

High Returns

INVESTING IN THE GROWING CANNABIS
AND ALTERNATIVE MEDICINE INDUSTRY

THEMATICA REPORT



The Market Herald

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ABOUT THE MARKET HERALD

See the bigger investment picture

The Market Herald, in conjunction with Stockhouse, is proud to launch Thematica's latest report.

Self-directed investors make up almost 40% of the Canadian and Australian stock markets, and they need information to build their investment thesis.

With in-depth research, compelling interviews and insightful data, Thematica gives investors a chance to see the bigger picture and allows companies to be a part of an exclusive global insights series.

Along with Thematica, The Market Herald reaches almost 3 million of the world's most affluent and engaged investors each and every month.

With an investor database of almost 600,000 subscribers and over 100 million monthly page impressions, The Market Herald is one of the fastest-growing business and finance platforms in the world.



INTRODUCTION

Legalization in Canada

The legal cannabis market in Canada is undoubtedly one of the largest national markets in the world and has been integral in shaping the framework to decriminalize other illicit drugs in the country.

Canada officially legalized the recreational use of marijuana back in 2018¹, which at the time included adults aged 18 and older to legally:

- Possess up to 30 grams of legal cannabis, dried or equivalent, in a non-dried form in public
- Share up to 30 grams of legal cannabis with other adults
- Buy dry or fresh cannabis and cannabis oil from a provincially-licensed retailer
- Grow up to four cannabis plants per household for personal use
- Make cannabis products such as food and drink at home

In 2019, cannabis edible products and concentrates became legal, effectively shifting the market towards its second phase, which now includes cannabis-infused edibles, vape pens and topicals.

Since its legalization, the Canadian legal cannabis landscape has contributed C\$43.5 billion to the country's GDP as of 2022². In line with this, recreational and medical cannabis sales between 2018 and 2021 are estimated to be roughly

\$11 billion in Canada, with almost 68 per cent of sales for recreational cannabis alone.

With the cannabis industry now well-established in Canada, it has helped pave the way for the decriminalization of other illicit drugs such as psychedelics.

Psychedelics include a range of restricted plants, fungi and chemicals that are regulated under the federal government's Controlled Drugs and Substances Act (CDSA)³. While psychedelics are not yet legal at a federal level, the CDSA says that activities involving magic mushrooms, psilocybin and psilocin are illegal unless authorized by Health Canada.

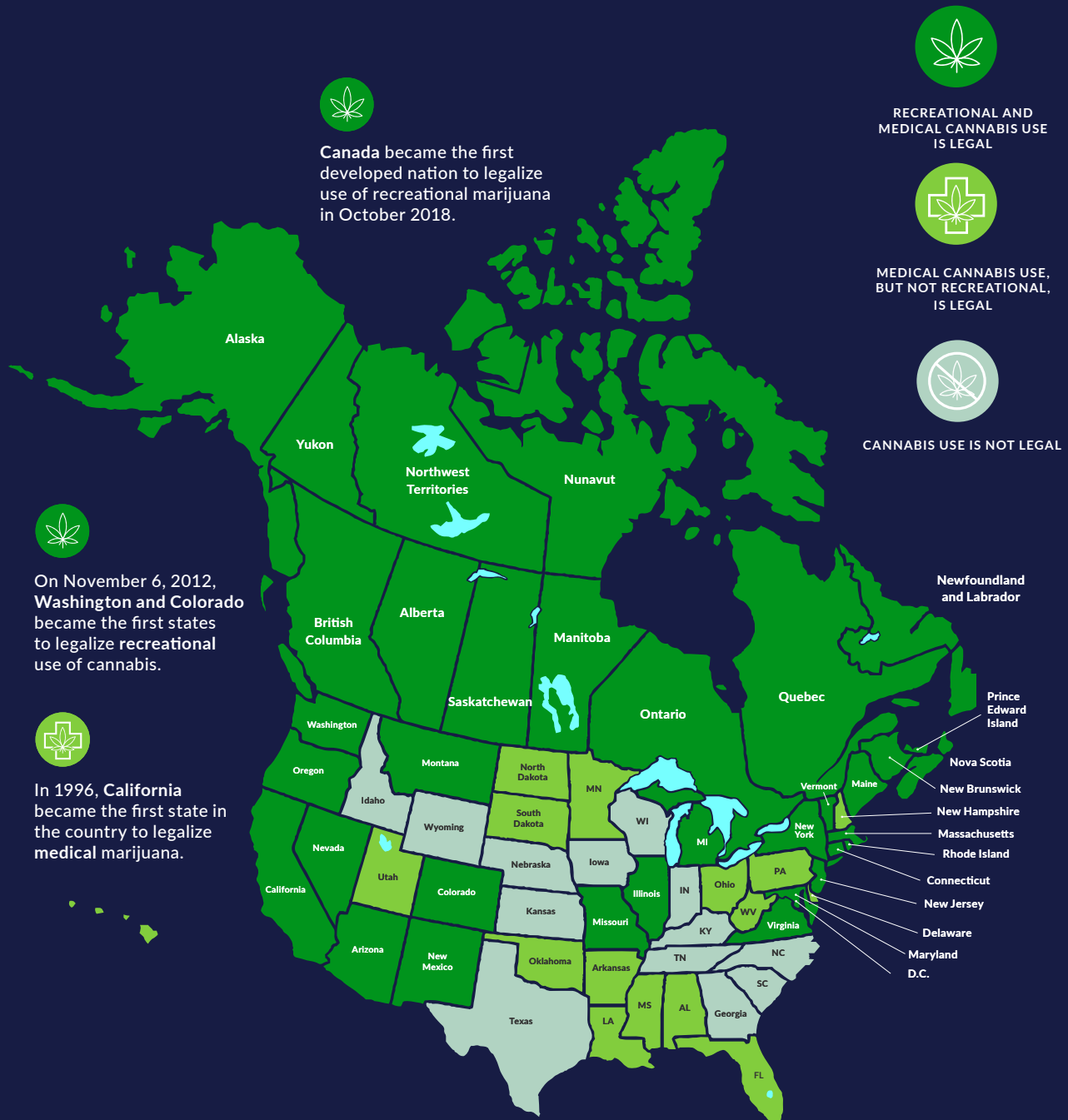
That being said, Health Canada continues to grant exemptions for the use of psychedelics in certain settings, which could potentially pave the way to federal legalization.

The Market Herald's latest Thematica report examines the cannabis and psychedelics space and what has shaped the market to date, in addition to companies that investors should be on the lookout for.



Legality of cannabis in North America

Medical and recreational cannabis may be legal in some U.S. States and Canada, but remains illegal under US federal law.



American Nonsmokers' Rights Foundation (January 1, 2023)
 Laws are enacted; not yet necessarily in effect. CBD/THC oil legislation is not reflected.
 Note: American Indian and Alaska Native sovereign Tribal laws are not reflected on this map.

CHAPTER ONE

The legalized cannabis framework

Although Canada became the first developed nation to legalize the recreational use of cannabis, other countries have undoubtedly helped lay down the framework for the country.

Case in point, the Netherlands liberalized cannabis in 1976 in response to social problems of overall drug use. In other words, although cannabis is not officially legal in the country, it has been decriminalized for personal usage where authorities in the Netherlands do not prosecute anyone in possession of under five grams of the drug for personal use⁴. In 2019 the Dutch Senate initiated a pilot program to sell legal cannabis. The country plans to officially launch the program by the end of 2023⁵.

In the US, the story is somewhat more complicated — cannabis is not legalized at a federal level and each state has a different set of laws regarding the drug.

At present, cannabis is legal recreationally in 21 states, while 37 US states have cannabis legalized for medicinal purposes⁶.

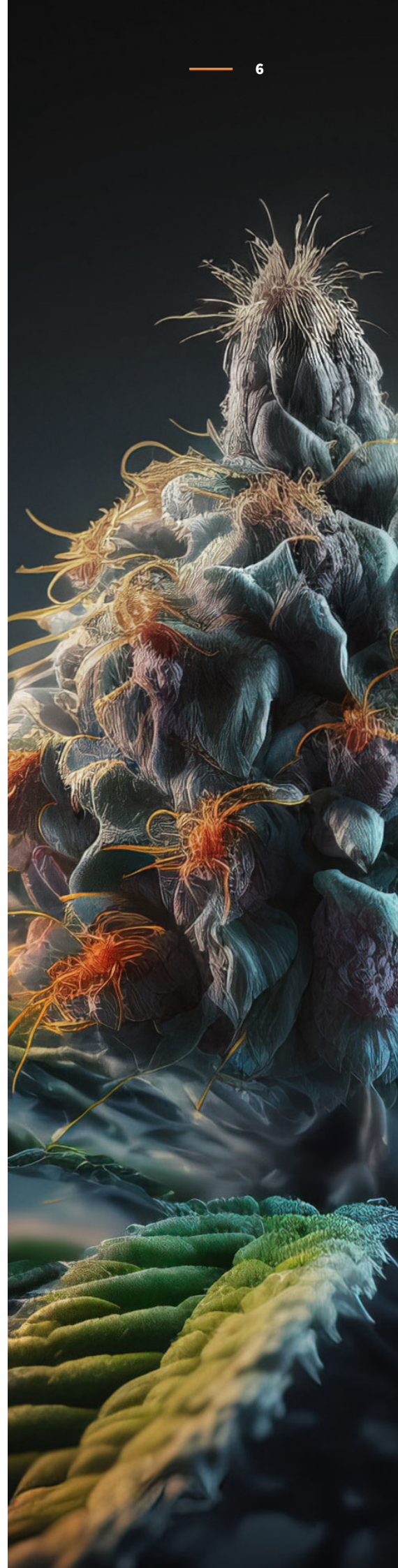
Canada, however, is a bit of a different story, which we'll break down.

LEGALIZATION OF CANNABIS IN CANADA

As noted, recreational cannabis in Canada became legal in 2018, although it was back in 2000 that Canadian courts decided citizens had the right to access medicinal cannabis. This meant Canadian patients, through the assistance of a medical practitioner, could get authorization to possess dried cannabis for medicinal purposes, while permitted-approved participants could grow cannabis themselves or purchase plants through Health Canada directly⁷.

Canadian Prime Minister Justin Trudeau first introduced the Cannabis Act back in 2017, shaping the framework for the legal recreational use of cannabis.

The Act included a range of restrictions, which included setting the legal age to use cannabis at 18. Other restrictions included a limit for possession, the number of plants individuals can hold in their



CHAPTER ONE

The legalized cannabis framework ... cont.

possession and restrictions on the packaging and labeling of cannabis products.

The Canadian Parliament passed Bill C-45 on October 17, 2018, called the Cannabis Act, effectively legalizing recreational cannabis for Canadians aged 18 years and older. This made Canada the first G-7 country to officially legalize at a federal level the recreational adult use of cannabis.

