



SPRING  
2015

# Medical Cannabis

REPORT CARD



[www.visualcapitalist.com](http://www.visualcapitalist.com)

# PURPOSE OF THIS REPORT

The objective of this report is to give a snapshot into the emerging medical cannabis market in Canada. We wanted to see how different licensed producers (LPs) compared across different categories that we think are important to the patient.

# METHODOLOGY

The data for this report was collected in a two week window in April 2015. The data included here is not intended to be statistically significant. Rather, it is intended to be a snapshot of what it was like at the time of research of a given company.

We understand that strain availability changes week to week, and that the length of waiting lists change. We also understand that phone and email response times vary based on how busy companies are and the nature of the inquiry.

The data points from this report were collected through LP websites, calls to the LPs, and email/social media interactions. We also sent LPs the data and gave them an opportunity to correct any inconsistencies or inaccuracies over the final week of April.

# ABOUT VISUAL CAPITALIST



Visual Capitalist creates and curates enriched visual content focused on emerging trends in business and investing.

 [www.visualcapitalist.com](http://www.visualcapitalist.com)  [/visualcapitalist](https://www.facebook.com/visualcapitalist)  [@visualcap](https://twitter.com/visualcap)



# TIMELINE

As culture changes, we took a look at the past year of MMR in Canada.

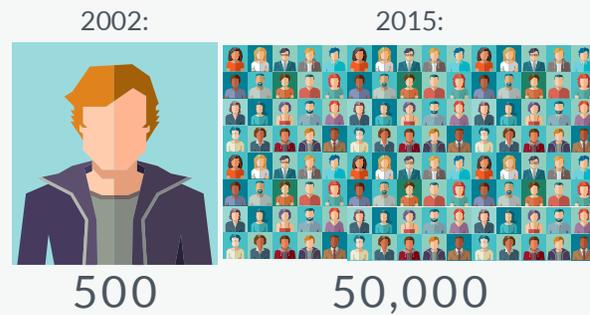


# MMPR 1 YEAR IN THE MAKING

Canada's new medical marijuana regulations came into place on April 1, 2014 with the goal of ensuring that patients are able to receive consistent, medicinal-grade product at scale.

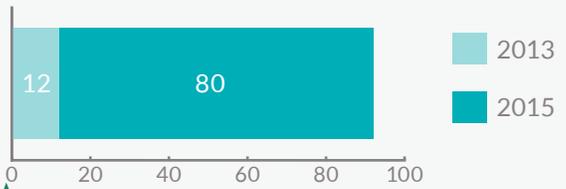
How has the landscape changed for medical marijuana over the years?

## REGISTERED PATIENTS



## DISPENSARIES IN VANCOUVER

Marijuana dispensaries are operating in a legal grey area, but are representative of changing culture.



## LICENCED PRODUCERS

Licence Applications: **1,300**  
Licences Granted: **19** full licenses  
**6** cultivation-only licenses

