

EXMceuticals

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EXMceuticals obtains licence for cannabis R&D from Portuguese government

EXMceuticals Inc (CSE:EXM) has obtained a licence for cannabis research and development from the Portuguese government, the upstart cannabis producer said Wednesday.

The license allows the company to take a huge step forward in its European operations by being able to import, research and refine cannabinoids and cannabis by-products in Europe, according to a statement.

EXMceuticals said its fully operational R&D laboratory in Lisbon will now develop cannabis-based products and also operate as a pilot-scale refinery for the transformation of cannabis-based ingredients.

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With its license from the Portuguese National Authority of Medicines and Health Products, the company said it is making a leap forward with regards to its activities in the country and the EU. The company will now convert its research work into real-life wellness products and seek innovative solutions while optimizing the refining processes using state of the art technology.

"We are very pleased to reach this important step for our activities in Europe," said Chairman Jonathan Summers. "This will enable us to expand our work, as well as operate our existing R&D Lab and pilot CBD refinery to its full potential and capacity."

Summers said that the Vancouver-based company's cannabis research will now proceed under the guidance of its senior scientists, with the clear goal of product innovation.

"Our scientific staff will also standardize and optimize extraction and refining protocols that will in time permit us to scale up our worldwide extraction and refining capacity very significantly," he said.

New research projects

The license will also enable EXMceuticals to initiate new research projects under the Portugal 2020 program, a Framework Program between Portugal and the European Commission that brings together the five European Structural and Investment Funds.

The license also allows the company to go further with its strategic R&D partnership program with the addition of a leading UK university and additional European universities in the next few weeks.

EXMceuticals already has in place collaboration agreements with Nova University Lisbon, Lusófona University as well as with a leading Portuguese cosmetics company, prominent Portuguese food & beverage companies, and GFR Pharma, a leading Canadian contract manufacturer.

Price: 0.23

Market Cap: \$9.12 m

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: EXM

Listing: CSE

52 week	High	Low
	1.72	0.05

Sector: Cannabis

Website: 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, therapeutical, nutraceutical and cosmetic industries. The Company proposes to sell the produced ingredients to international markets.

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The company said it has already begun in Portugal the construction and fit-out of an industrial-scale refining facility that will comply with EU GMP Standards. The facility is expected to be completed, operational and fully licensed before the end of the first quarter of 2020.

The facility will import large quantities of cannabis and hemp crude oil from EXMceuticals' farms in Africa, and then refine it on-site to meet client demands and allow the company to export large volumes of highly refined cannabis products to the EU and worldwide.

The company said it anticipates creating more than 80 highly qualified technical & scientific research jobs in Portugal.

Loan facility agreement

In other company news, EXMceuticals said it has entered into a loan facility agreement with Chairman Summers for up to \$500,000. Amounts funded under the facility are unsecured, repayable in December 2020 and bear interest at 15% per annum.

The company issued bonus special warrants to the lender, which entitle the lender to acquire bonus shares at a price of \$1.35 per share for 20% of the principal amount actually funded under the loan facility. The special warrants convert into shares only if the lender subscribes to a future company financing in the amount equal to the outstanding loan amount. Proceeds from the loan will be allocated to ongoing business initiatives and general working capital purposes.

The loan agreement also provides for the grant of performance-based warrants, entitling the lender to acquire between 15% and 60% of the principal amount funded under the loan facility in shares at a price of \$1.35 per share. The percentage will be determined based on EXMceuticals' share price at the time the loan is repaid, with a sliding scale starting from \$1.35 to above \$6.

The company's stock recently traded 4.5% higher to C\$1.15 a share.

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