In 2019, the cannabis industry expanded into its second stage of cannabis legalization — cannabis 2.0 — to include a range of products including edibles, extracts and topicals⁸.

THE CURRENT CANNABIS LANDSCAPE IN CANADA

Now that it's been over four years since the recreational legalization of cannabis in Canada, the market has begun stabilizing after the initial highs and excitement of being a new market.

Since its legalization, cannabis in Canada has contributed \$43.5 billion to Canada's national GDP⁹. Between 2018 and 2021, cannabis sales reached \$11 billion, with 67.8 per cent of those sales recreational.

It is also estimated that the cannabis market contributed to significant government tax revenue and, notably, indirect tax revenue. In total, it is projected the cannabis market

supported roughly \$15.1 billion in government tax revenue across Canada between 2018 and 2021.

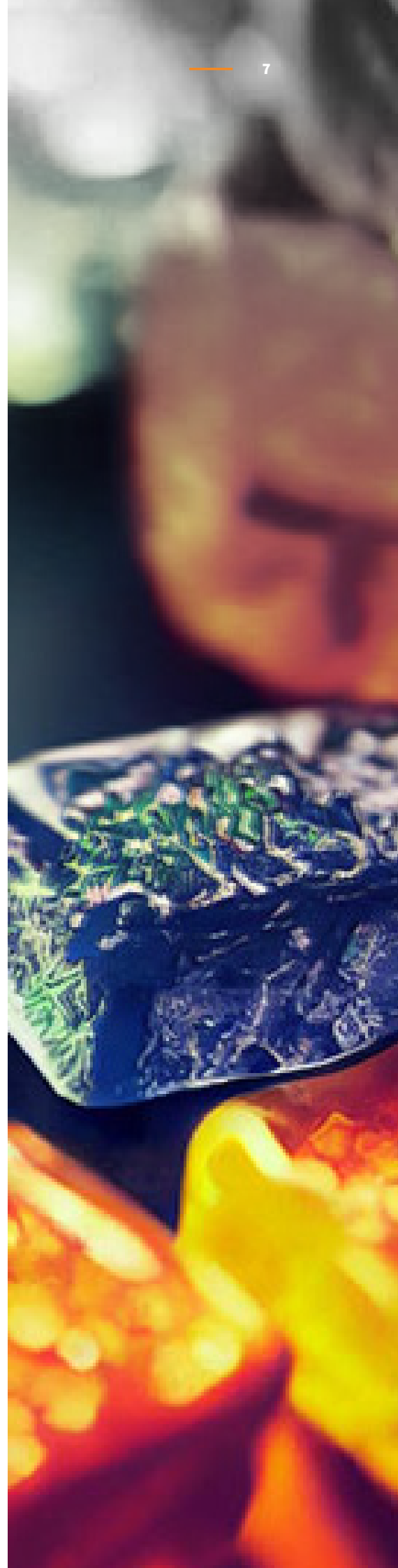
The market has also made significant capital expenditures as companies continue to establish themselves for growth by investing in real estate, infrastructure and technology. During the same period, capital expenditures totaled \$29 billion across Canada¹⁰.

In 2022, cannabis sales reached C\$4.52 billion (US\$3.35 billion) on regulated-adult use products, growing nearly 18 per cent from 2021 sales¹¹. Sales increased as a result of the number of licensed cannabis stores increased. The previous year saw \$3.83 billion in sales of recreational cannabis.

December 2022 reached a monthly record of just over \$425 million after month-over-month declines between October and November.

Meanwhile, the number of legal cannabis stores in Canada clocked in at just over 3,700 as of January 2023. The province of Ontario is home to 1,351 legal cannabis stores, followed by Alberta at 677, British Columbia at 391, Manitoba at 128 and Quebec at 93 to round out the top five provinces¹².

Putting it simply, the cannabis market has been a significant factor in economic growth in Canada and has contributed to thousands of



CHAPTER ONE

The legalized cannabis framework ... cont.

jobs across the country. As such, it is believed the market will continue to make a significant and positive impact in both the federal and provincial economies¹².

THE FUTURE OF CANNABIS IN CANADA

Moving forward into the rest of 2023 and beyond, the legal recreational cannabis market is expected to reach \$7.8 billion by 2026¹³.

In line with this, new products will continue to enter the market fueled by the ever-evolving edibles sector.

Cannabis-infused edibles will continue to expand while cannabis-infused beverages will make their mark in 2023. Because cannabis-infused beverages have recently been legalized, companies in the industry will be ramping up efforts to develop innovative drinks infused with cannabis.

Tetrahydrocannabinol (THC) alternatives will gain momentum as companies continue focusing on developing CBD and CBG products without the psychoactive effects.

Sustainable cannabis products are also expected to make a push, particularly as environmentally conscious initiatives continue to ramp up.

Other trends such as micro-dosing, home growing and more

concentrates are also expected to gain traction in 2023 and beyond, as well as delivery services and cannabis lounges¹⁴.

SETTING THE STAGE FOR PSYCHEDELICS

The legalization of cannabis has undoubtedly shaped the future of the legalization and decriminalization of other illicit drugs in Canada, and that is currently happening across the psychedelics market.

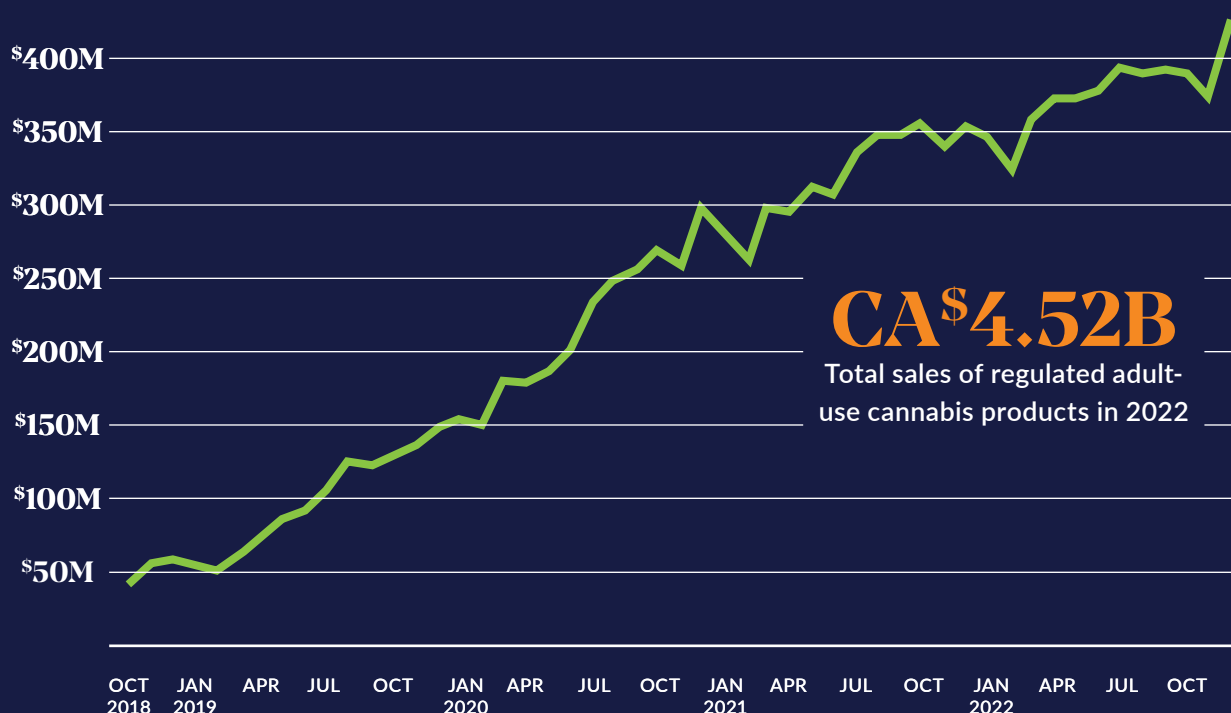
Similar to paving the way for other G-7 countries working towards legalizing cannabis, could Canada also be the first to do the same with psychedelics?



Canadian recreational cannabis sales

According to recent retail sales data from Statistics Canada, regulated adult-use cannabis products in Canada generated 4.52 billion Canadian dollars (\$3.35 billion) in consumer spending in 2022, representing a 17.9% increase from the previous year's sales total.*

Recreational cannabis sales by month, in Canadian dollars.



As per the data from late January 2023, Canada had

3,700+ legal

recreational cannabis storefronts, which equates to slightly less than one store per 10,000 residents at the national level."



CHAPTER TWO

The emergence of psychedelics

Just like cannabis, psychedelics aren't anything new, but the rise and acceptance of psychedelics as treatment methods for a wide range of conditions has been generating a lot of attention in the last several years.

Psychedelics are not currently legal at a federal level, but they do fall under "Controlled Substances" in the *Controlled Drugs and Substances Act* (CDSA) in Canada.

A controlled substance is categorized under the act based on its potential danger. For example, Schedule 1 substances are the most dangerous and have the highest potential for abuse and penalties for violations.

Most psychedelics are considered Schedule 3 substances and include LSD, psilocybin and psilocin, mescaline, and DMT. MDMA and ketamine, however, are Schedule 1 substances.

According to the CDSA, all use of controlled substances is prohibited unless there is an exemption granted under section 56. Section 56 of the act provides exemptions to medical professionals to prescribe psychedelics, which in turn is contributing to the number of people using psychedelics.

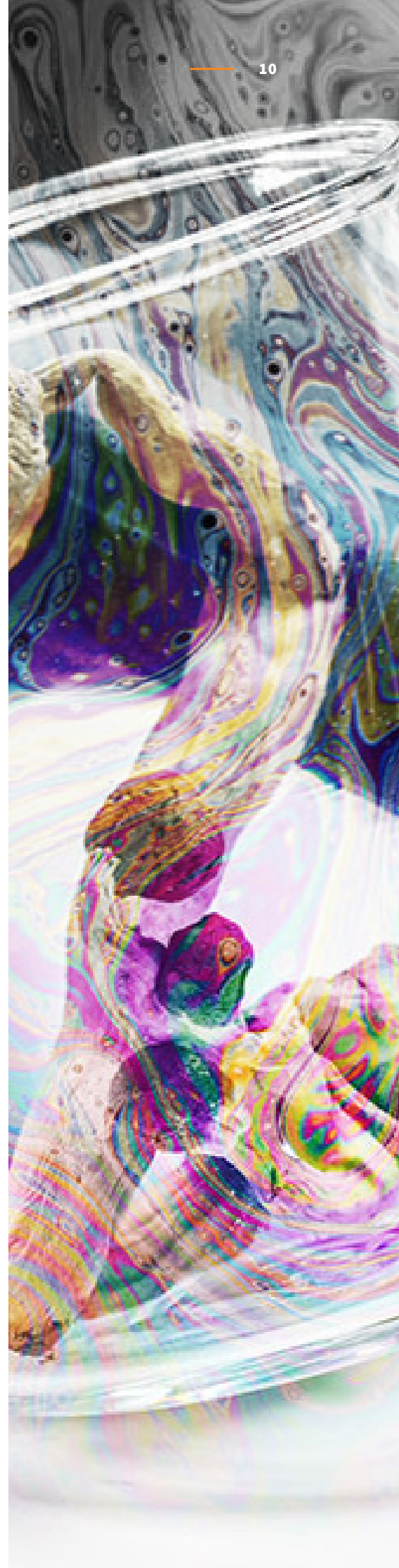
THE CURRENT PSYCHEDELICS MARKET IN CANADA

As noted, magic mushrooms are illegal in Canada. Magic mushrooms, otherwise known as psilocybin and psilocin, have psychoactive substances in them. Mushroom spores, on the other hand, have microscopic cells that lead to the reproduction and growth of mushrooms¹⁵.