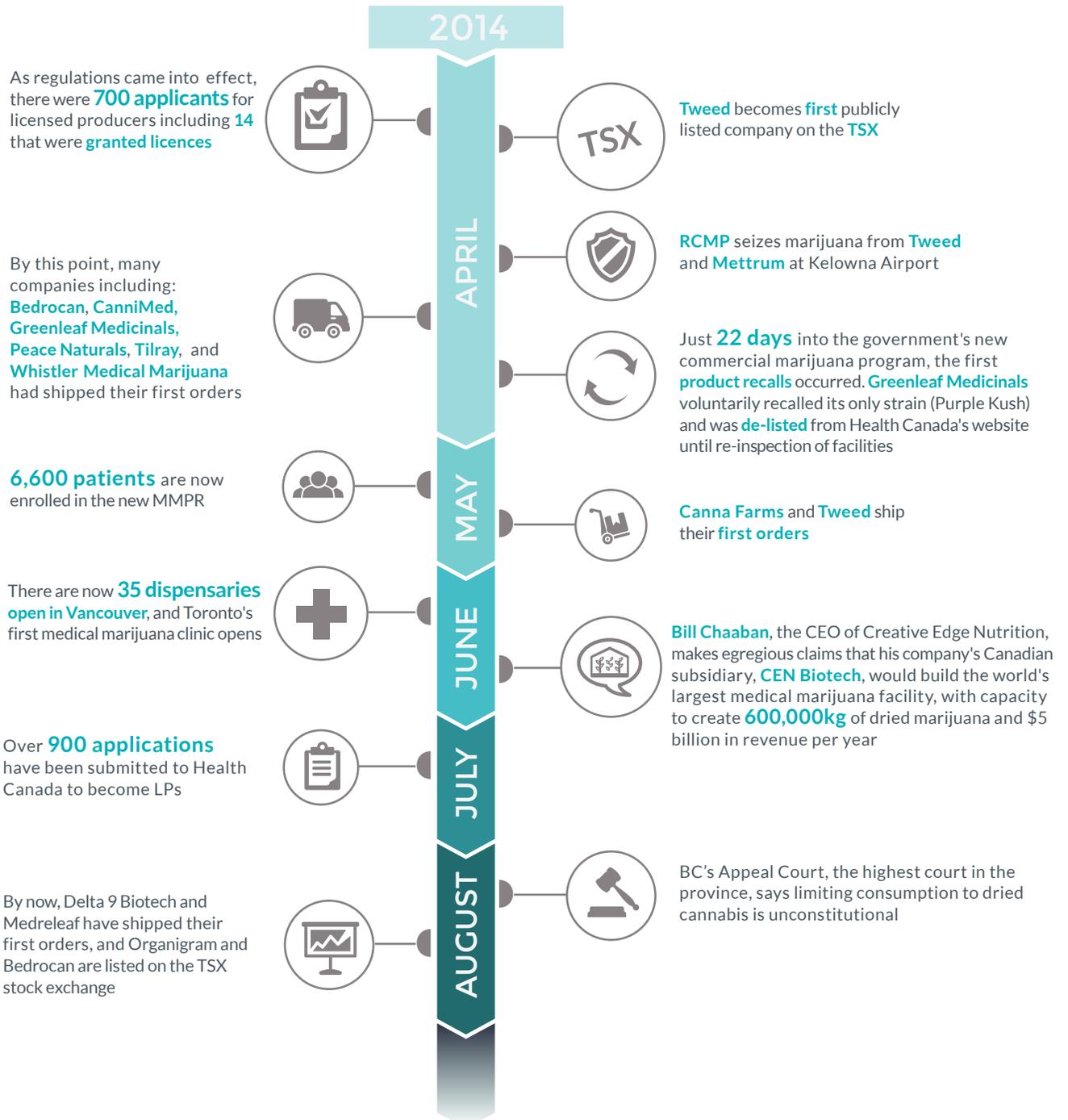




# YEARLY REVIEW

## Let's review the last year of MMPR in Canada

Under MMPR, all medical marijuana is grown at government-approved cultivation facilities and is tested for THC/CBD levels and microbial contaminants with inspection standards on par with those required of pharmaceutical companies.





**Federal Crown** appeals the ruling by BC's Appeal Court to make its **first case** heard by **Supreme Court of Canada**



SEPT.



Around this time, many licensed producers are challenged by **short supply**. Many patients are stuck on waitlists as new approved capacity is slow to be approved by Health Canada

OCT.



**Tilray** wins "Top Licensed Producer" Award in Lift's Canadian Cannabis Awards 2014

In November, Health Canada issued a notice to **20 licensed producers** regarding their advertising practices. LPs are asked to refrain from advertising their products to the general public as a treatment, preventative, or cure for any diseases



NOV.



Investigative reporter Grant Robertson of the Globe & Mail publishes an in-depth **exposé** on **CEN Biotech** revealing that the CEO had sold **71 million shares (\$4.6 million)** of his company's penny stock on OTC markets after the price ramped up **2,800%** in a matter of weeks on the company's extravagant claims

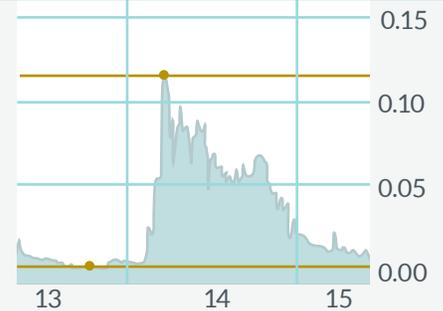
**Tilray** gets approval for additional **285,000 sq. ft** facility in Nanaimo. A 3<sup>rd</sup>-party economic impact report suggests that **company is #4 private sector employer** in the region and will rise to #1 once additional facility is completed. Additionally, the report finds that Tilray had a total economic impact of \$48.1MM in 2014, creating 395 direct and indirect jobs and paying \$8.5MM in federal, provincial and city taxes.



DEC.

2015

CEN Biotech - FITX Stock  
december 2014



Frustration mounts as the licensing process slows. Many licensed producer applicants have sunk millions of dollars of capital into facilities but cannot advance in Health Canada's licensing process



JAN.



Medical marijuana court case hits the Supreme Court on whether use of marijuana derivatives such as cookies, tea, or oils should be allowed. Decision is expected to be reached in Summer 2015

As the number of dispensaries reaches above the **80** mark, Vancouver is also moving to potentially be the first city to regulate marijuana shops.



MARCH



Privateer Holdings Inc., which holds a variety of US cannabis-focused companies as well as Canada's Tilray, raises **\$75 million** in 'Series B' funding. Notable investors include Peter Thiel's Founders Fund, which previously invested in Facebook, SpaceX, Spotify, Palantir, and Airbnb

APRIL





LICENSED

# PRODUCERS

This report covers 16 Licensed Producers under Canada's MMPR (Marihuana for Medical Purposes Regulation) program.



# LICENSED PRODUCERS

1 APHRIA

[www.aphria.com](http://www.aphria.com)



*Publicly Traded*

2 BEDROCAN CANADA

[www.bedrocan.ca](http://www.bedrocan.ca)



*Publicly Traded*

3 BROKEN COAST CANNABIS

[www.brokencoast.ca](http://www.brokencoast.ca)



*Private Company*

4 CANNA FARMS

[www.cannafarms.ca](http://www.cannafarms.ca)



*Private Company*

5 CANNIMED LTD.

[www.cannimed.ca](http://www.cannimed.ca)



*Private Company*

6 CANNTRUST INC.

[www.canntrust.ca](http://www.canntrust.ca)



*Private Company*

7 DELTA 9 BIO-TECH INC.

[www.delta9.ca](http://www.delta9.ca)



*Private Company*

8 MARICANN

[www.maricann.ca](http://www.maricann.ca)



*Private Company*



9

### MEDRELEAF CORP.

[www.medreleaf.com](http://www.medreleaf.com)



