abuse, mortality continues to increase, with no signs of slowing, taking over 100 lives each day in the United States. Experts attribute much of this epidemic to an increase in prescriptions of opioids

to combat chronic pain in patients. In an attempt to identify solutions to combat this epidemic some experts have suggested utilizing medical cannabis in lieu of addictive and potential harmful opioid medications.

Early clinical research indicates certain cannabinoids react with pain receptors, indicating that doctors can use cannabis in addition to, or instead of, opioids. Because chronic pain is a major indication for medical cannabis, legislation which establishes access to medical cannabis may impact overdose mortality related to opioid analgesics in states which have legalized cannabis for medical use.

While there is currently no definitive correlation between cannabis legalization and opioid abuse reduction, increasing evidence suggests a link may in fact exist.

# medical research news & trends



**Cannabis is safer, cheaper, and easier to manage  
... to treat opioid addiction.**



In fact, a growing number of members of the medical community now believe that cannabis could play an essential role in the fight to end the opioid addiction crisis that is plaguing the United States. THC and CBD, the two most commonly studied compounds found in cannabis, have powerful analgesic properties. CBD has the additional advantage of being non-psychoactive. Cannabis is impossible to overdose on (for adult humans) and has few of the severe side effects that are common with opiates, such as organ damage.

Cannabis is safer, cheaper, and easier to manage than methadone, naltrexone, and buprenorphine, which are currently used to treat opioid addiction. For many users, cannabis and low-THC/high-CBD products can, therefore, serve as excellent substitutes for opioid painkillers, and have the potential to save many lives as well as reducing healthcare costs. As an added benefit, various forms of cannabis can also lessen the symptoms of withdrawal from dependence on opiates, as well as benzodiazepines and alcohol.

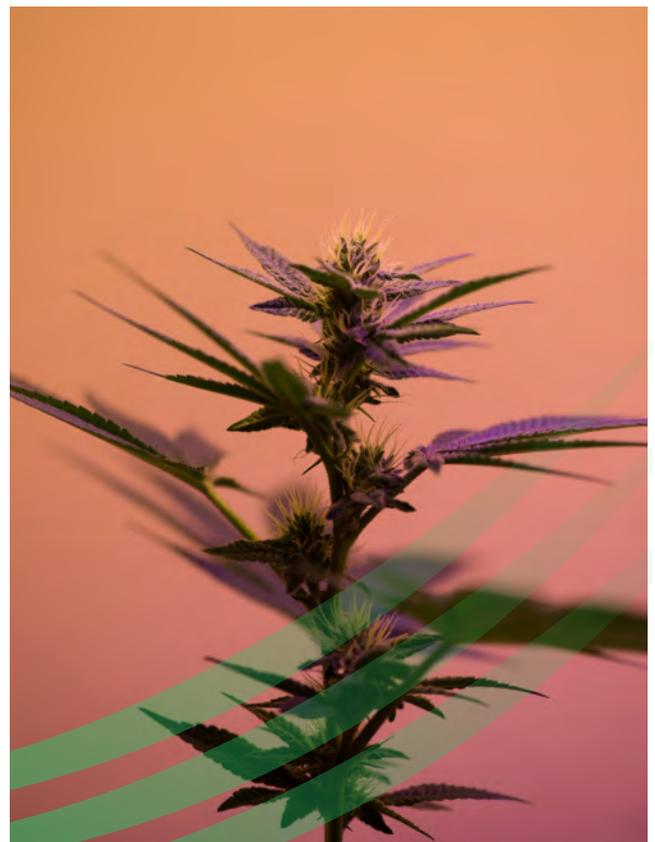
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# medical research news & trends

## cannin has selected a shortlist of some of the most exciting players in the field of cannabis-based therapies at the moment:

### Arena Pharmaceuticals (NASDAQ:ARNA)

Arena is a biopharmaceutical company that develops small molecule drugs for a variety of conditions. The company is currently conducting clinical trials on APD371, a powerful, selective cannabinoid-2 (CB2) agonist that is intended to treat visceral pain experienced by Crohn's Disease patients. This novel compound acts on the body's cannabinoid-2 receptors to suppress intestinal inflammation that causes chronic pain. The highly selective nature of this compound means it is non-psychoactive and non-dependence forming.