In 2022 Health Canada amended the Special Access Program to allow doctors to request psychedelics such as psilocybin and MDMA (ecstasy) for research purposes and to treat patients who have not responded to other treatment options.¹⁶

Similarly, the province of Alberta implemented 2022 a policy on psychedelic-assisted therapy to treat mental health conditions, which could be a major catalyst in advancing the legalization of psychedelics across the country¹⁷.

"The evidence is emerging that psychedelic-assisted therapy holds



CHAPTER TWO

The emergence of psychedelics...con't

a lot of promise in treating mental health issues like posttraumatic stress disorder and treatment-resistant depression,” Mike Ellis, Alberta’s associate minister of mental health and addictions, said in October 2022.

In December 2022, the province of Quebec advanced the acceptance of psychedelic therapies by becoming the country’s first province to publicly fund medical psychedelic-assisted therapy.

“This decision is a huge step forward for the use of psilocybin-assisted psychotherapy as a legitimate medical treatment, TheraPsil, a nonprofit group that advocates for the advancement of psilocybin therapies, said in a statement. “It not only provides greater access to this potentially life-changing treatment for patients in Quebec, but it also sets a precedent for other provinces to follow suit.”¹⁸

Meanwhile, in British Columbia, the government decriminalized personal possession of certain controlled substances in the province as of January 2023. Now, adults aged over 18 will not be subject to criminal charges for the personal possession of small amounts of drugs. For example, MDMA is not criminalized when 2.5 grams or less is in possession.

In short, for a drug that is still illegal at a federal level, there are certainly a lot of exceptions that are putting

the wheels in motion to officially decriminalize psychedelics.

At this point, it’s not a question of if, but when.

THE FUTURE OF PSYCHEDELICS IN CANADA

With the province of Alberta approving hallucinogens in therapy back in October and British Columbia moving to decriminalize small amounts of personal possession of some illicit drugs, the future is promising for the psychedelics market in Canada.

Already, Canada’s recent policy changes make it one of the few countries in the world where psychedelics can be accessed on a compassionate or emergency-use basis¹⁹.

That said, research continues to be needed in the psychedelic market to meet the same bar for approval as other medicines. Similar to cannabis, legalization of medicinal use is most likely to be the first course of action.

Similarly, the Canadian Institutes for Health and Research are also currently funding Phase 1 and 2 trials of psilocybin-assisted psychotherapy for substance use and mental disorders²⁰.

Meanwhile, MDMA-assisted therapy for posttraumatic stress disorder is in phase 3 trials and on track for medical legalization in 2023.

CHAPTER THREE

The next wave of illicit drugs

With cannabis fully legalized at a medical and recreational level – and the psychedelics market slowly but surely working towards the same trajectory – is the legalization of other illicit drugs on the horizon?

As mentioned, while not technically legalized, the province of British Columbia became the first province to decriminalize illicit drugs for personal use.

Under a three-year-pilot plan decided by the federal government, up to 2.5 grams of four drug types are allowed to be legally possessed:

- Cocaine, including crack and powder
- Methamphetamine
- MDMA
- Opioids, including heroin, fentanyl and morphine

The exemption means that individuals who are in possession of 2.5 grams or below of the above-noted drugs will not be arrested or have charges laid against them.

The plan is the first of its kind in Canada, although it is unclear if other provinces will follow suit. The federal government is showing support by saying in June 2022 that it is open to having discussions with other provinces to decriminalize small-scale possession of hard drugs across the country.

British Columbia is the first province to make the move in efforts to help reduce the stigma that prevents individuals from having proper access to support and life-saving services. It is estimated that roughly 1,600 British Columbians died in the first nine months of 2022 as a result of illicit drugs.

Illicit drugs are the leading cause of unnatural death in the province and second only to cancers in terms of years of life lost. Since April 2016, when a public health emergency was first declared in the province related to substance abuse, approximately 10,505 lives have been lost in British Columbia.

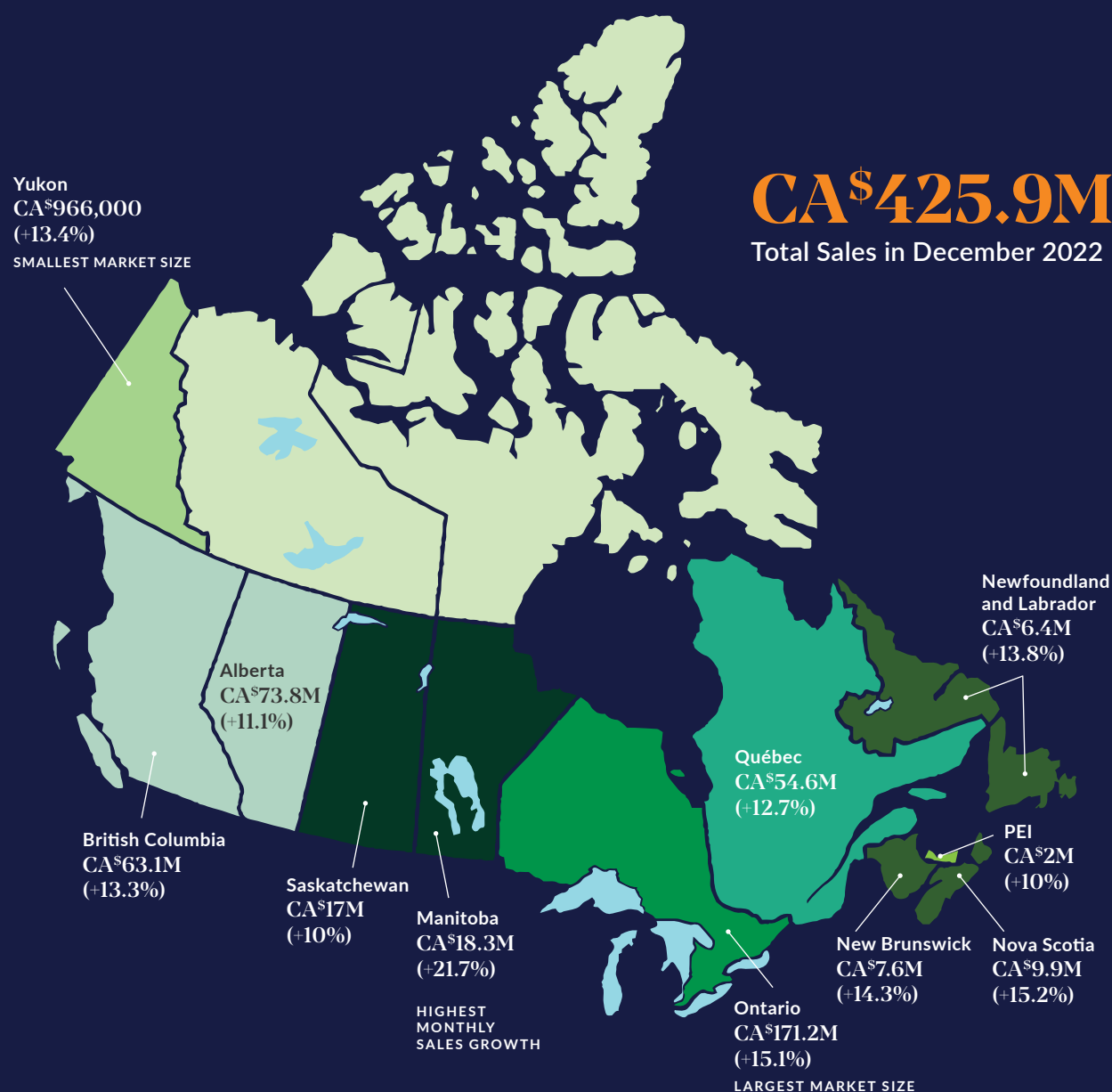
Lots believe that if there is a movement to legalize illicit drugs across the board, it will rapidly reduce the number of deaths related to usage. It has been shown that increasing drugs are being mixed with fentanyl and other harmful substances, which are leading users to unknowingly overdose.

Although British Columbia is the first province to do so, Vancouver and Toronto Public Health have filed separate exemption requests.



Canadian cannabis retail sales by region

In December, monthly sales of recreational cannabis in Canada hit a new high of CA\$425.9 million, following a decrease in sales on a monthly basis in October and November. Manitoba emerged as the leading province in terms of monthly sales growth between November and December.[†]



CHAPTER FOUR

Top cannabis stocks in Canada

As the cannabis industry continues to evolve in Canada, so too do companies in the space. Cannabis companies are the backbones of the growth, distribution and sale of marijuana — both recreational and medical — and fall into different business categories or licenses²³.

These include:

Cultivation licenses — which are based on the type of production and lighting used. It also includes the number of plants grown and size of the canopy, which is the area where the flower plants are grown.

Manufacturing licenses — these are based on the activities performed, chemicals used for extraction and post-processing and whether or not the manufacturer works in a shared-use facility.

Distribution licenses — distributors can move cannabis and cannabis products between cultivation, manufacturing or distribution locations. Distributors can also move cannabis goods to retail premises, provide storage services to other licenses and arrange for testing of cannabis goods.

Testing laboratory licenses — these licenses are for laboratories that test cannabis products before being sold at a retailer.

Retail licenses — a type 9 retailers non-store front retailers sell cannabis products to customers only through delivery, while type 10 retailers are storefront retailers that have a physical location where cannabis products are good, and can also be delivered.

Micro Business licenses — these licenses are for businesses that do cultivation of up to 10,000 total square feet; manufacturing of non-volatile solvents, mechanical extraction or infusion; distribution or distribution transport-only; and retail, storefront or non-storefront.

Event licenses — event licenses include an event organizer, which is for the person hosting a cannabis event and a temporary cannabis event, which is for the event only.

In Canada, cannabis stocks fall under the agriculture commodities and milling sector, according to TradingView.com.

These are the top five cannabis stocks in Canada by market cap.