Private Company

10

### METTRUM

[www.mettrum.com](http://www.mettrum.com)



Publicly Traded

11

### ORGANIGRAM INC.

[www.organigram.ca](http://www.organigram.ca)



Publicly Traded

12

### REDECAN PHARM

[www.redecanpharm.ca](http://www.redecanpharm.ca)



Private Company

13

### THE PEACE NATURALS PROJECT INC.

[www.peacenaturals.com](http://www.peacenaturals.com)



Private Company

14

### TILRAY

[www.tilray.ca](http://www.tilray.ca)



Private Company

15

### TWEED INC.

[www.tweed.com](http://www.tweed.com)



Publicly Traded

16

### WHISTLER MEDICAL MARIJUANA CORP.

[www.whistlermedicalmarijuana.com](http://www.whistlermedicalmarijuana.com)



Private Company

14 16

11

9 13 15 10 12



WORTH NOTING:



# GUARANTEE

OrganiGram has a guarantee for every new customer that they will have three months of supply available.



# PRODUCT

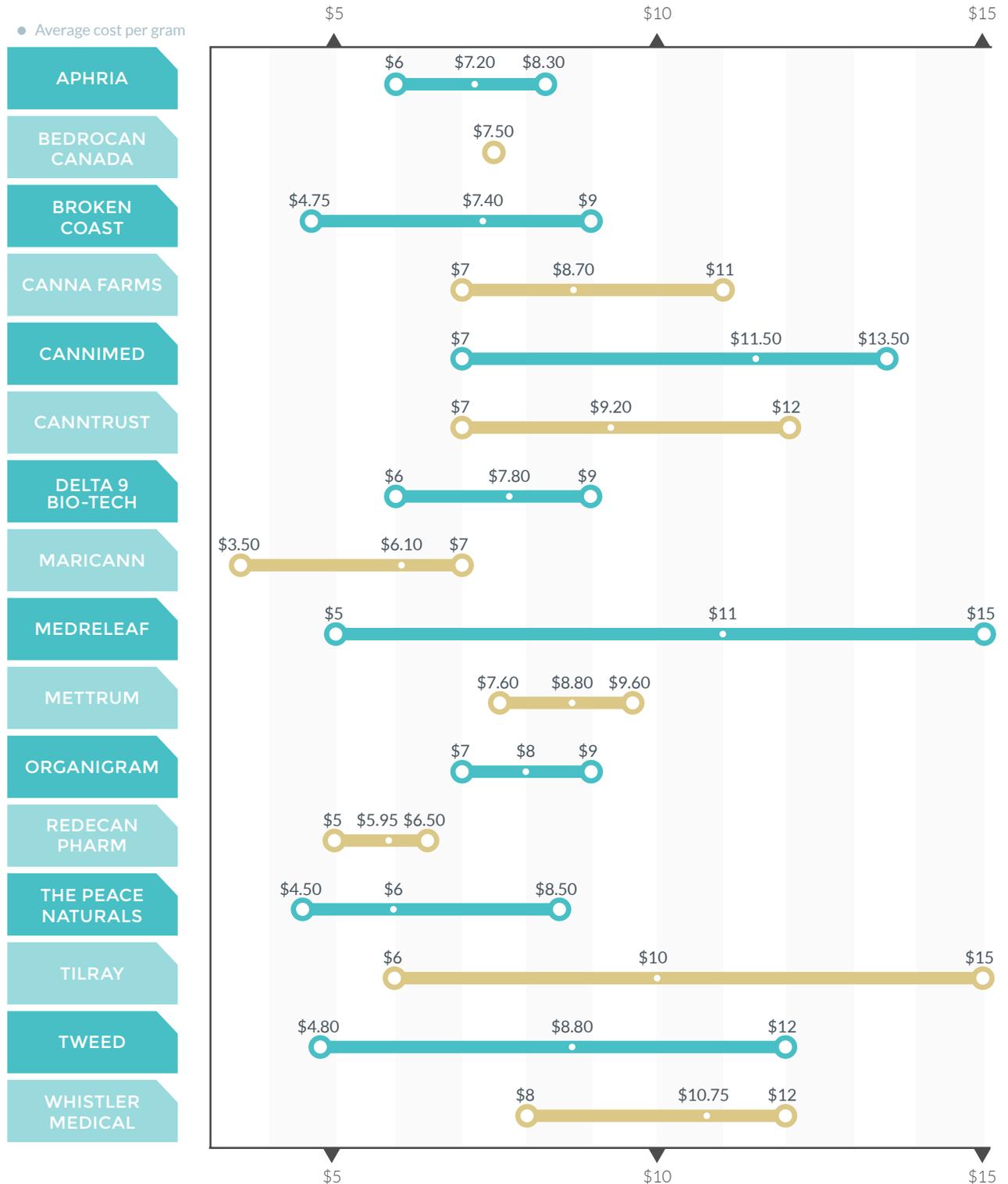
Overall, we found that there are a wide variety of strains available for patients. The largest challenge facing patients is a predictable and ongoing supply of the same strain.



# PRICING

The range of costs, along with the average cost for all available strains, are listed here for each producer. Important note: these ranges are based on the strains available at the time of data gathering in April. The below ranges do not reflect the whole intended product mix of LPs, but rather is snapshot at a given time. Many LPs we talked to mentioned that they have interesting plans for new strains in the future.