### GW Pharmaceuticals (NASDAQ:GWPH)

UK-based GW Pharmaceuticals is the global leader in plant-based cannabinoid therapeutics and has several innovative new drugs in its pipeline. Its Sativex® (nabiximols) mouth spray was the first-ever prescription drug formulated from plant-based cannabinoids and is now used in 30 countries (but not in the US) to treat spasticity, neuropathic pain and other symptoms of multiple sclerosis. GW is currently conducting clinical trials on Epidiolex®, a new type of drug based on purified cannabidiol (CBD) that is intended to treat Lennox-Gastaut syndrome, Dravet syndrome, and other intractable childhood epilepsy disorders. Data from phase 3 of the study have been published in *The Lancet*, and show the drug to be effective and well tolerated.

### Insys Therapeutics (NASDAQ:INSY)

Insys' activities include the development of pharmaceutical cannabinoids and novel drug delivery systems. Syndros® is a synthetic THC drug that treats loss of appetite, nausea, and vomiting in cancer and HIV/AIDS patients. The company's product pipeline holds several therapeutics, including a liquid cannabinoid solution for pediatric epilepsy and an inhalable dronabinol (THC) system. Insys has recently announced that another oral cannabinoid for Prader-Willi syndrome, a genetic disorder that can cause childhood obesity and type 2 diabetes.



### Zynerba Pharmaceuticals (NASDAQ:ZYNE)

Zynerba specializes in developing transdermal cannabinoid therapeutics and has now announced that its products will be focused on the treatment of rare psychiatric and neurological disorders. One drug is ZYN001, a patch that delivers an inactive form of synthetic THC into the bloodstream, where it becomes active. ZYN001 is intended for the treatment of neuropsychiatric conditions such as Tourette syndrome. ZYN002 is a synthetic CBD gel that has been awarded an Orphan Drug Designation for fragile X syndrome by the FDA.

### PreveCeutical Medical (OTC:PRVCF)

PreveCeutical is a Canada-based life science company that develops innovative therapies for a range of conditions using organic and Nature Identical™ compounds. Its Sol-gel delivery system is currently in development and was approved in 2019 for licensing to medical cannabis producers. Sol-gels are controlled-release CBD gels that are administered nasally and remain active in the nasal passages for up to seven days. This delivery method ensures easy application, exceptionally high bioavailability, and rapid delivery to the brain.

# medical research news & trends

## where marijuana is legal, opioid prescriptions decline

As more states legalize medical and recreational marijuana, may be replacing opioid prescriptions with suggestions to visit a local marijuana dispensary. Two papers published Monday in *JAMA Internal Medicine* analyzing more than five years of Medicare Part D and Medicaid prescription data found that after states legalized weed, the number of opioid prescriptions and the daily dose of opioids went way down. That indicates that some people may be shifting away from prescription drugs to cannabis, though the studies can't say whether this substitution is actually happening or if patients or doctors are the driving force.

"In this time when we are so concerned—rightly so—about opiate misuse and abuse and the mortality that's occurring, we need to be clear-eyed and use evidence to drive our policies," said W. David Bradford, an economist at the University of Georgia and an author of one of the studies. "If you're interested in giving people options for pain management that don't bring the particular risks that opiates do, states should contemplate turning on dispensary-based cannabis policies."

Previous research has pointed to a similar correlation. A 2014 paper found that states with medical marijuana laws had nearly 25 percent fewer deaths from opioid overdoses. But the new research is the first to connect marijuana legalization to prescription painkillers with such large data sets.

One of the two new studies found that people on Medicare filled 14 percent fewer prescriptions for opioids after medical marijuana laws were passed in their states. The second study found that Medicaid enrollees filled nearly 40 fewer opioid prescriptions per 1,000 people each year after their state passed any law making cannabis accessible—with greater drops seen in states that legalized both medical and recreational marijuana.