TOP 5 CANNABIS STOCKS

Curaleaf Holdings Inc.

Curaleaf Holdings cultivates and sells medicinal and recreational cannabis in the US and has a presence in 21 US states. Under its umbrella are its brands Curaleaf, UKU, Select and Grassroots.

Headquartered out of New York, New York, Curaleaf Holdings owns and operates 150 dispensaries and 28 cultivation sites. Its presence can be found in states such as Arizona, Florida, Illinois, Massachusetts, New Jersey, New York and Pennsylvania, among others.

In the US, Curaleaf Holdings has research and development facilities in Massachusetts and Kentucky. The company has 515 new products currently under development that are being prepared for launch and over 50 product concepts and ideas.

In 2022, roughly 18 per cent of its third-quarter revenue was generated by new products that were launched over 12 months alone.

Curaleaf Holdings also has several collaborations, including one at the Imperial College in London, the Institute of Cancer Research in London, the University of Insubria in Italy, the Fondazione Mondino in Italy, and a partnership with Boiron, a European pharmaceutical company.

GLOBAL PRESENCE

By acquiring Curaleaf International in March 2021, the company is now the first and only multi-state operator (MSO) to have a strong international presence, including operations in eight European countries.

Formerly known as EMMAC, Curaleaf International has three hectares of licensed cultivation — both indoor and outdoor — and can expand to 20 hectares. Curaleaf International can also import and distribute throughout the United Kingdom, Germany, Italy, Switzerland and Portugal.

In the UK, the company has a dominant share position with 32 per cent patient share. In Q3 2022, the company acquired a 55 per cent stake in Four20 GmbH, a fully EU-GMP and GDP-licensed German producer and distributor of medical cannabis.

Curaleaf has also registered its cannabis-based medicines as extracts in Poland with its local partner CanPoland S.A.

In Italy, the company was the first company worldwide to obtain registration of an API from AFIA, the local medicines authority, Curaleaf has now registered a second API.

Alternate Symbol(s):
OTCQX:CURLF

TICKER

CSE:CURA

MARKET CAP

\$2.35 BILLION

CEO

MATT DARIN

“Curaleaf’s diverse geographic and channel revenue mix is a key distinguishing factor driving our performance, one that allows us to withstand regional challenges and still deliver on revenue targets”

CEO, MATT DARIN

TOP 5 CANNABIS STOCKS

Tilray Brands Inc.

Tilray is focused on cannabis research, processing, cultivation and distribution. The company is Good Manufacturing Practice (GMP) certified that produces and supplies adult-use cannabis, medical cannabis and hemp products.

As a global leader in the cannabis industry, Tilray Brands has operations in Canada, the United States, Europe, Australia and Latin America and continues to expand its global footprint.

Headquartered out of New York City, New York, Tilray Brands became the first cannabis company to begin trading on a major US stock exchange, the NASDAQ. Shortly after its initial public offering, Tilray became the first Canadian cannabis company to legally export medical cannabis into the US for clinical trials.

The company also boasts a production platform that supports over 20 brands in over countries, which includes comprehensive cannabis offerings, hemp-based foods and alcoholic beverages.

In late 2020, former public cannabis company Aphria and Tilray announced the two would be merging under the Tilray brand, in what would become the largest cannabis company in the world.

The deal officially closed in May 2021, giving the blended company roughly 19 per cent of the recreational cannabis market share in Canada.

GLOBAL FOOTPRINT

Tilray was one of the first licensed companies to produce medical cannabis in Canada. Tilray is now one of the country's leading providers of medical cannabis by supplying whole flower, milled blends and oils.

Tilray was also the first company to legally export medical cannabis products from North America to Europe. Tilray has a cultivation license from the Government of Portugal to produce products for the EU market. The company's products are available at pharmacies in countries across Europe.

In Latin America, Tilray's Tilray Latin America brand imports, produces and distributes Tilray's branded medical products in Chile. Tilray Latin America acts as a hub to distribute products across Latin America.

In Australia and New Zealand Tilray was the first company to legally export medical cannabis from North America to both countries. Tilray is now one of the leading providers of medical cannabis across Australia and New Zealand.

Alternate Symbol(s):
NASDAQ:TLRY

TICKER

TSX:TLRY

MARKET CAP

\$1.44 BILLION

CEO

IRWIN D. SIMON

"In Europe, we believe that we are extremely well-positioned overall in a cannabis market. And, in Canada, we will be patient and strategic in building our competitive positioning amid the price compression and difficult operating conditions that we expect will, inevitably, consolidate the oversupply of licensed producers"

CEO, IRWIN D. SIMON

TOP 5 CANNABIS STOCKS

Green Thumb Industries Inc.

Green Thumb Industries produces and sells medicinal and recreational cannabis through wholesale and retail channels in the US. It has a presence in 15 states and operates roughly 77 cannabis stores. medical cannabis and hemp products.

With its headquarters out of Chicago, Illinois and Vancouver, BC, Green Thumb Industries was established in 2014 and manufactures and distributes a portfolio of branded cannabis products including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM.

Green Thumb Industries also owns and operates rapidly growing national retail cannabis stores across North America called RISE. The company has 18 manufacturing facilities, 77 open retail locations and operations across 15 US markets.

BRANDS

The company's Good Green brand brings cannabis, consumers and businesses together to create progress against the War on Drugs. The Good Green brand attempts to recreate opportunities and demands for social equity for communities that have been negatively affected.

Green Thumb Industries' Rhythm brand is a premium line of flower, full-spectrum vape and live concentrates. They are available in four categories: Energize, Balance, Relax and Heal.

The company's Dogwalkers brand is pre-rolls made of premium flower.

Additionally, the company's incredibles brand is a line of edibles that are available in Colorado, Illinois, Maryland, Massachusetts, Nevada, Ohio, Virginia and Puerto Rico.

Originally intended for social dosing, the Beboe brand cultivates pure, potent cannabis products ranging from gold pens to pastilles.

The Doctor Solomon's brand applies scientific standards to develop reliable cannabis products that provide advanced relief and improve quality of life.

In April 2023, the company launched a new line of pre-rolls called Show Dogs, which will be sold exclusively at the RISE Dispensaries for the first two weeks. The company said the product line will eventually expand to other markets later this year, including Massachusetts, Maryland and Nevada.

The Show Dog pre-rolls are made with premium cannabis flower harvested from peak freshness and infused with high-grade concentrate.

Alternate Symbol(s):
OTCQX:GTBIF

TICKER

CSE:GTII

MARKET CAP

\$2.27 BILLION

CEO

BEN KOVLER

"I am confident that Green Thumb has the right team, the right brands, and the right operational setup to navigate the middle innings of this industry and beyond,"

CEO, BEN KOVLER



TOP 5 CANNABIS STOCKS

Trulieve Cannabis Corp.

A vertically integrated cannabis company and multi-state operator in the US with established hubs in the Northeast, Southeast, and Southwest regions of the country.

Headquartered out of Tallahassee, Florida, Trulieve Cannabis has an established presence in Arizona, Florida, West Virginia and Pennsylvania. The company was the first licensed operator in Florida with initial sales in 2016

As of March 2023, the company has 184 dispensaries across eight states and over 4 million square feet of cultivation and processing capacity as of December 31, 2022.

In 2023, the company plans to add 15 to 20 new stores as well as relocate up to six of its stores.

FLORIDA

In Florida, Trulieve operates 125 medical dispensaries. The company is also optimizing its supply chain capacity by ramping up 750,000 square feet of indoor facility. Trulieve is also increasing production of a wide range of products.

PENNSYLVANIA

Trulieve has 19 affiliated retail locations in Pennsylvania where it also continues to optimize indoor cultivation and processing capacity through affiliated facilities. Trulieve is expanding sales of internal brands, including Cultivar, Modern Flower, Muse and R.O.

ARIZONA

Trulieve operates 20 retail dispensaries in Arizona. The company opened three branded locations in 2022 in Phoenix, Sierra Vista and Tucson, and also began rebranding efforts at its Glendale location in November 2022.

TRULIEVE BRANDS

The company has three tiers of brands, including:

- **Premium:** Avenue, Cultivar Collection, and Muse
- **Mid:** Alchemy, Modern Flower, Momenta, and Sweet Talk
- **Value:** Roll One, Loveli, and 2 Colors

RECENT DEVELOPMENTS

Trulieve continues to expand its presence across the US. It has opened three dispensaries in Palatka and Winter Haven in Florida and Beckley, West Virginia. The company has also officially launched adult-use sales in Bristol, Connecticut.

The company also launched its proprietary brands Modern Flower and Roll One in Massachusetts and West Virginia and is the first US cannabis company to launch advertising campaigns on Twitter.

Alternate Symbol(s):
OTCQX:TCNNF

TICKER

CSE:TRUL

MARKET CAP

\$1.32 BILLION

CEO

KIM RIVERS

“With increasing mainstream support and meaningful regulatory reform on the horizon, tremendous growth opportunities lie ahead for U.S. legal cannabis. In 2023, we are laser focused on cash generation while investing to build a sustainable company designed to thrive in an integrated commerce environment,”

CEO, KIM RIVERS

TOP 5 CANNABIS STOCKS

Canopy Growth Corp.

Canopy Growth cultivates and sells medicinal and recreational cannabis, and hemp, through a portfolio of brands that include Tweed, Spectrum Therapeutics, and CraftGrow.

Based out of Smiths Falls, Ontario, Canopy Growth Corporation was the world's cannabis company in April 2019. Canopy Growth is a diversified cannabis company that provides product varieties in high-quality dried flower, oil, softgel capsules, infused beverages, edibles and topic formats as well as vaporizer devices.

Canopy delivers innovative products with a focus on premium and mainstream cannabis brands. These include Doja, 7ACRES, Tweed, and Deep Space. Under its CPG portfolio are sugar-free sports hydration brand BioSteel, targeted 24-hour skincare and wellness solutions from This Works, gourmet wellness products by Martha Stewart CBD, and category-defining vaporizer technology made in Germany by Storz & Bickel.

The company also boasts an established comprehensive ecosystem to maximize benefits in the US THX market. Canopy Growth is able to do so through its rights to Acreage Holdings, a vertically integrated multi-state cannabis operator with principal operations in densely populated states across the Northeast, as well as Wana Brands, a leading cannabis edible brand in North America, and Jetty Extracts, a California-based producer of high-quality cannabis extracts and pioneer of clean vape technology.

In December 2022, the company announced it is transitioning into an asset-light model in Canada by exiting cannabis flower cultivation at its Smiths Falls facility, ending the sourcing of cannabis flower from its Mirabel, Quebec facility and moving to a third-party sourcing model for cannabis beverages, edibles, vapes and extracts.

The company said it would also be closing its Scarborough, Ontario facility.