● Average cost per gram



## WORTH NOTING:



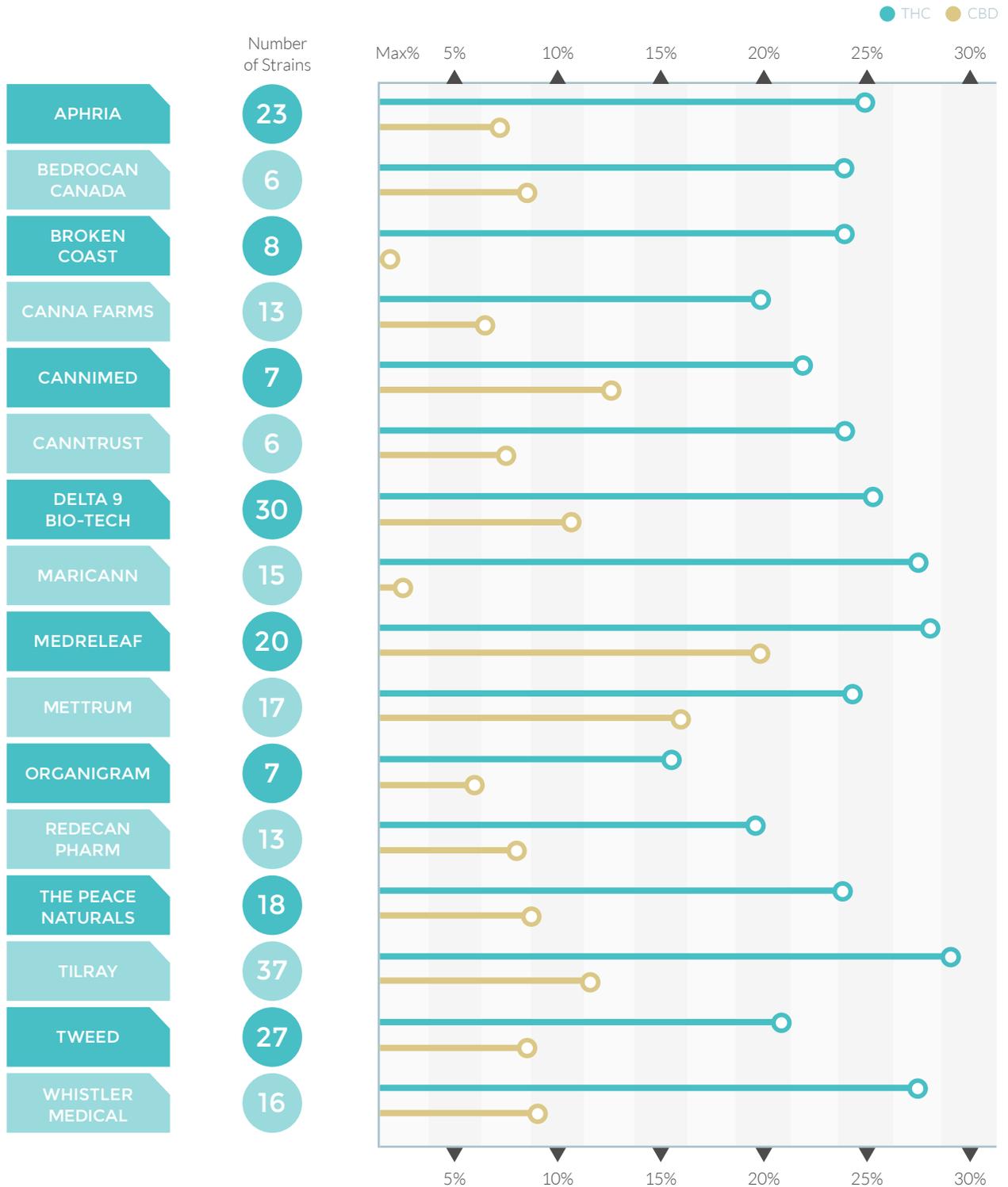
# DISCOUNT

We found many LPs now have different discounts or promotions available including: point systems, free shipping for certain orders, a strain of the month, and quantity discounts.



# STRAINS

This list represents the number of strains in production at the time of data gathering in April, as well as the maximum THC and CBD amount available. Over the last six months, we have noticed that a variety of companies now have high-CBD strains available.





# QUALITY OF STRAINS

We compared 807 user reviews from Lift Cannabis's database, and took the average user rating of each LP. The data becomes quite varied for companies with less than 25 reviews, as outliers can have an overly positive or detrimental effect on average rating.

