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BUY RECOMMENDATION FEBRUARY 4, 2018: USD 133.30

GWPH US36197T1034

| Independent Consensus (source FactSet) | |
|--|--|
| Rating: Strong buy (03.02.2018) | No. of rating brokers: 7 |
| PEG (E): - | Last changes in EPS forecasts: - |
| | |
| Earnings per share (source FactSet) | Price/earnings ratio (source FactSet) |
| <i>In USD</i> | |
| 2018 (E) -8.73 | 2018 (E) - |
| 2019 (E) -0.50 | 2019 (E) - |



Trudeau Unveils Bill Legalizing Recreational Marijuana in Canada

By IAN AUSTEN APRIL 13, 2017

Crowds celebrated National Marijuana Day last year on Parliament Hill in Ottawa. Credit Chris Roussakis/Agence France-Presse — Getty Images

OTTAWA — Fulfilling a campaign pledge, Prime Minister Justin Trudeau introduced legislation on Thursday to legalize the recreational use of marijuana in Canada.

Many nations have either decriminalized marijuana, allowed it to be prescribed medically or effectively stopped enforcing laws against it. But when Mr. Trudeau's bill passes as expected, Canada will become only the second nation, after Uruguay, to completely legalize marijuana as a consumer product.

"Criminal prohibition has failed to protect our kids and our communities," said Bill Blair, a lawmaker and former Toronto police chief whom Mr. Trudeau appointed to manage the legislation.

Mr. Blair said at a news conference that the government hoped to begin allowing legal sales by the middle of 2018. While the government's plan has been broadly shaped by a panel of experts, many issues still need to be ironed out.

"We do accept that important work remains to be done," he said.

While the federal government will license and regulate growers, each of Canada's provinces will need to decide exactly how the drug will be distributed and sold within its boundaries. The government will have to develop the marijuana equivalents of breathalyzers so that drivers can be checked for impairment at the roadside and workers can be tested for safety on the job. Diplomats will have to address conflicts with international drug treaties. And many in the medical field are concerned about the long-term health effects of increased use of marijuana by Canadians under the age of 25.

Recreational Marijuana? Yes, but Tightly Regulated, Canadian Panel Suggests DEC. 13, 2016

As Canada Moves to Legalize Marijuana, Shop Owners Ask: Why Wait? AUG. 15, 2016

Canadian Court Says Some Can Grow Marijuana at Home, With a Prescription FEB. 24, 2016

A GOLDEN OPPORTUNITY GROWN IN CANADA.

Canada leads the global trend to legalize and regulate medical and recreational cannabis. This gives a rare opportunity to capture and build global market share. **It's like the opportunity seized by the first US brewers at the end of a 13-year prohibition, only cannabis has been globally prohibited for nearly a century.**

In 2017, the Canadian government introduced the ***Cannabis Act*** to legalize recreational cannabis. Expected to be in effect by July 2018, **this Act will make Canada the first G7 nation to legalize cannabis for recreational use.** This is in addition to Canada's *Access to Cannabis for Medical Purposes Regulations*, which created world-leading benchmarks for commercial production of medical cannabis. **There's very little infrastructure or experience outside of Canada, creating a huge opportunity for Supreme to leverage our competitive advantage.**

Today, Canada is one of the only countries where licensed cannabis production is 100% legal and federally regulated. **It is a multi-billion dollar industry in Canada alone**, with only a tiny portion served by legal companies. As legal cannabis continues to take hold at home and abroad, Supreme will be there.

GW

has established a world leading position in the development of plant-derived cannabinoid therapeutics through its proven drug discovery and development processes, intellectual property portfolio and regulatory and manufacturing expertise.

The lead product candidate is Epidiolex® (cannabidiol) for certain rare and severe early-onset, drug-resistant epilepsy syndromes.

GW successfully developed the world's first prescription medicine derived from the cannabis plant, Sativex®, now approved in over 30 countries outside of the United States for the treatment of spasticity due to **Multiple Sclerosis**.

The company has a deep pipeline of additional clinical stage cannabinoid product candidates for both orphan and non-orphan indications with a particular focus on neurological conditions.

Products & Pipeline

GW has been researching cannabinoids since 1998 and has established a world leading position in the development of plant-derived cannabinoid therapeutics through the proven drug discovery and development processes, the intellectual property portfolio and the regulatory and manufacturing expertise. GW's research explores the potential therapeutic application of cannabinoids and it has evaluated the pharmacology of a number of cannabinoids across a wide range of disease areas.

The primary focus is on disorders of the central nervous system (CNS) including epilepsy. The lead cannabinoid product candidate is Epidiolex®, a liquid formulation of pure plant-

derived cannabidiol, or CBD, which is in development for the treatment of a number of rare childhood-onset epilepsy disorders.

GW commercialized the world's first plant-derived cannabinoid prescription drug, Sativex® (nabiximols), which is approved for the treatment of spasticity due to multiple sclerosis in 30 countries outside the United States.