Canopy Growth also announced in March 2023 the introduction of first-to-market cannabis beverages with naturally occurring caffeine under its Deep Space Brand. The company said it would also be launching four new flavours under the Tweed brand.

Alternate Symbol(s):
NASDAQ:CGC

TICKER

TSX:WEED

MARKET CAP

\$995.12 MILLION

CEO

DAVID KLEIN

“Canopy must reach profitability to achieve our ambition of long-term North American cannabis market leadership. We are transforming our Canadian business to an asset-light model and significantly reducing the overall size of our organization,”

CEO, DAVID KLEIN



Recreational cannabis sales

In 2021/2022, the sales of recreational cannabis through provincial cannabis authorities and other retail outlets reached \$4.0 billion, which is equivalent to \$131 per legal-age consumer of cannabis.°

The most popular type of cannabis sold in Canada in 2021/2022

4.11%

EDIBLES

OTHER

18.1%

INHALED EXTRACTS SUCH AS
VAPE PENS, HASH, AND ROSIN

71.1%

DRIED CANNABIS



In the fiscal year ending March 31, 2022,
the federal and provincial governments earned

\$1.6 billion

from the control and sale of recreational cannabis. This includes net income from cannabis authorities, excise taxes, retail sales taxes, other specific taxes, and licenses and permits.°

CHAPTER FIVE

Small market cap cannabis and psychedelics stocks

While the Toronto Stock Exchange (TSX) is home to most licensed producers, the TSX Venture Exchange (TSXV), Canadian Securities Exchange (CSE) and NEO Exchange are home to a wide range of other cannabis and psychedelics stocks.

All data listed below are taken from TradingView.com's stock screener.



CSE

Top 25 companies listed on the CSE

Featured by highest market cap

SYMBOL	COMPANY NAME†	MARKET CAP† (CAD)	52 WEEK LOW†	52 WEEK HIGH†	CHANGE (%)
TER	Terrascend Corp.	\$561,611,600	\$1.35	\$7.11	0.98%
EPIC	1CM Inc.	\$187,621,904	\$0.70	\$1.66	0.61%
INNO	Innocan Pharma Corporation	\$57,268,450	\$0.20	\$0.65	0.00%
BZAM	BZAM Ltd.	\$51,103,260	\$0.29	\$1.25	0.00%
GWAY	Greenway Greenhouse Cannabis	\$28,572,440	\$0.22	\$1.38	2.27%
XTRX	Adastra Holdings Ltd.	\$24,627,042	\$0.11	\$2.00	20.55%
CANN	Heritage Cannabis Holdings Corp.	\$20,283,790	\$0.02	\$0.08	0.00%
RVV	Revive Therapeutics Ltd.	\$18,505,074	\$0.04	\$0.49	-7.69%
ATL	Atlas Global Brands Inc.	\$13,142,811	\$0.15	\$1.50	-4.40%
BEV	Bevcanna Enterprises Inc	\$12,345,170	\$0.05	\$0.13	4.76%
IMCC	IM Cannabis Corp.	\$12,204,310	\$0.91	\$23.30	-4.21%
THC	THC Biomed Intl Ltd.	\$9,836,310	\$0.02	\$0.08	-16.67%
CLC	Christina Lake Cannabis Corp.	\$9,834,160	\$0.06	\$0.22	20.00%
AYUR	Ayurcann Holdings Corp.	\$8,646,760	\$0.03	\$0.18	22.22%
VIBE	Vibe Growth Corporation	\$7,304,060	\$0.07	\$0.44	15.38%
NLV	New Leaf Ventures Inc.	\$6,788,646	\$0.10	\$0.60	-2.00%
OILS	Nextleaf Solutions Ltd.	\$6,273,940	\$0.04	\$0.21	0.00%
LRDS	Lords & Company Worldwide	\$5,698,540	\$0.03	\$0.15	-10.00%
BBM	Blueberries Medical Corp.	\$4,095,260	\$0.02	\$0.07	0.00%
J	Lotus Ventures Inc.	\$4,048,641	\$0.04	\$0.09	0.00%
HERB	Herbal Dispatch Inc.	\$3,678,990	\$0.01	\$0.03	0.00%
CVGR	City View Green Holdings Inc.	\$3,451,750	\$0.01	\$0.05	0.00%
GLOW	Glow Lifetech Corp.	\$3,426,513	\$0.06	\$0.14	-20.00%
NBUD	North Bud Farms Inc.	\$3,309,040	\$0.05	\$0.06	-9.09%
IPOT	Isracann Biosciences Inc.	\$2,628,430	\$0.01	\$0.08	0.00%

†04.17.2023. All Companies listed report earnings.
Source: <https://www.tradingview.com/>

TSX & TSXV

Top 15 companies listed on the TSX

Featured by highest market cap

SYMBOL	COMPANY NAME†	MARKET CAP† (CAD)	52 WEEK LOW†	52 WEEK HIGH†	CHANGE (%)
TLRY	Tilray Brands, Inc.	\$1,464,679,000	\$3.15	\$7.59	4.73%
WEED	Canopy Growth Corporation	\$1,020,154,595	\$1.90	\$8.57	4.19%
CRON	Cronos Group Inc.	\$945,738,200	\$2.43	\$4.88	3.63%
ACB	Aurora Cannabis Inc.	\$297,259,800	\$0.85	\$4.45	0.00%
OGI	Organigram Holdings Inc.	\$235,985,700	\$0.74	\$2.19	-1.33%
CWEB	Charlotte's Web Holdings, Inc.	\$69,492,670	\$0.40	\$1.29	4.40%
FAF	Fire & Flower Holdings Corp.	\$56,210,150	\$0.92	\$4.63	13.82%
NUMI	Numinus Wellness Inc.	\$50,365,550	\$0.17	\$0.51	0.00%
AVNT	Avant Brands Inc.	\$45,967,540	\$0.16	\$0.32	-2.78%
NOVC	Nova Cannabis Inc.	\$40,100,800	\$0.34	\$2.19	0.00%
LABS	Medipharm Labs Corp.	\$37,134,150	\$0.06	\$0.15	-10.53%
AVCN	Avicanna Inc.	\$31,498,780	\$0.16	\$0.56	-1.23%
AH.DB.C	Aleafia Health Inc.	\$20,187,570	\$18.00	\$50.00	0.00%
XLY	Auxly Cannabis Group Inc.	\$15,165,770	\$0.02	\$0.18	16.67%
DN	Delta 9 Cannabis Inc.	\$10,711,700	\$0.06	\$0.32	-7.14%

Top 6 companies listed on the TSX-V

Featured by highest market cap

SYMBOL	COMPANY NAME†	MARKET CAP† (CAD)	52 WEEK LOW†	52 WEEK HIGH†	CHANGE (%)
LOVE	Cannara Biotech Inc.	\$77,165,560	\$0.60	\$1.35	0.00%
PCLO	Pharmaciolo Ltd.	\$34,221,470	\$0.15	\$0.71	-2.27%
NDVA	Indiva Limited	\$11,927,520	\$0.07	\$0.28	0.00%
KHRN	Khiron Life Sciences Corp.	\$9,315,200	\$0.04	\$0.26	12.50%
ENTG	Entourage Health Corp.	\$7,689,650	\$0.02	\$0.10	0.00%
SNYB	Shiny Health & Wellness Corp.	\$7,261,980	\$0.65	\$3.45	3.03%

†04.17.2023. All Companies listed report earnings.
Source: <https://www.tradingview.com/>

CANNABIS STOCKS

4Front Ventures Corp.

A Canadian-based company focused on cultivating, processing, extracting, manufacturing and distributing cannabis products. The company operates between two key segments: THC Cannabis and CBD Wellness.

Founded in 2011, 4Front Ventures is headquartered out of Phoenix, Arizona and operates across five US states:

- **Washington** — two cultivation plants and one manufacturing facility
- **California** — four cultivation plants and one manufacturing facility
- **Michigan** — one retail facility
- **Illinois** — one cultivation plant, one manufacturing facility and two retail facilities
- **Massachusetts** — three cultivation plants, three manufacturing facilities and three retail centres

4Front Ventures has developed over 20 cannabis brands and over 1,800 products ranging from flower, pre-rolls and vapes to concentrates, edibles, tinctures, capsules and topicals.

In line with this, the company's segments include cultivation and manufacturing.

CULTIVATION

4Front Venture's cultivation has implemented its facility in order to maximize its footprint. The company uses its templated growing process

that blends together genetics, nutrients, soil and setup to produce yields of over 400 grams per square foot and produce over 32 tons of cannabis on a yearly basis.

MANUFACTURING

The company is able to mass-produce high-quality, low-cost products and brands across the United States. To be able to do so, 4Front Ventures has expertise in multiple extraction, production and automation methodologies that are implemented in its Washington, Illinois, California and Massachusetts facilities.

The company's flagship manufacturing in California recently began operations and is one of the world's largest automated cannabis facilities in the world.

In the company's [2022 financial results](#), 4Front Ventures had a record increase in annual revenue of 20 per cent in Massachusetts and a market share growth of 30 per cent. The company also launched multiple new flower lines available in Massachusetts.

4Front Ventures is also in line to acquire an adult-use retail dispensary license in Chicago, Illinois.

Alternate Symbol(s):
OTC:FFNTF

TICKER

CSE:FFNT

MARKET CAP

\$144.48 MILLION

CEO

LEO GONTMAKHER

"As we look towards the future, we are excited about how our company is positioned and the prospect of a better operating environment with the possibility of regulatory changes at the federal level,"

CEO, LEO GONTMAKHER

CANNABIS STOCKS

Aurora Cannabis

A Canadian cannabis operator that serves the recreational and consumer markets through its diversified portfolio of brands. With primary operations in Canada, the company has also expanded globally.

Headquartered out of Edmonton, Alberta, Aurora Cannabis has an established footprint in Canada's cannabis industry and is one of the country's leading providers of medical cannabis.

In addition to its medical offerings, Aurora Cannabis also has a wide range of adult-use products under its portfolio of brands.

THE MEDICAL PLATFORM

The company began building its first facility in 2013 in Western Canada according to Health Canada standard, and was granted a federal license to cultivate and sell medical cannabis in 2015. By 2016, the company sold its first gram of medical cannabis as a licensed producer.

Aurora Cannabis founded Occo in 2021, which is a cannabis genetics licensing and breeding program that operates from its research facility in Comox, British Columbia. Aurora Nordic, the company's medical cannabis production facility in Denmark, launched its first THC-extract for patients in the European market also in 2021.

In 2022, the company acquired a controlling interest in Bevo Farms, a supplier of propagated vegetables and ornamental plants in North America.

Under the company's medical umbrella, it has made significant investments into technology and infrastructure in order to provide competitive barriers to entry and high retention rates in key patient groups.

The platform offers a best-in-class client experience with ecommerce enhancements such as: faster loading on mobile and desktop; dynamic filtering of products; shop again a favourite buttons; improved product information cards; and same day shipping countdown time.