Patient Reviews and Ratings





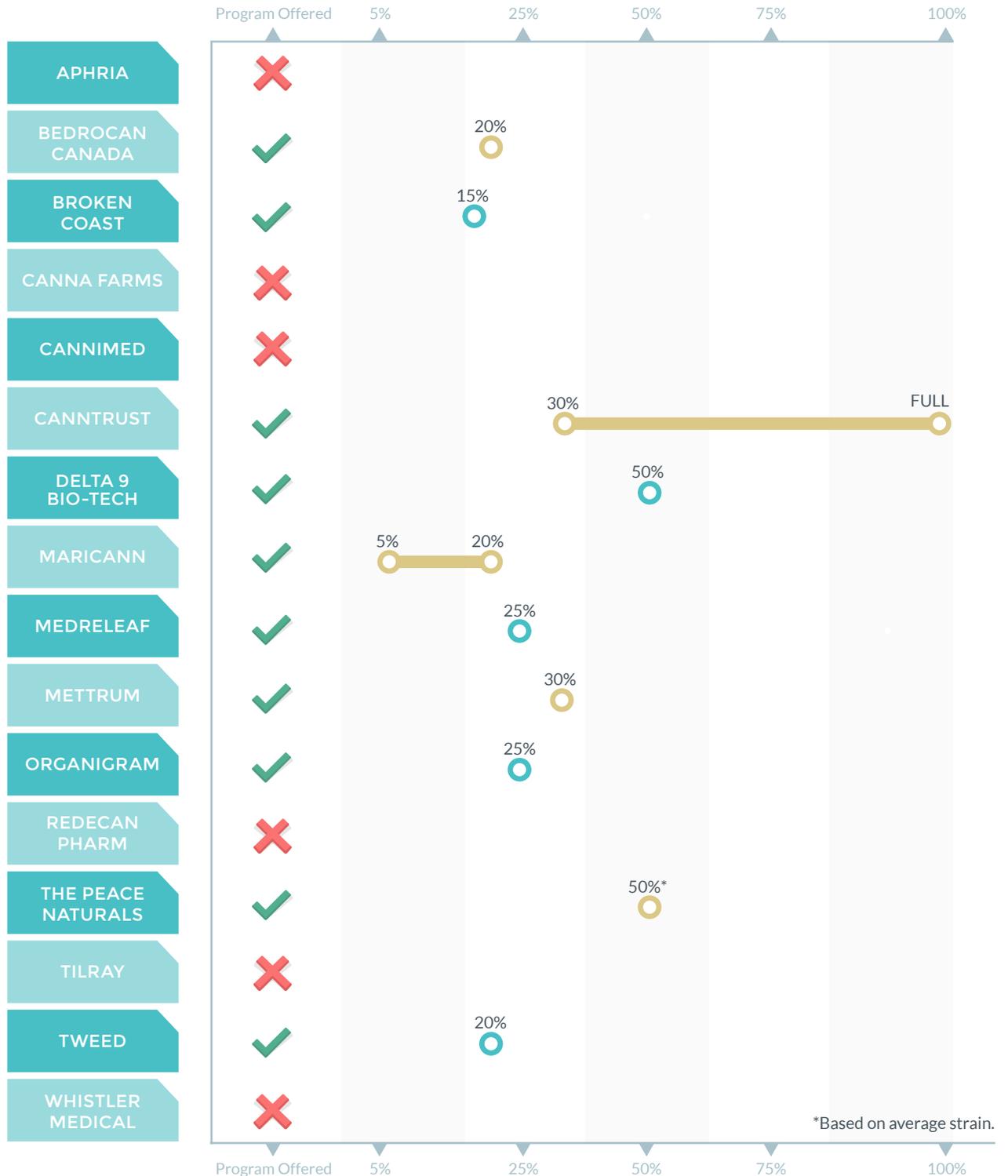
# COMPASSIONATE PRICING

The majority of LPs also offer Compassionate Pricing for people with disability or low incomes.



# COMPASSIONATE PRICING

Compassionate pricing programs give discounts to patients that have low incomes or are on disability. Proof of eligibility is similar amongst suppliers and usually requires the patient to fill an application along with providing appropriate financial documents, or proof of membership in a social assistance program.



\*Based on average strain.





# RESPONSE TIMES

We got a hold of each LP through email, phone, and social media to see how fast they could respond to our questions.