Those findings are somewhat positive from a public health angle. Opioids, in addition to an addictive potential much greater than that of marijuana, have other unappealing side effects. "The effect of opioids chronically—they wreak havoc on your GI tract," said Marie Hayes, a psychologist at the University of Maine.

Of course, medical cannabis is a drug with side effects, too. Obviously people can get high, though that does depend on the concentration of the psychoactive compound, tetrahydrocannabinol, in the strain or formulation that someone is using.

Marijuana's safety profile isn't really at issue. "People are convinced of its safety," Hayes said. But there's just not a lot of evidence supporting marijuana as a chronic pain treatment in its own right. "I would say the evidence has been very modest up until about 10 years ago, because nobody would fund the research," she said. Still, opioids as a chronic pain treatment have a checkered reputation as well: One recent study found opioids didn't provide any more relief for chronic arthritis pain than over-the-counter painkillers.

Americans seem more willing than ever to accept marijuana. A recent Pew survey found that 61 percent of Americans favor legalizing pot. Nine states and the District of Columbia allow adults to use it for whatever reason they want, while more than 20 other U.S. states permit residents to use marijuana for medicinal purposes. But not all states with medical marijuana laws are created equal, the studies found. States with dispensaries that are open for business saw the greatest decrease in opioid prescriptions, while states without active dispensaries saw a far less dramatic decline—about 7 percent instead of about 14. That makes sense, Bradford noted. There's a big difference between telling someone they can pick up a prescription at a local pharmacy and telling someone they should go pick up some plants and grow them at home for a few months, often with little help or support.

Neither Medicaid nor Medicare will reimburse people for money they spend on marijuana. While the amount of money spent on opioids in states with a medical marijuana law fell by about 8 percent, the costs of both treatments might be comparable. "I did a back-of-the-envelope calculation that suggested that a daily pain management dose of hydrocodone would be about \$10 out of pocket in the U.S.," Bradford said, though Medicare Part D plans cover much of that.

# industrial hemp – the world’s most useful plant

## stalk

### construction materials (from pulp)

- Hempcrete
- Panels
- Insulation
- Fiberglass substitute
- Caulking & mortar

### paper (from pulp)

- Newsprint
- Cardboard
- Packaging
- Fine paper

### industrial textiles (from fibers/pulp)

- Rope and cordage
- Carpets
- Tarpaulins
- Sails
- Netting

### textiles (from fibers)

- Fabrics
- Clothing
- Bedsheets
- Diapers
- Upholstery

### petroleum substitutes (from fibers)

- Biomass fuels (ethanol, biodiesel, heavy oils, gas & solid fuels)
- Chemical feedstocks
- Plastics
- Paints

Hemp is the strongest natural fiber in the world, and has thousands of different uses

## leaves

- Mulch and compost
- Excellent for livestock bedding, as they are highly absorbent, deodorizing and pest-repelling
- Cover and weed suppression when planted amongst other crops

## flowers

- CBD oil
- CBD oil lotions & balms
- CBD oil capsules, tinctures & sprays
- Essential oil

## seeds

### foods

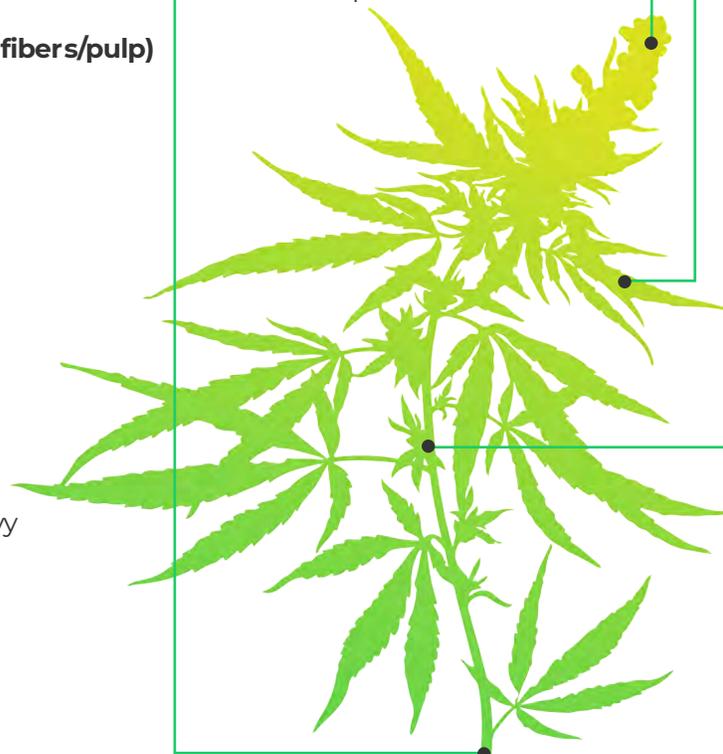
- Hemp seed oil
- Hemp milk
- Hemp seed hearts
- Protein powder
- Essential fatty acid oil supplements
- Animal feed