RECREATIONAL BRANDS

Aurora Cannabis has a wide range of recreational cannabis products in different formats, including flowers, vapes, ingestibles, concentrates, extracts and CBD products.

Aurora Cannabis' brands in Canada include: San Rafael '71, Whistler Cannabis Co., Greybeard Cannabis, Drift, Daily Special, Being, CanniMed, MedReleaf, Aurora, Whistler Medical Marijuana Corp. ,

Meanwhile the company's US brands include KG7 and reliva wellness, while its international brands are Pedanios and Bidiol.

Alternate Symbol(s):
NASDAQ:ACB

TICKER

TSX:ACB

MARKET CAP

\$291.54 MILLION

CEO

MIGUEL MARTIN

"We continue to identify areas of profitability and growth within the Canadian adult recreational segment, even in the face of a challenging environment, and are proud to have introduced a significant number of new products this fall that will benefit both our adult recreational customers and medical patients,"

CEO, MIGUEL MARTIN

CANNABIS STOCKS

CENTR Brands Corp.

One of North America's leading functional wellness beverage companies. CENTR develops and markets non-alcoholic, functional beverages and powders for the global market.

Headquartered out of Vancouver, BC, CENTR Brand's produces CENTR and CENTR Sugar Free, both sparkling, low calorie CBD beverages; CENTR Instant, a family of on-the-go, adaptogen-based CBD powders; and CENTR Enhanced, a refreshing, ZERO calorie, non-CBD, nootropic and adaptogen sparkling water incorporating a variety of science-backed ingredients.

CENTR's CBD sparkling waters provided a low calorie, low-and no-sugar refreshing sparkling beverage to consumers focused on wellness-oriented lifestyles as well as CBDs added benefits relating to anti-anxiety, muscle pain relief, and promoting good sleep. CENTR's most recent innovation, CENTR Enhanced, delivers immunity strengthening adaptogens and brain strengthening nootropics while also having zero calories and zero sugar.

CENTR's CBD sparkling waters are the most highly distributed CBD beverages in the U.S., and are sold in a number of prominent retail locations, including: Erewhon, Mollie Stone's Markets, BevMo!, Nugget Markets, ABC Fine Wine and Spirits and Go Puff. Meanwhile, CENTR Enhanced has drawn considerable attention by distributors across the country interested in partnering with CENTR and distributing its functional beverages. Already in the first few months of 2023, CENTR has onboarded an array of distributors

throughout existing markets, including: SF Naturals in Northern California, and Seacoast Distributors in Southern California. In addition to these names, CENTR is already in the process of onboarding additional distribution in both existing and new markets throughout the U.S. As CENTR continues to expand its national distribution network, the Company anticipates exponential growth in the coming years.

Over the past several years, the Company has significantly expanded its overall retail presence, having sold its CENTR CBD beverages and powders in over 3,000 retail locations throughout the U.S. With the addition of CENTR Enhanced and its growing national distribution network, the Company anticipates its active retail presence will expand at an even faster pace going forward.

CENTR's national profile is expected to grow significantly as the Company has entered into the multi-billion-dollar esports marketplace with its current partnership with OpTic Gaming, a global e-sports and entertainment company. Under the partnership, CENTR Brands' products will be integrated with the OpTic Gaming media environment, including prominent in-game sponsorship.

Alternate Symbol(s):
NASDAQ:ACB

TICKER

CSE:CNTR

MARKET CAP

\$31.25 MILLION

CEO

ARJAN CHIMA

"We are thrilled about CENTR's leadership in the CBD sparkling beverage category and its explosive launch of CENTR Enhanced with its growing national distribution network. CENTR is excited to help consumers combine great tasting hydration with health and wellness interests,"

CEO, ARJAN CHIMA



CANNABIS STOCKS

Heritage Cannabis Holdings

Heritage Cannabis Holdings Corp. operates in the vertically integrated cannabis industry in Canada. It manufactures and distributes medical and adult-use cannabis in Canada and the U.S.

Heritage Cannabis operates across the legal cannabis markets in Canada and the U.S., operating under two licensed manufacturing facilities in Canada. Under its umbrella is an extensive portfolio of high-quality cannabis products under the brands RAD, Pura Vida, Thrifty, Adults Only, Purefarma, Premium 5, the CB4 suite of medical products in Canada and the ArthroCBD in the US.

Heritage is one of the first Canadian cannabis companies to begin operations in the US with sales in both Missouri and West Virginia. The company has two Health Canada-approved facilities where Heritage Cannabis formulates, extracts, packages and delivers medical and adult-use cannabis product assortments.

Heritage Cannabis' medical products are based on patented pharmaceutical drug delivery technology and are backed by independent third-party data and product-specific clinical and nonclinical studies.

The company has secured a partnership with Merida Capital where it has access to an expansive international marketplace.

HERITAGE CANNABIS HOLDINGS BRANDS

- **RAD** low prices for radical products that target the main-

stream value focused consumer with popular flavours and terpene focused formulations..

- **Pure Vida** a core brand focused on providing full spectrum yet flavourful experiences.
- **Thrifty** affordable products targeting high-volume customers.
- **Purefarma** offers medicinal-grade cannabis formulations for pharmaceutical, recreational, and cosmeceutical markets.
- **Premium 5** is a concentrate brand which offers a premium high-THC experience for the more discerning consumer.
- **CB4** provides medical products based on the best science, formulated with innovative pharmaceutical technology for optimal medical performance.

In early 2023, the company received purchase orders for shipments to both Australia and Brazil. The Brazil purchase order is from a Brazilian pharmaceutical CBD company for ongoing supply of products to Brazil and are among the first products of its kind to be approved by the Brazil Health Authority.

Alternate Symbol(s):
OTCQX: HERTF

TICKER

CSE:CANN

MARKET CAP

\$13.85 MILLION

CEO

DAVID SCHWEDE

“Heritage is a leader in market innovation and is growing our portfolio of in-demand products globally. With our U.S. strategy ramping up and early indications showing positive results ahead of expectations, we are well positioned to see growth throughout 2023,”

CEO, DAVID SCHWEDE



CANNABIS STOCKS

OrganiGram Inc.

A Canadian licensed producer of cannabis products with a focus on indoor-grown products for patients & adult recreational users.

With its headquarters out of Moncton, New Brunswick, OrganiGram Inc. was founded in 2013 and began as a provider of medical cannabis. The company is now focused on both the medical and recreational markets in Canada in addition to developing international partnerships to expand its global footprint.

Under the company's adult-use portfolio are a range of brands, including:

Edison, Big Bag o' Buds, SHRED, Monjour, Holy Mountain and Trailblazer. In Quebec, top-selling hash brand Tremblant Cannabis and artisanal craft brand Laurentian, which are recent additions to the company's brand portfolio.

OrganiGram operates facilities in three provinces across the country. Its primary indoor growing facility is in Moncton, N.B., its premium hash production and craft cultivation facility is in Lac-Supérieur, Quebec and it has a highly automated facility dedicated to edibles manufacturing in Winnipeg, Manitoba.

In addition to its Canadian footprint, OrganiGram currently has three international partners as the company moves to expand its global footprint. The company's partners include:

CANNDOC: In June 2020, OrganiGram entered into a multi-year agreement to supply dried flower to an established pharmaceutical cannabis producer in Israel, Canndoc Ltd., a subsidiary of InterCure Ltd. Both companies jointly entered into a multi-year agreement in November 2022 that will have OrganiGram supply up to 20,000 kg of dried flower over multiple years.

CANNATREK: OrganiGram entered into an agreement with Cannatrek in May 2018. Cannatrek is a fully licensed Australian vertically integrated medicinal cannabis enterprise to supply medical cannabis products. OrganiGram currently ships Grade A Indoor, Bulk Cannabis flower to Cannatrek in Australia that is sold under Cannatrek's brands.

MEDCAN AUSTRALIA: In August 2022, OrganiGram signed an agreement with Medcan Australia, a supplier to Australia's medicinal cannabis industry of medical cannabis flower. Medcan previously had an agreement with Laurentian Organic prior to its acquisition by OrganiGram.

Alternate Symbol(s):
NASDAQ:OGI

TICKER

TSX:OGI

MARKET CAP

\$224.52 MILLION

CEO

BEENA
GOLDENBERG

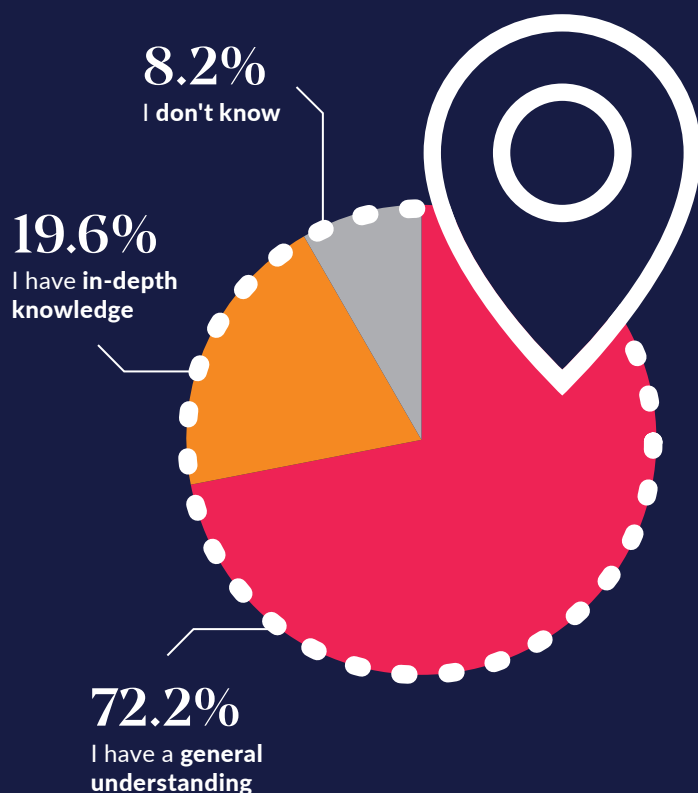
"[In 2022] we increased and optimized production to meet consumer demand, drove market share gains nationally and solidified our position as serious competitors in several new categories. In Fiscal 2023 we expect continued success as we build on the high recognition of our brands, our track record of innovation and our proven ability to execute,"

CEO, BEENA GOLDENBERG

INSIGHTS

Thematica Survey: What investors told us ...