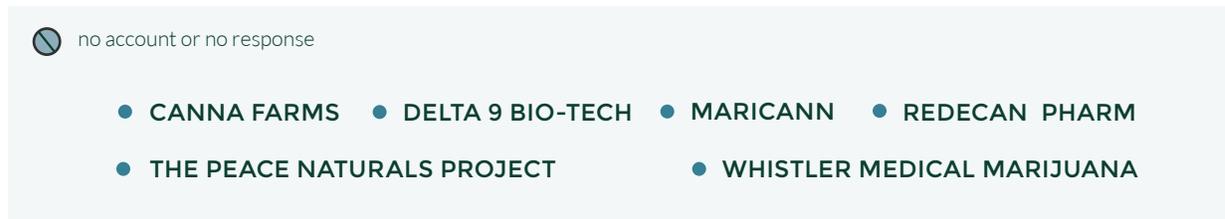
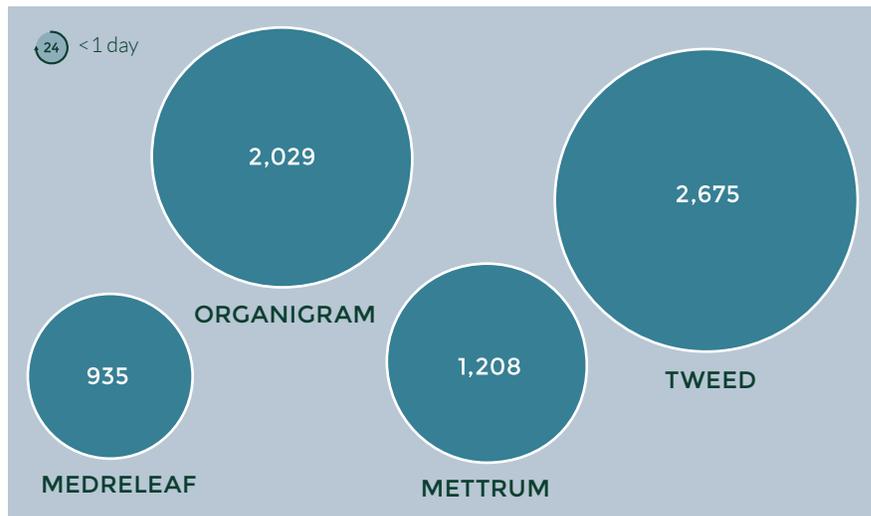
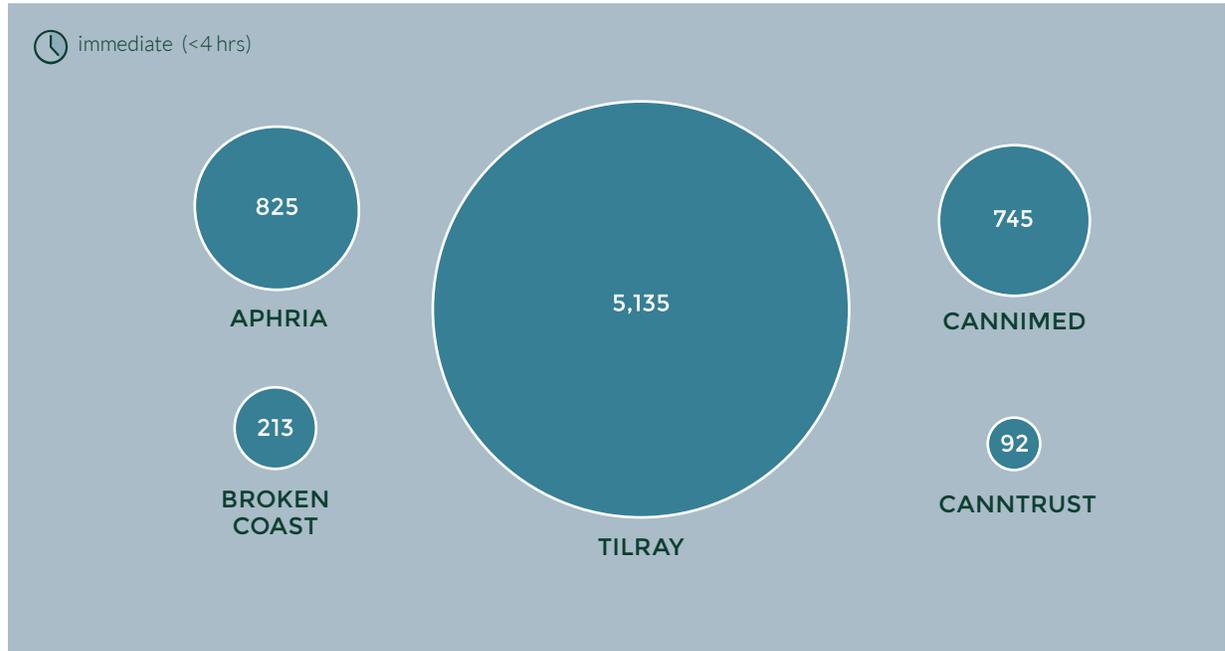
## RESPONSE TIMES

# FACEBOOK

LPs have improved in this area over the last six months. Five companies responded to us within four hours, and a few took more than a day to respond. Surprisingly, six companies still do not use Facebook to cater to patient needs.

Facebook Response Times

● radius is determined by number of likes.