### industrial products

- Oil paint
- Varnish
- Printing ink
- Various biofuels
- Solvents
- Coatings

### personal care

- Soap
- Shampoo
- Lotions, creams & balms
- Cosmetics



## roots

- Traditionally used to treat joint pain, broken bones, inflammation, burns, infections and parasites.
- Rehabilitate the soil by drawing toxins from it, which prepares it for other crops.
- Facilitate soil aeration and drainage, and help prevent land erosion.

### benefits of growing industrial hemp:

Hemp grows fast, uses little water, needs no pesticides and yields more per acre than any other crop. It can also prepare the soil for other crops by drawing out toxins and adding back nitrates.

# glossary

... (zob. 11) w technice produkcji podziału klasowego i wy-  
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# general cannabis glossary

**11-hydroxy-THC:** The main active metabolite of tetrahydrocannabinol (THC), which is formed in the body following the consumption of cannabis. Cannabis contains tetrahydrocannabinolic acid (THCA) which, once heated, is converted into THC and then metabolized by the body into 11-hydroxy-THC. This molecule is psychoactive as well.

**Aeroponics:** A method of cannabis cultivation in air without the use of soil or other traditional medium.

**Alcohol Extraction:** Process of separating essential oils from cannabis plant material using hydrophobic liquids such as alcohol.

**Aquaponics:** A method of cannabis cultivation using a combination of aquaculture and hydroponics.

**Borosilicate Glass:** Refers to a type of glass, resistant to thermal shock, used to make many glass pipes and dab rigs.

**Bud:** Slang term for female cannabis flower.

**Bud Rot:** A type of fungus which develops within the core of a cannabis bud. This typically occurs in unfavorable growing or drying/curing conditions.

**Budder:** Typically a BHO or CO2 cannabis extract with a “creamy consistency”.

**Budtender:** A medical or recreational cannabis dispensary worker who sells cannabis products.

**Butane Hash Oil (BHO):** Cannabis oil concentrate produced from cannabis flowers using butane as a solvent.

**C1D1 Processing Environment:** Class 1 Division 1 is the classification for a hazardous area where explosion and fire hazards exist because of the presence of flammable gases, vapors or liquids. BHO, ethanol and other solvent extractions are typically required to be performed within a C1D1 environment, however, regulations do vary from municipality to municipality.

**Cannabinoids:** Active molecules produced by cannabis plants. They are involved in psychoactivity as well as the medicinal effects of the plant. Around 100 cannabinoids are known today.

**Cannabinoid Hyperemesis Syndrome:** A condition associated with Cannabis use, typically characterized by symptoms of recurrent nausea, vomiting and abdominal pain found in a percentage of chronic, heavy users of cannabis.

**Cannabinoid Receptor:** Receptors which are activated by THC and CBD (among other compounds) and part of the endocannabinoid system; located throughout the human body.

**Cannabis:** Term short for Cannabis Sativa or Cannabis Indica, the plant.

# general cannabis glossary

**Cannabis Cup:** The world's foremost cannabis festival where judges from around the world sample and vote on their favorite marijuana varieties.