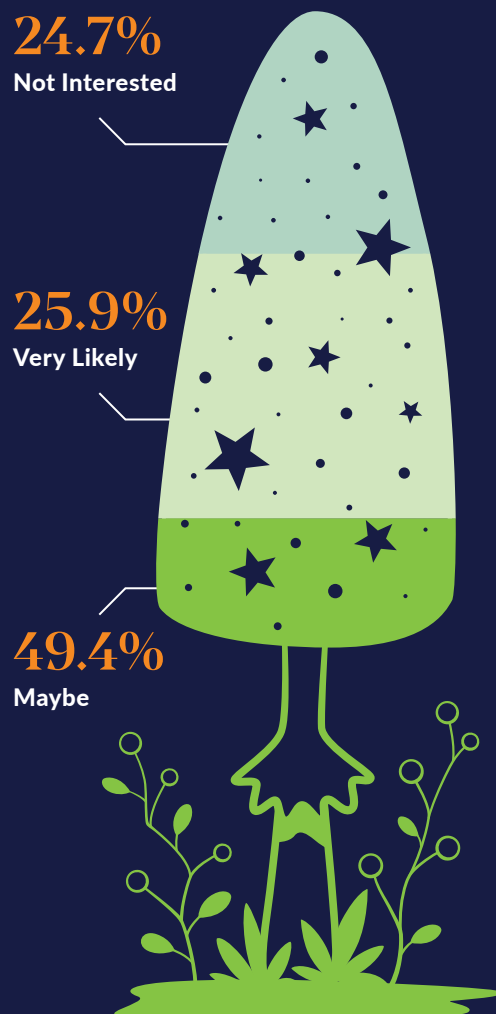
How familiar are you with the legal landscape for cannabis in your region?



Do you invest in cannabis stocks?

57.6% **YES** **vs** **42.4%** **NO**

How likely are you to invest in advancing companies related to psychedelics?



PSYCHEDELICS STOCKS

HAVN Life Sciences

A biotechnology company researching and developing psychopharmacological products, including the formulation of standardized psychoactive compounds derived from fungi.

Headquartered out of Vancouver, BC, HAVN Life Sciences is pursuing standardized extraction of psychedelic compounds for the creation of APIs, the development of natural health products, and innovative therapies to support brain health and enhance the capabilities of the mind.

Through its research division, HAVN Labs, the company has developed an end-to-end supply chain of GMP naturally derived psychedelic compounds for research that will define the future of modern medicine. With its new line of natural health products, HAVN Life offers a full range of high-quality mushroom and plant extracts that help boost immune function, reduce inflammation and support a healthy lifestyle.

At its core, HAVN Life Sciences is developing innovative formulations to support clinical trials addressing post-traumatic stress disorder recovery and other trauma-related disorders. The company is working with veterans and leaders in the military to advance its product line.

HAVN LIFE SCIENCE PRODUCTS

The Natural Health Product line:

- Bacopa Brain, supports cognitive function and memory
- Reishi Recharge, regulates

blood sugar, balances healthy cholesterol, supports liver function and improves anxiety and depression

- Cordyceps perform, improves exercise performance, libido & sex drive, provides antioxidants, regulates blood sugar, supports kidney function & lowers blood pressure
- Lion's mane, supports immunity, improves memory & mental health & prevents ulcers
- Rhodiola relief, regulates cortisol, reduces anxiety & stress, increases stamina & improves exercise performance
- Chaga immunity, provides antioxidants, controls inflammation, supports immunity, regulates blood sugar and balances cholesterol

In October 2022, the company notched a product listing partnership with Loblaw's Company for HAVN Life Sciences' natural health products across Canada. The company had previously secured distribution across Ontario's Loblaw's Fortinos banner in July 2022.

The expansion will carry six of the 11 HAVN Life natural products in-store banners.

Alternate Symbol(s):
OTC:HAVLF

TICKER

CSE:HAVN

MARKET CAP

\$736.93K

CEO

TIM MOORE

"Securing national distribution with Loblaw's represents a major milestone for the Company, providing a path to generate revenue and build the HAVN Life brand. I am proud of the hard work by our dedicated team in achieving this success"

CEO, TIM MOORE

PSYCHEDELICS STOCKS

Mind Medicine Inc.

A pharmaceutical company focused on developing novel product candidates to treat brain health disorders such as anxiety, ADHD and autism.

Headquartered in New York City, Mind Medicine is advancing a pipeline of product candidates, with and without acute perceptual effects, targeting the serotonin, dopamine, and acetylcholine systems. This includes MM-120, its proprietary form of LSD, which is being studied in GAD and ADHD and MM-402, its proprietary form of R-MDMA, which is being studied in autism spectrum disorder.

Mind Medicine currently has several studies in progress, including:

PHASE 2B STUDY EVALUATING MM-120 IN ANXIETY

Its drug candidate MM-120 is currently in a Phase 2b study for generalized anxiety disorder (GAD). MM-120 is lysergide D-tartrate, a proprietary, pharmaceutically optimized form of lysergic acid diethylamide (LSD). The company began dosing in a 200-patient Phase 2b clinical trial in August 2022 to treat patients with GAD. Patient enrollment is ongoing and topline results are expected in late 2023.

PHASE 2A STUDY EVALUATING MM-120 FOR ADHD

The company is also evaluating a subperceptual, repeat dose regimen of MM-120 as a treatment for attention deficit hyperactivity

disorder (ADHD). The 52-patient Phase 2a proof-of-concept trial is intended to assess the safety and efficacy of repeated low-dose administration of MM-120 over six weeks. Topline results are expected in late 2023.

ADVANCING MM-402 INTO FIRST CLINICAL TRIAL IN 2023

The company is also developing MM-402, which is the R-enantiomer of MDMA, to treat core symptoms of autism spectrum disorder (ASD). Results of the drug's effects in a preclinical model of ASD are expected in the first half of this year.

Mind Medicine intends to begin its first clinical trial of MM-402 in late 2023, which will aim to characterize the tolerability, pharmacokinetics and pharmacodynamics of MM-402 and is expected to support the company's approach in targeting symptoms of ASD.

The company also has an ongoing collaboration with the Liechti Lab at University Hospital Basel (UHB) in Switzerland. MindMed has exclusive worldwide rights to data, compounds and patent rights associated with UHB's research on lysergide and other psychedelic compounds.

Alternate Symbol(s):
NASDAQ:MNMD

TICKER

NEO:MMED

MARKET CAP

\$196.03 MILLION

CEO

ROBERT BARROW

"This is a very exciting time to be developing brain health treatments. 2023 will be a particularly transformative year for us as we expect to release key data by the end of the year in both anxiety and ADHD."

CEO, ROBERT BARROW

PSYCHEDELICS STOCKS

PharmaTher Holdings

A specialty life sciences company focused on research and developing psychedelic pharmaceuticals. The company repurposes psychedelics like ketamine and psilocybin to treat brain and nervous system disorders.

Headquartered out of Toronto, ON, PharmaTher Holdings develops and commercializes specialty pharmaceuticals exhibiting growing adoption and permitting novel delivery methods to enhance patient outcomes and prescriber workflow.

The company's lead product KETARX™ is targeting unmet medical needs for anesthesia, sedation, pain, mental health, and neurological indications.

PharmaTher's pipeline includes:

KETARX

PharmaTher is developing its own Ketamine Hydrochloride Injection USP product as part of its plans to support the Company's future Phase 3 clinical studies and its commercialization plans in the US through an Abbreviated New Drug Application (ANDA) with the FDA for use in anesthesia and procedural sedation.

The company intends to expand the indications into clinical studies to treat Parkinson's disease, ALS, pain and depression.

KETARX PATCH

The company has completed the evaluation of a patented hydrogel-forming microneedle patch to deliver Ketamine as a potential treatment for

neuropsychiatric, neurodegenerative and pain disorders. This supports PharmaTher's expansion in finalizing investigational new drug (IND)-enabling studies and the clinical manufacturing scale-up with LTSH Lohmann, a transdermal delivery system, to support FDA and international regulatory submissions.

KETARX PUMP

A ketamine wearable pump that aims to convert intravenous (IV) and intramuscular (IM) delivery of ketamine to a subcutaneous format that could improve safety and efficacy while reducing side effects and enhancing patient comfort.

In March 2023, the company received an update on the Type C meeting with the FDA For advancing KETARX into Phase 3 clinical trials to treat levodopa-induced dyskinesia in Parkinson's disease. PharmaTher is now evaluating its clinical development plan to move forward with marketing approval. Additionally, the safety and efficacy results from a presentation of the Phase 1/2I clinical study evaluating ketamine as a potential new treatment for LID-PD will be used to support the investigation of KETARX™ in a proposed Phase 3 clinical study.

Alternate Symbol(s):
OTCQB: RVVTF

TICKER

CSE:PHRM

MARKET CAP

\$10.14 MILLION

CEO

FABIO CHIANELLI

"In 2023, we are focused on seeking one or more FDA approvals for KETARX™ via the ANDA and 505(b)(2) regulatory pathways, advancing late-stage clinical studies, and attracting strategic partnerships that will unlock the value of our product pipeline and drug delivery technologies,"

CEO, FABIO CHIANELLI

PSYCHEDELICS STOCKS

Psyence Group Inc.

Psyence Group is a science-led psychedelic platform that builds and operates federally licensed commercial psilocybin cultivation and production facilities. The company is targeting the legal medical and research markets.

Psyence Group is focused on developing advanced natural psilocybin products for clinical research and development. The company has three key divisions, Psyence Production, Psyence Therapeutics and Psyence Function. Additionally, Psyence Group has operations in Canada, the U.K., Southern Africa as well as a strong presence in the US and Australia.

PSYENCE THERAPEUTICS

The company, under Psyence Therapeutics, is developing clinical trials for mental health disorders and palliative care.

Its clinical trial program is focused on assessing the safety and efficacy of psilocybin-assisted therapy to treat adjustment disorders in people who have received terminal diagnoses. The company has partnered with a psychedelic contract research organization to conduct its first clinical trial in the United Kingdom.

PSYENCE PRODUCTION

The company operates one of the first federally licensed ISO22000-certified psilocybin cultivation and production facilities in the world.

Psyence Group received approval from the International Organization

for Standardization in 2022, which means the company is federally licensed to cultivate and export psilocybin mushrooms to the legal and medical research markets.

The company has also received permits from Health Canada, on behalf of Psilo Scientific and Portuguese regulators for its mushrooms.

PSYENCE FUNCTION

The company's range of functional mushroom wellness products are non-toxic, non-psychoactive plants used for relieving stress and general wellness benefits.

The company's products, called GOODMIND, are designed to nourish the mind and elevate everyday life by enhancing mental capacity and the ability to adapt to stress.

GOODMIND was launched in 2021 and is available through Psyence Group's South African joint venture, Good Psyence. The company's product range is also available online in South Africa through a range of e-commerce websites such as Takealot, Wellness Warehouse and Goodleaf.