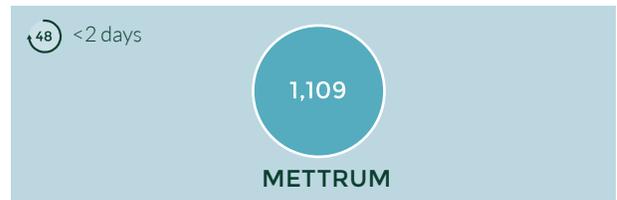
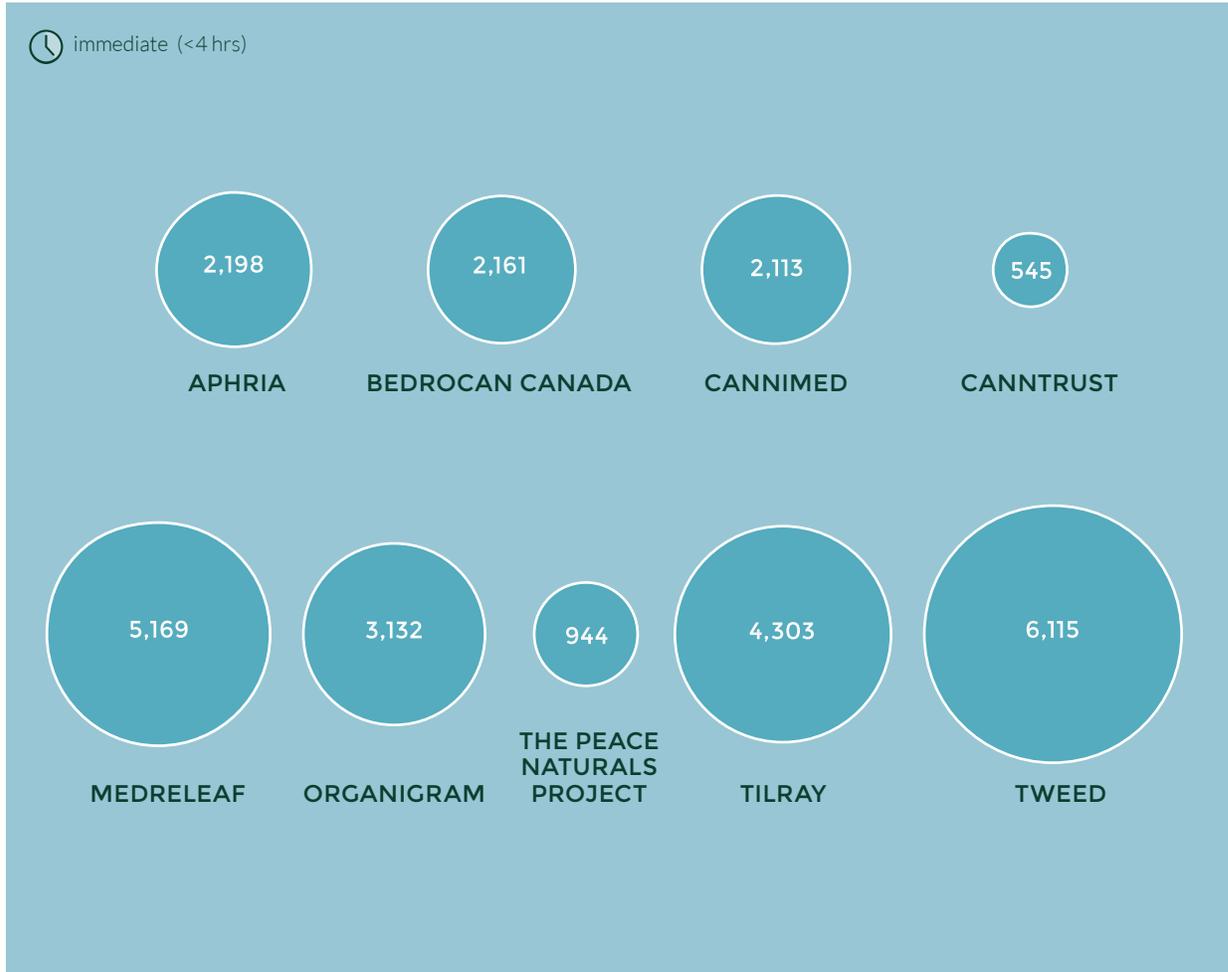
## RESPONSE TIMES

# TWITTER

Twitter had a better response rate over Facebook, with nine companies responding within four hours. Five companies do not use Twitter to cater to patient needs.

### Twitter Response Times

● radius is determined by number of followers.

