

P. ZIHLMANN INVESTMENT • MANAGEMENT AG

Your independent **Swiss** asset manager



BUY RECOMMENDATION DECEMBER 31, 2017: CAD 2.03

CA8686322097

Independent Consensus (source FactSet)	
Rating: Strong buy (30.12.2017)	No. of rating brokers: 3
PEG (E): -	Last changes in EPS forecasts: -
Strong Sell Sell Hold Buy Strong Buy	
Earnings per share (source FactSet)	Price/earnings ratio (source FactSet)
<i>In CAD</i>	
2017 (E) -0.08	2017 (E) -
2018 (E) -0.05	2018 (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.

Supreme

believes the world is ready to end a century of cannabis prohibition - a global movement rooted in Canada. Supreme has been at the centre of the cannabis space since 2014 in pursuit of this massive opportunity.

Supreme established 7 ACRES as the first licensed producer focused on growing high-quality cannabis in high quantities. Today 7ACRES is en route to becoming Canada's leading cultivator of consistently great commercial cannabis.

As legalization grows beyond Canada's borders, Supreme will continue to identify new opportunities to build innovative cannabis businesses across the globe.

The legal marijuana market is exploding – it'll hit almost \$10 billion sales in this year

Legal marijuana sales are predicted to hit \$9.7 billion in 2017, a 33% increase over 2016, according to a new report.

- The growth is buoyed by new states legalizing marijuana, and sales exceeding expectations in existing markets.
- Analysts predict the market to hit \$24.5 billion in sales by 2021, despite continued federal prohibition.

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.

Summary

Could this one big the next beg winner?



... with a passion for the cannabis industry—past, present and future as the management proclaims.

How can you benefit?

We offer individually managed clean energy portfolios!



For more information, contact peter.zihlmann@pzim.ch or +41 79 379 51 57.