

EXMceuticals

07:00 08 May 2020

EXMceuticals aims to become global high-grade cannabis ingredients firm

- Looking to produce high-grade cannabis and hemp ingredients
- Targeting pharmaceutical, therapeutic, nutraceutical and cosmetic industries.
- Creating industrial-scale cannabis extraction facility in Portugal

What EXMceuticals does:

EXMceuticals Inc (CSE:EXM) is a medical cannabis company focused on the sustainable cultivation of cannabis and hemp. It is looking to produce high-grade cannabis and hemp ingredients for the pharmaceutical, therapeutic, nutraceutical and cosmetic industries.

The company is currently creating an industrial-scale and pharmaceutical grade extraction and refining unit inside the European Union (EU), near Lisbon in Portugal.

It also has an existing and licensed cannabis research & development facility and pilot refinery in Portugal.

How is it doing:

In March this year, EXMceuticals told shareholders that it is in the final stages of planning for an industrial-scale cannabis extraction facility in Portugal.

The company said it is "actively exploring" a memorandum of understanding with one of the largest North American producers of extracts to ensure the refinery will be operating at capacity when it opens its doors. The extraction firm said it is also planning to import a sample of dried cannabis flowers from its Portuguese farming subsidiary for scientific purposes.

In January the firm had appointed Paulo Martins to lead its Portugal operations, taking up the role of CEO and country director. Martins was a "major driving force" in helping EXMceuticals obtain its cannabis Research and Development licence from INFARMED, the Portuguese National Authority of Medicines and Health Products in December 2019.

In early May, EXMceuticals revealed it had secured a supply agreement-in-principle of pharmaceutical and medical-grade cannabis ingredients totalling a minimum of 8,400 litres of extracts in 202 for its proposed refinery in Portugal.

The company said that Farmceutica Wellness, a supplier of medical-grade cannabidiol (CBD) ingredients, will initially supply up to 4,200 kilograms (kg) of pharmaceutical grade cannabis ingredients to it annually. The firm intends to purchase up to 9,400 kg annually after the refinery is fully equipped, while a separate deal is under negotiation for bulk THC importation.

Farmceutica has also signed an outline letter of intent that will give it the ability to distribute refined cannabinoids manufactured in the refinery, with a focus on the active pharmaceutical ingredients.

Price: 0.16

Market Cap: \$6.32 m

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: EXM

Listing: CSE

52 week High Low
0.83 0.05

Sector: Cannabis

Website: exmceuticals.com

Company Synopsis:

EXMceuticals is a medical cannabis company that strongly believes in the potential health and wellness benefits of hemp and cannabis. EXMceuticals is an emerging player in the market, with high ambitions and potential in becoming a large scale producer of high-grade EU GMP cannabis and hemp ingredients.

action@proactiveinvestors.com

EXMceuticals said these agreements will provide sufficient input material to begin operations at its facility as soon as it becomes operational, which assuming funding is received is expected to be the first quarter of 2021.

To advance its plans during the coronavirus pandemic, the company revealed in March that it had struck loan agreements to provide it with up to \$2,356,000 in financing.

It said the loan agreements with various arms-length parties will be used for general working capital purposes. The loans are repayable within 18 months and bears an interest rate of 12% per annum, It has also agreed to issue to the lenders' common shares equal in value to 20% at a price of \$0.50 apiece.

On the management front, in February the group announced that it had appointed accomplished finance professional Michael Kinley as its new chief financial officer.

Kinley, a former partner with KPMG, has been the president of consulting firm Winslow Associates Management & Communications Inc since 1993. A trained chartered accountant, Kinley has served as an officer and director for several public companies over the past three decades.

In the same month, the group also appointed the former president of Portugal's health regulator, Dr Eurico Castro Alves, to its advisory board. Castro Alves is also the founder of WiseHS medical and Pharmaceutical consulting, a European business and clinical consultancy that offers guidance to the medical cannabis industry.

And in January it revealed it had tapped up a senior London lawyer with expertise in the cannabis sector as a new board advisor. Nick Davis is the CEO and senior corporate partner at Memery Crystal, a London-based law firm with the leading cannabis practice in the UK.

The group is also seeking new bosses after its CEO Michael Passebon and CFO Scott Davis stepped down from their positions in January. Jonathan Summers is serving as interim CEO until a replacement is found.

Inflection points:

- Further news on progress for Portuguese extraction plant
- More news on medicinal cannabis supply agreement
- Appointment of new CEO

What the boss says:

Commenting on the supply agreement-in-principle in May, EXMceuticals interim chief executive Jonathan Summers said: "These outline supply arrangements are an important step for EXM, as we continue to establish our business model. Securing high-quality source materials from stable sources is a key component, and we have faith these groups will be meaningful partners of ours.

"EXM is now focused on industrial purification, refining and extraction, coupled with a meaningful R&D operation. We aim to be a trusted European source of high-quality cannabis products for the growing demand of the pharmaceuticals and medical industries. We are eager to work closely with Farmceutica and to provide consistent product to our future clients."

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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