**CBD:** Cannabidiol. This molecule is present in Cannabis and hemp. Known to have many medicinal effects.

**CBN:** Cannabinol. This molecule is present in Cannabis and hemp and is the oxidative product of THC degradation. Known to have many medicinal benefits.

**Closed Loop Extraction:** Typically referring to BHO or Propane extractions, and widely accepted as safer than “open blasting”, this process recycles hydrocarbon solvents within a closed system instead of releasing these gases into the air.

**CMH Light:** Ceramic Metal Halide (CMH) is a broad spectrum lamp typically used for indoor cultivation.

**CO2 Oil:** Cannabis oil concentrate produced using carbon dioxide as a solvent. Often produced at elevated temperatures and pressures.

**Concentrates:** Cannabis products with elevated concentrations of THC or CBD.

**Dab:** A smokable marijuana concentrate which is typically the product of a BHO or CO2 extraction.

**Decarboxylate:** The process of heating cannabis at lower temperatures to activate inactive cannabinoids like THCA and CBDA into their active forms THC and CBD, respectively. Decarboxylation also happens naturally with exposure to light, air and heat.

**Dimethylheptylpyran:** Synthetic analogue of THC, invented in 1949.

**Dispensary:** A storefront which is licensed to sell medical and or recreational cannabis products.

**Distillate:** A “solvent-free”, process of concentrating to high-potency cannabis concentrates which is typically the product of either a “short path” or “fractional” distillation.

**Edibles:** Consumable final products produced by cannabis companies. Typical products include cookies, chocolates, gummies and mints/lozenges.

**Eighth:** Refers to a typical measurement of  $\frac{1}{8}$  of an ounce of cannabis, or 3.5 grams.

**Entourage Effect:** The concept of interactive synergy between various cannabis compounds.

**Extraction:** The process of removing cannabis compounds from plant materials typically by using solvents and heat.

**Feminization:** A process of conditioning female plants to obtain male pollen needed for seed production.

# general cannabis glossary

**Fertigation:** Refers to the injection of fertilizers and water-soluble nutrient products into an irrigation system.

**Flavonoid:** Phytonutrients in cannabis, and other plants, which are known for providing non-green color pigments and produce a range of effects.

**Flowering Stage:** Refers to the final stage of cannabis cultivation, post vegetation stage, whereby cannabis flowers develop typically using a light cycle of 12 hours “under light” and 12 hours of “light deprivation” during a 24 hour cycle.

**Flush:** Prior to harvest and lasting anywhere from a few days to a few weeks, whereby mature, flowering cannabis plants are only given water and no other nutrients in an attempt to improve quality and “smoothness” of cannabis buds.

**Fractional Distillation:** A method of extraction whereby a liquid mixture is separated into fractions based on differences in boiling points of various compounds after heat is applied.

**Half:** Refers to a typical measurement of cannabis equal to 14 grams.

**Hash:** Traditionally the resin collected from the flowers of the cannabis plant but may be used to refer to one or more of the various concentrated cannabis products available on the market today.

**Hermaphroditic Cannabis:** Cannabis demonstrating both male and female reproductive organs, having origins which are either genetic or environmental, often caused by “light leak” during flowering stages and/or significant variations in PH levels among other factors.

**Hemp:** A type of cannabis grown for its fibrous content as well as CBD content.

**High-cannabinoid full spectrum extract (HCFSE):** Hydrocarbon method of extraction which aims to preserve cannabinoids.

**High-terpene full spectrum extract (HTFSE):** Hydrocarbon method of extraction which aims to preserve terpenes.

**HPS Light:** High Pressure Sodium (HPS) is a broad spectrum lamp typically used for indoor cultivation.

**Hybrid:** Strains containing a mix of sativa and indica genetics, can be found to have varying THC:CBD cannabinoid concentrations

**Hydrocarbon Extractions:** Currently one of the most prevalent forms of extraction using Butane, Propane or other hydrocarbon solvents.

**Hydroponics:** A growing system for plants using water as a growth medium to deliver nutrients.

**Indica:** Cannabis Indica is one of the two main species of Cannabis with a short, densely branched, wide-leaf appearance.