Alternate Symbol(s):
OTCQB:PSYGF

TICKER

CSE:PSYG

MARKET CAP

\$11.38 MILLION

CEO

NEIL MARESKY

"We are preparing for the eventual commercialization of psilocybin as a crucial component for an alternative and superior treatment of mental health"

CEO OF PSILO PHARMA,
DAVID RECKEWEG-LECOMPTE

PSYCHEDELICS STOCKS

Red Light Holland

Red Light Holland Corp. produces, grows and sells functional mushrooms and mushroom home grow kits across North America and Europe. It also sells psilocybin truffles to markets in the Netherlands.

With its headquarters out of Toronto, Ontario, Red Light Holland is focused on revolves around the production, growth and sale (through existing Smart Shops operators and an advanced e-commerce platform) of a premium brand of magic truffles to the legal, recreational market within the Netherlands, in accordance with high standards and all applicable laws.

Under the company's umbrella are a range of companies including:

SR WHOLESALE

The company acquired SR Wholesale in March 2021, which is a distributor of truffles and other items in the Netherlands. SR Wholesale has a distribution network of over 300 companies that sells the company's products in the Netherlands and some products across the European Union. SR Wholesale aims to expand the sale and distribution of Red Light Holland's truffles through iMicrodose Packs, Maka Brand and White Label Products.

RADIX MOTION

Radix Motion is a technology company that is focused on empowering the psychedelic ecosystem with technology that uses human movement and data. This includes augmented reality, virtual

reality, interactive holograms and biofeedback hardware.

RED LIGHT FARMS

Red Light Farms is in Horst, the Netherlands and currently grows and packages magic truffles for distribution across the Netherlands through the brands Maka and iMicrodose. Red Light Farms can also whitelabel truffles and sell directly to SR Wholesale.

In March 2023, the company's psilocybin truffles arrived in the Canadian markets thanks to a Health Canada-approved psilocybin import permit. The company has also notched a distribution agreement in order to legally sell its psilocybin microdosing capsules in Australasia.

Red Light Holland's portfolio company, AEM Farms, also expanded its distribution of the Shiitake Mushroom to over 100 retail locations in Canada. This includes 47 Farm Boy markets in Ontario, all Loblaws and Your Independent Grocer supermarkets in Ottawa and all Costco locations in Ottawa and Gatineau and Whole Foods markets in Ottawa.

Alternate Symbol(s):
OTCQB:TRUFF

TICKER

CSE:TRIP

MARKET CAP

\$36.16 MILLION

CEO

TODD SHAPIRO

"We are very pleased with the overall growth of AEM Farms, as we continue to scale up across Eastern Canada. Having AEM Farms' Shiitake Mushrooms into all 47 Farm Boy locations in Ontario, and also in Costco, Loblaws and Whole Foods Markets through distributors, is another significant step for further distribution relationships and revenue growth,"

CEO, TODD SHAPIRO

CHAPTER SIX

Experts weigh in



In this Thematica segment we dive into the rapidly growing field of alternative therapies, specifically, cannabis and psychedelics. Joining Coreena Robertson is Mark Haden, Associate Professor at UBC School of Population and Public Health as well as Chris Farnwoth from Lords and Company.

Both CEO's share their expertise on the rise and future of alternative therapies.

Additionally, Mark Haden offers a glimpse into a new therapy, currently in trials, which may have the ability to turn the tables on addiction.

CHAPTER SEVEN

What investors are saying...

The cannabis market continues to grow and evolve, which has paved the way for the future of psychedelics and potentially other illicit drugs – although it's still very early days.

In a survey conducted by *The Market Herald Canada*, interest in the cannabis sector remains strong. Roughly 57.6 per cent of respondents said they have invested in cannabis stocks, while 42.4 per cent said they have not.

In terms of the legal framework in Canada, 72.2 per cent of respondents said they are familiar with their region's legal landscape, 19.6 per cent said they have in-depth knowledge while only 8.2 per cent said they know.

When it comes to psychedelics, 49.4 per cent of respondents said they might be interested in investing in companies advancing psychedelics, 25.9 per cent said very likely, while 24.7 per cent said they are not interested.

As for what factors investors consider the most important when investing in cannabis or alternative medicine companies, 35.4 per cent said financial performance, 29.1 per cent said market potential, 18.4 per cent said regulatory environment and 17.1 per cent said the management team.

When asked if the recent legalization of different drug types in British Columbia will have a positive impact in the stock market in the coming year, the answers were split 50/50 yes and no.

Meanwhile 51.9 per cent said the current wave of interest in psychedelics will have a smaller impact when compared to the cannabis market, 27.8 per cent said it will have the same, and 20.3 per cent said it will have a bigger impact.

Moving forward, 62.9 per cent of respondents said their preferred investment horizon for cannabis stocks is long-term, while 37.1 per cent said short-term.

Putting it simply, interest in the cannabis industry continues to thrive, and although the psychedelics market is still relatively new, there is interest in the market even if it is still early days.

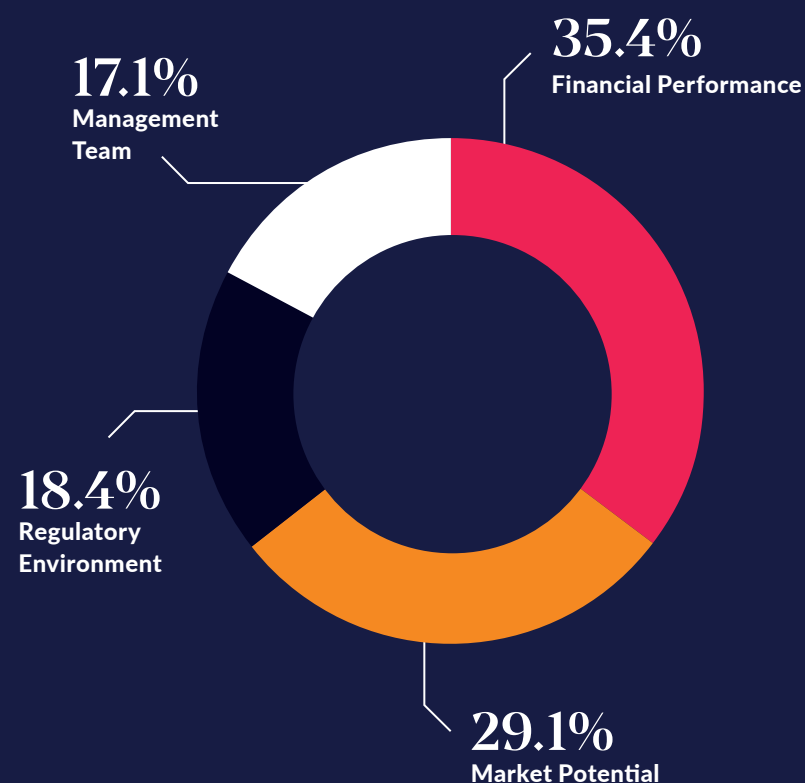


INSIGHTS

Exclusive insight

A recent survey revealed some key insights into cannabis and alternative medicine.

What factors do you consider most important when investing in cannabis or alternative medicine stocks?



Do you prefer to invest in individual cannabis stocks or ETFs?

79.6%
STOCKS



vs

20.4%
ETFs



How frequently do you monitor your cannabis stock investments?



30.5%
Every Few Months



22.7%
Once a day



17%
Weekly



15.6%
Multiple Times a Day



14.2%
Monthly

SO WHAT?

Key takeaway for investors

1. **Cannabis is legalized in Canada**, and the market continues to open up new opportunities as it advances into its next stage which includes cannabis-infused edibles and beverages.
2. **The cannabis market** is expected to reach \$7.8 billion by 2026, fueled in part by innovation and market demand.
3. **Psychedelics are an emerging market** that has the potential to follow the same trajectory as the cannabis industry.
4. **Investment interest in both cannabis and psychedelics are growing**, according to our research with the majority of investors continuing to invest in cannabis for the long term.



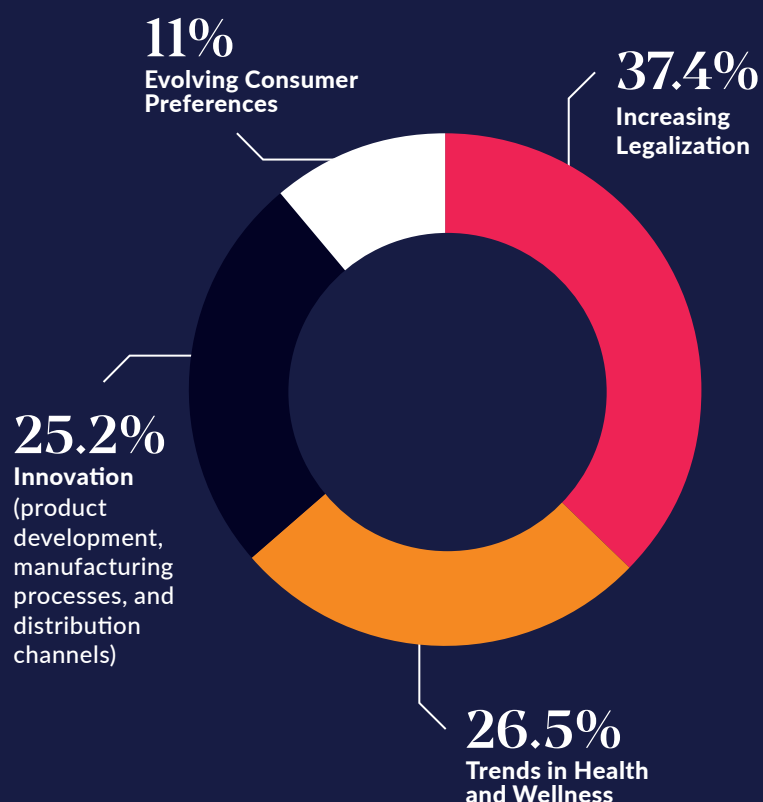
INSIGHTS

Thematica Survey: What investors told us ...

What is your preferred investment horizon for cannabis stocks?



What factors do you predict will contribute to the most growth in the cannabis industry?



Do you think the federal legalization of cannabis in the USA will have a big impact on the Canadian stock exchanges?



Do you own psychedelic stocks?

10%
YES

RECAP

The road ahead

No matter which way you look at it, the cannabis market is inescapable in Canada and continues to evolve in order to meet the demand from consumers.

With the market fully legalized since 2018, it has opened the door for other evolving markets in the country such as psychedelics. Innovative research continues to be done on the positive effect psychedelics have in treating mental health conditions, which could help millions countrywide.

Although it is still early days in the psychedelics market, legalizing the medicinal use of psychedelics will likely be the first course of action in the industry – but there is still no timeline as to when that might happen.

With the province of British Columbia officially decriminalizing 2.5 grams of certain illicit drugs, there's reason to believe the future is promising for what impact the psychedelics market may have.

For affluent or new inventors alike, public companies continue to innovate across the cannabis and psychedelics markets, giving you the chance to invest in markets that not only continue to evolve, but provide unique opportunities.



ABOUT THIS REPORT

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