GW has a deep pipeline of additional cannabinoid product candidates which include compounds in development for epilepsy, glioma and schizophrenia.

GW is in a unique position to develop and manufacture plant-derived cannabinoid formulations worldwide at sufficient quality, uniformity and scale for the purposes of pharmaceutical development and to meet international regulatory requirements.

California's new legal marijuana market marks the beginning of the end for prohibition

If a single date marks the beginning of the end for the legal prohibition of marijuana, there's a very good case for January 1, 2018.

On this day, California began allowing the legal sales of marijuana for recreational use. According to state estimates, more than 400 businesses were licensed. With that, the most populous state — and the world's sixth-largest economy — officially launched an entirely new legal industry within its borders.

This all goes back to California's successful 2016 ballot initiative, in which 57 percent of the state's voters elected to fully legalize marijuana.

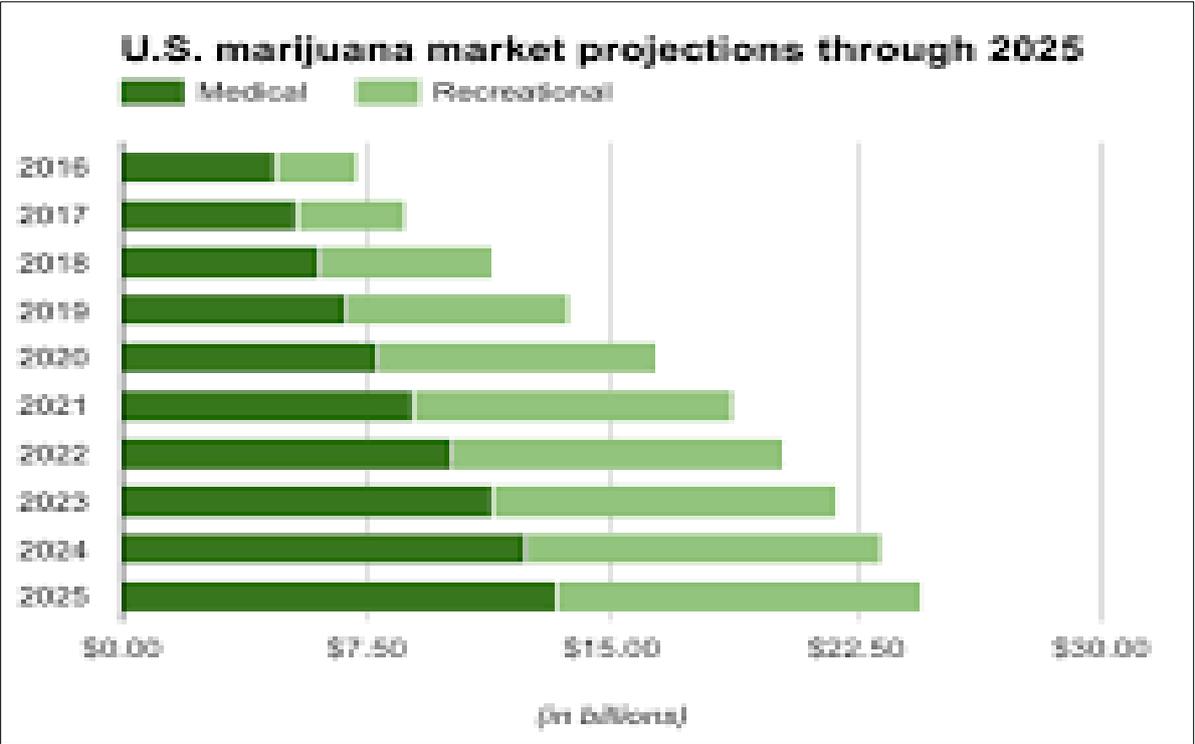
At that point, California became by far the biggest state to legalize pot. Until Election Day 2016, only four relatively small states had done so: Colorado, Washington, Oregon, and Alaska. Altogether, these states hold more than 17 million people, and their cumulative annual economic value totals around \$1 trillion. In comparison, California alone is home to more than 39 million people and is worth around \$2.5 trillion — more than twice as populous and wealthy as all the previous legal pot states combined.

This size matters. While the previous legal pot states had relatively small economies and, therefore, relatively small marijuana industries, California is a behemoth. GreenWave Advisors, a cannabis financial analyst, estimated that **California's industry could be worth \$5.1 billion in 2018**. One report from researchers at the investment bank Cowen estimated that legalization in California alone would triple the size of the nation's legal pot industry within a decade.

This will lead to a massive multibillion-dollar industry that will seek to expand and grow, just as other markets do. And as far as the polling shows, California is not an outlier — and the public is on board with legalization's expansion.

Cannabis Industry Expected to Be Worth \$50 Billion by 2026 ...

The legal cannabis industry in the U.S. may grow to \$50 billion in the next decade, expanding to more than eight times its current size, as lawful pot purveyors gain new customers and win over users from the illicit market, according to a new report.



How can you benefit?

We offer individually managed clean energy portfolios!



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