# general cannabis glossary

**Kief:** Substance referring to the resinous trichomes of cannabis.

**Landrace:** A domesticated, traditional species of cannabis which has developed over a period of time through adaptation to its natural environment and isolation from other populations or species.

**LED Light:** Light Emitting Diode (LED) is a broad spectrum lamp typically used for indoor cultivation.

**Live Resin:** A type of cannabis concentrate manufactured using a technique which takes freshly harvested cannabis and freezes it to subcritical temperatures both before and during the extraction process.

**Man-Trap:** Also known as an “air lock”, “sally port” which comprises a small space with interlocking doors. Used to maintain cleanliness and mitigate contamination and potential crop-loss within a cultivation facility.

**MIP:** Marijuana Infused Products facility where various products are sourced and/or manufactured and infused with cannabis extracts.

**Mother Plants:** Stock plants specifically raised to provide cuttings (clones) for new plants.

**Nabilone:** A synthetic cannabinoid with antiemetic and analgesic medicinal benefits.

**Open Blasting:** Process of performing a solvent-based extraction without the use of a closed-loop system. Typically very dangerous and banned in many cities and states.

**Ounce:** Refers to a typical measurement of cannabis equal to 28.35 grams.

**Percolator:** Common accoutrement to many water pipes, this device serving as an extra water chamber provides greater diffusion/filtration for better inhalation.

**Phenotype:** The combination of a plant’s observable traits including appearance and biochemical properties.

**Plant Cloning:** A simple process which allows you to replicate a plant by taking a clipping and adding plant hormones to encourage the development of new roots.

**Pre-roll:** A cannabis flower joint (rolled in paper).

**Purging:** Process of removing residual solvents from extract concentrates.

**Residual Solvent:** Remaining solvent within a concentrate post processing.

**Rick Simpson Oil:** A highly-concentrated cannabis oil containing at least 20% THC.

**Rosin:** A cannabis concentrate produced via heat and pressure techniques, free of solvent purification.

# general cannabis glossary

**Rotary Evaporator:** Also known as a “rotovap” this device is used to aid in the removal of solvents during the extraction process.

**Sativa:** Cannabis Sativa is one of the two main species of Cannabis with a tall, loosely branched, long, narrow leaf appearance. Known to reach heights of up to 20 feet.

**Schwag:** Slang term for poor quality cannabis.

**Sea of Green:** The idea of growing many smaller cannabis plants instead of fewer, larger ones.

**Seed to Sale Concentrates:** Cannabis concentrates created and sold by a single source

**Shatter:** A cannabis concentrate produced from cannabis flowers that hardens after processing with hydrocarbons. Typically after hardening, slabs can be broken apart and “shatter” hence the name.

**Short Path Distillation:** A distillation technique whereby a molecule travels a short distance at a reduced pressure.

**Spider Mites:** Any number of species of arachnid which both feed on and kill cannabis plants.

**Strain:** A slang name for different cultivars, or phenotypes, of cannabis sativa plants.

**Supercritical CO2 Extraction:** An extraction technique which creates phase changes in carbon dioxide using both temperature and pressure.

**Terpenes:** Pungent essential oils within cannabis which have distinct flavor profiles.

**Testing Laboratory:** Labs which provide analytical data pertaining to both potency and safety of all cannabinoid infused products and medicines.

**THC:** Tetrahydrocannabinol, the active molecule in cannabis sativa. Responsible for the psychoactivity of cannabis.

**THC-A:** Tetrahydrocannabinolic acid. The acidic precursor of THC, made by the cannabis sativa plant.

**Tincture:** A liquid edible made from cannabis. Often also includes ethanol, non-cannabis oils, or glycerin as carrier agents for cannabinoids. Orally delivered.

**Tissue Culture:** A technique used to maintain or grow plant cells under sterile conditions in an artificial medium.

**Topical:** A cannabis infused product manufactured to apply to the skin. Often produced with permeation enhancers to increase effects.

