

# EXMceuticals

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## Medical cannabis firm EXMceuticals considers future London listing as it nears first revenue

Medical cannabis firm EXMceuticals Inc (CSE:EXM) (FSE:A2PAW2) is nearing its first revenue as it prepares to kick off operations in Portugal.

The company has applied for a licence to process cannabis at a newly constructed facility in Lisbon.

The licence will allow EXMceuticals to import marijuana oil from its farms in Africa to the facility where it will refine the raw oil into nutraceutical and medical cannabis products.

Portuguese regulators are expected to approve the licence in September.

EXMceuticals chairman Jonathan Summers told Proactive he hopes the company will start generating revenues in the fourth quarter after it begins exporting products from Portugal.

He said the group will then consider a listing on the London Stock Exchange next year.

"I would love to list the company on AIM once we have revenue," Summers said.

"Given the fact that we are already listed (in Canada and the Frankfurt Stock Exchange) I'm not desperate to list here, I think we'll wait until the rules become clearer."

Specialist doctors have been able to prescribe medical cannabis in the UK since last November but only for certain cases and only when other medicines have not worked.

That means NHS doctors are reluctant to prescribe the drug.

UK rules surrounding cannabis a grey area for investors

The London Stock Exchange (LSE) also seems reluctant to accept cannabis listings due to concerns about the regulatory risk since the Proceeds of Crime Act remains a grey area for investors. There are at least a dozen cannabis company wanting to float on the main market of the LSE but there are yet to be any firms that have successfully carried out those plans.

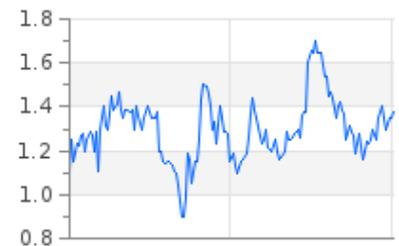
"The real issue is that you want to list in London because you want to access blue chip institutional investors," Summers said.

"I think the problem you have right now is if fund managers go to their compliance department and say I want to buy £5m worth of EXMceuticals stock, the compliance department would say 'there is a theoretical risk here so we're not

**Price:** \$1.35

**Market Cap:** \$50.43 m

### 1 Year Share Price Graph



January 2019    May 2019    September 2019

### Share Information

**Code:** EXM

**Listing:** CSE

**52 week High Low**  
1.97    0.87

**Sector:** Cannabis

**Website:** [exmceuticals.com](http://exmceuticals.com)

### Company Synopsis:

EXM's activities are focused on the sustainable cultivation of cannabis and hemp, and the production of high-grade and hemp ingredients for the pharmaceutical, therapeutic, nutraceutical and cosmetic industries. The Company proposes to sell the produced ingredients to international markets.

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going to let you do that'.

"So, until the rules are changed, you're going to have trouble accessing an institutional investor base. We can be patient"

In the meantime, EXMceuticals is focused on farming in Africa and getting its operations in Portugal off the ground.

#### EXMceuticals plans Canadian joint venture

The group has also signed a memorandum of understanding with Canadian natural health products maker GFR Pharma to form a joint venture in North America. GFR is Canada's largest white-label nutraceutical company, with a state-of-the-art factory just outside Vancouver.

If the MoU results in a firm deal, EXMceuticals will supply the cannabis and GFP Pharma will provide the facilities and expertise to make and distribute CBD consumer products.

EXMceuticals believes it has an advantage because cannabis cultivators in Canada's cold climate have had to invest in greenhouses to grow their products.

Summers said Africa's sunny weather made it ideal for growing cannabis. He added that farming in Africa kept costs of production low.

"Long term we'll be able to grow this raw material for 6 or 7 cents a gram, which is a very small percentage of the price that people currently grow it at in greenhouses" he said.

#### Market potential for cannabis in UK and Europe

In the UK and Europe, Summers thinks the market potential is huge with demand for CBD and medical cannabis expected to ramp up.

With that in mind, he said EXMceuticals is preparing to supply cannabis on a "gigantic scale" from its African farms.

EXM can grow on 2,000 hectares of land in Uganda and 1,000 hectares in the Democratic Republic of Congo. In May EXM agreed to buy an operational agro-processing business in Malawi that will provide a further 2000 hectares of farmland, 280 of which are drip-irrigated. The acquisition also includes a greenhouse nurseery capable of growing up to 700,000 plants, as well as a modern 10,000 sqm factory unit. EXM anticipates this unit will be licensed for cannabis cultivation in September 2019.

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