**Trichome:** A cannabis sativa plant structure responsible for manufacturing cannabinoids and terpenoids in the plant.

# general cannabis glossary

**Vacuum Oven:** A device used in the post-extraction process which is commonly used to remove residual solvents through evaporation.

**Vape Pen:** A compact medical delivery device, typically with a heating element, than upon achieving high temperatures can volatilize cannabinoids for ingestion.

**Vaporizer:** A medical delivery device, typically with a heating element, than upon achieving high temperatures can volatilize cannabinoids for ingestion.

**Vegetative Stage:** Refers to the growth stage of a cannabis plant prior to the flowering stage.

**Wax:** Also known as “Ear Wax”, this term refers to cannabis concentrate produced from cannabis flowers typically using hydrocarbons. Waxes are softer in than shatters.

# industry glossary

**52 Week High** - A stock's high point over the last 52-week period.

**52 Week Low** - A stock's low point over the last 52-week period.

**Alpha** - The expected return from an investment from its inherent value.

**Annual report** - The yearly audited record of a corporation or a mutual fund's performance that is distributed to shareholders.

**Annualized rate of return** - The average annual return over a period of years, taking into account the effect of compounding. Also known as compound growth rate.

**Appreciation** - The increase in value of a financial asset.

**Bear market** - A bear market is a prolonged period of falling stock prices. The opposite of a bull market.

**Beta** - A measurement of volatility where 1 is neutral; above 1 is more volatile; and less than 1 is less volatile.

**Bull market** - Any market in which prices are advancing in an upward trend. The opposite of a bear market.

**Capital loss** - The amount by which the proceeds of a sale of a stock are less than its purchase price.

**Capitalization** - The market value of a company, calculated by multiplying the number of outstanding shares by the price.

**Dividend** - A dividend is an optional portion of a company's profit paid to shareholders.

**Dow Jones Industrial Average (DOW)** - The most commonly used indicator of stock market performance, based on prices of 30 actively traded blue chip stocks, primarily major industrial companies.

**Equity fund** - A mutual fund or collective fund in which the money is invested primarily in common and/or preferred stock. Stock funds may vary, depending on the fund's investment objective.

**Federal Reserve Board (The Fed)** - The governing board of the Federal Reserve System, they regulate the nation's money supply by setting the discount rate, tightening or easing the availability of credit in the economy.

**Index** - An investment index tracks the performance of many investments as a way of measuring the overall performance of a particular investment category. The S&P 500, for example, is a benchmark for large-stock investors. It tracks the performance of 500 large U.S. company stocks.

# industry glossary

**Inflation** - A rise in the prices of goods and services.

**Large-cap** - The market capitalization of companies with market values greater than \$10 billion.

**Market price** - The current price of an stock.

**Market risk** - A certain possibility that an investment will not achieve its target price.

**Mid-cap** - The market capitalization of companies with market values between \$3 to \$10 billion.

**NASDAQ** - National Association of Securities Dealers Automated Quotations system, which is owned and operated by the National Association of Securities Dealers. NASDAQ is a computerized system that provides brokers and dealers with price quotations for securities traded over-the-counter as well as for many New York Stock Exchange listed securities.

**Portfolio** - A collection of investments managed as a collective whole with specific investment goals in mind.

**Price-to-earnings (P/E) Ratio** - A stock's price divided by its earnings per share, which indicates how much investors are paying for a company's earning power.

**Recession** - A downturn in economic activity, defined by many economists as at least two consecutive quarters of decline in a country's gross domestic product.

**Risk tolerance** - The degree to which one can tolerate volatility in their investments.

**Securities** - Another name for investments such as stocks or bonds.

**Securities and Exchange Commission (SEC)** - The federal agency created by the Securities and Exchange Act of 1934 that administers the laws governing the securities industry, including the registration and distribution of mutual fund shares.

**Share** - A unit of ownership in an investment, such as a share of a stock or a mutual fund.

**Standard & Poor's Index** - Broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks commonly known as the Standard & Poor's 500 or S&P 500.

**Valuation** - An estimate of the value or worth of a company or the price investors assign to an individual stock.

**Volatility** - The amount and frequency with which a stock can fluctuate in value.