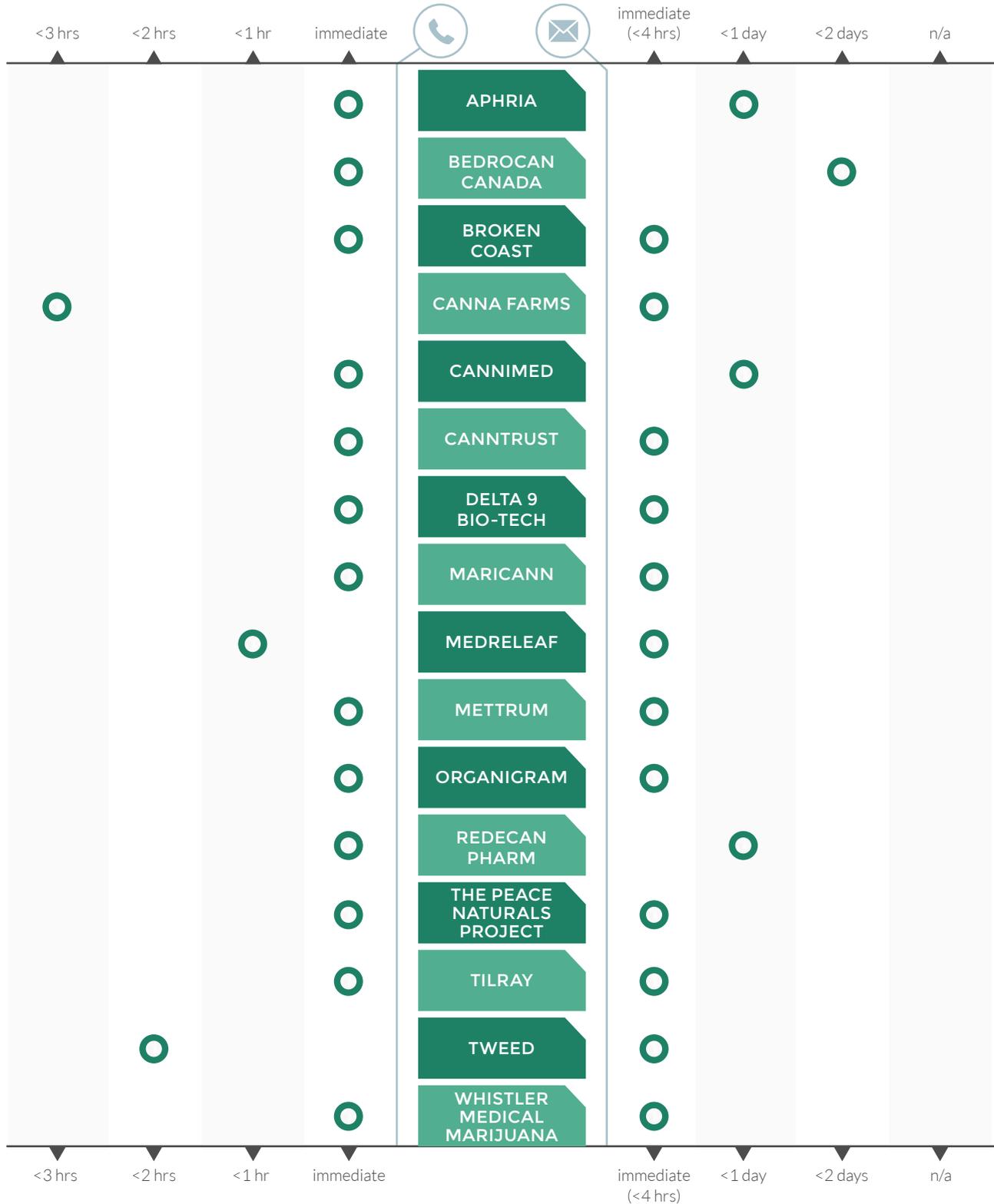




## RESPONSE TIMES

# SUPPORT SERVICES

We were able to reach most LPs with one phone call. Some never responded to our messages and we had to call back again. In general, email responses were pretty quick too.



WORTH NOTING:



## 24/7 PHONE SUPPORT

Tilray is the only current LP that advertises having 24/7 toll-free phone support for its patients and their health care practitioners.





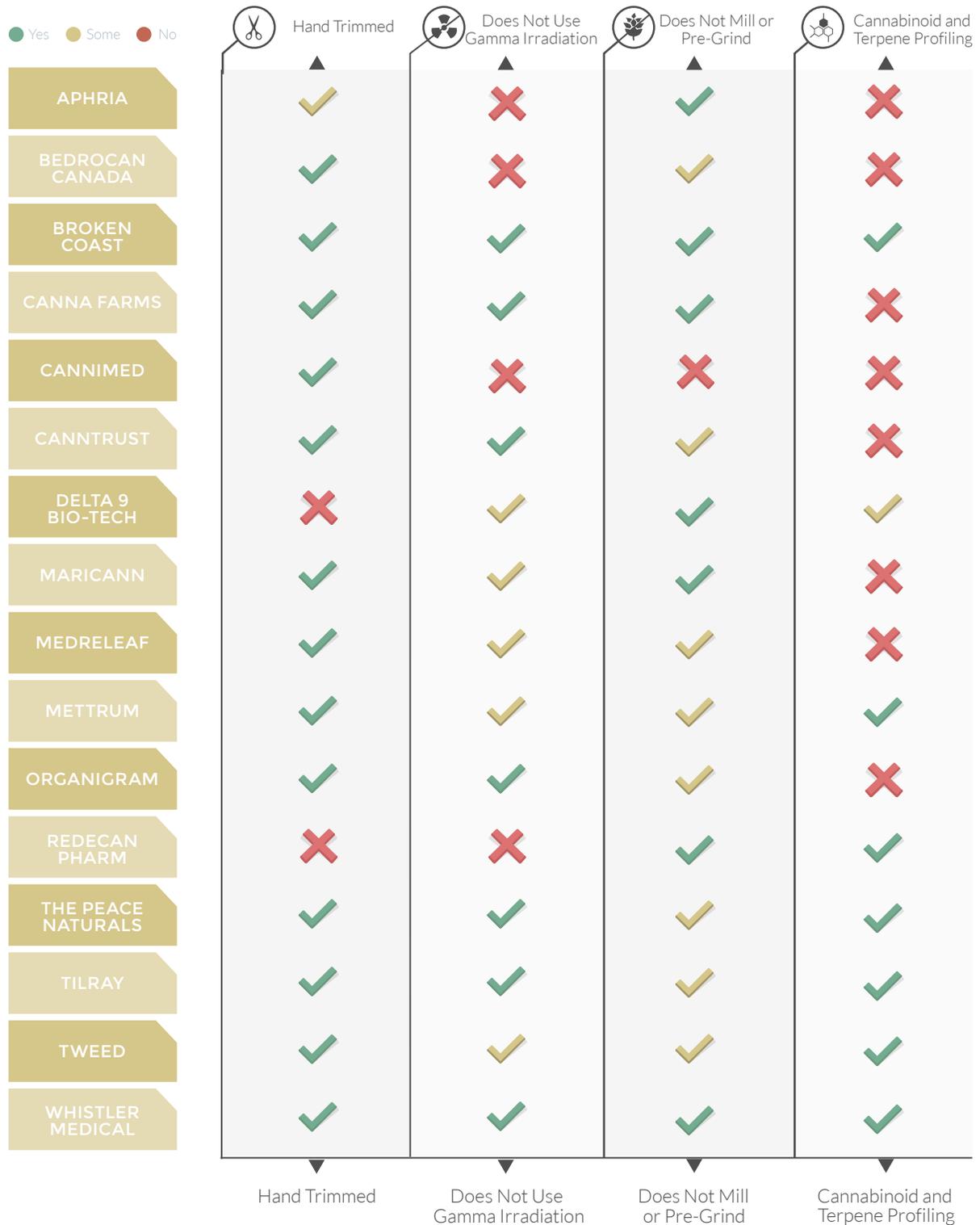
# PRODUCTION

We also wanted to see how cannabis was treated before being shipped to customers. We asked if they were hand trimmed (vs. using a machine), gamma irradiated (cold pasteurization), and milled (no whole buds).



# PRODUCTION SPECS

We found that no two companies are the same with how they treat their product, which provides plenty of variety to patients.



WORTH NOTING:



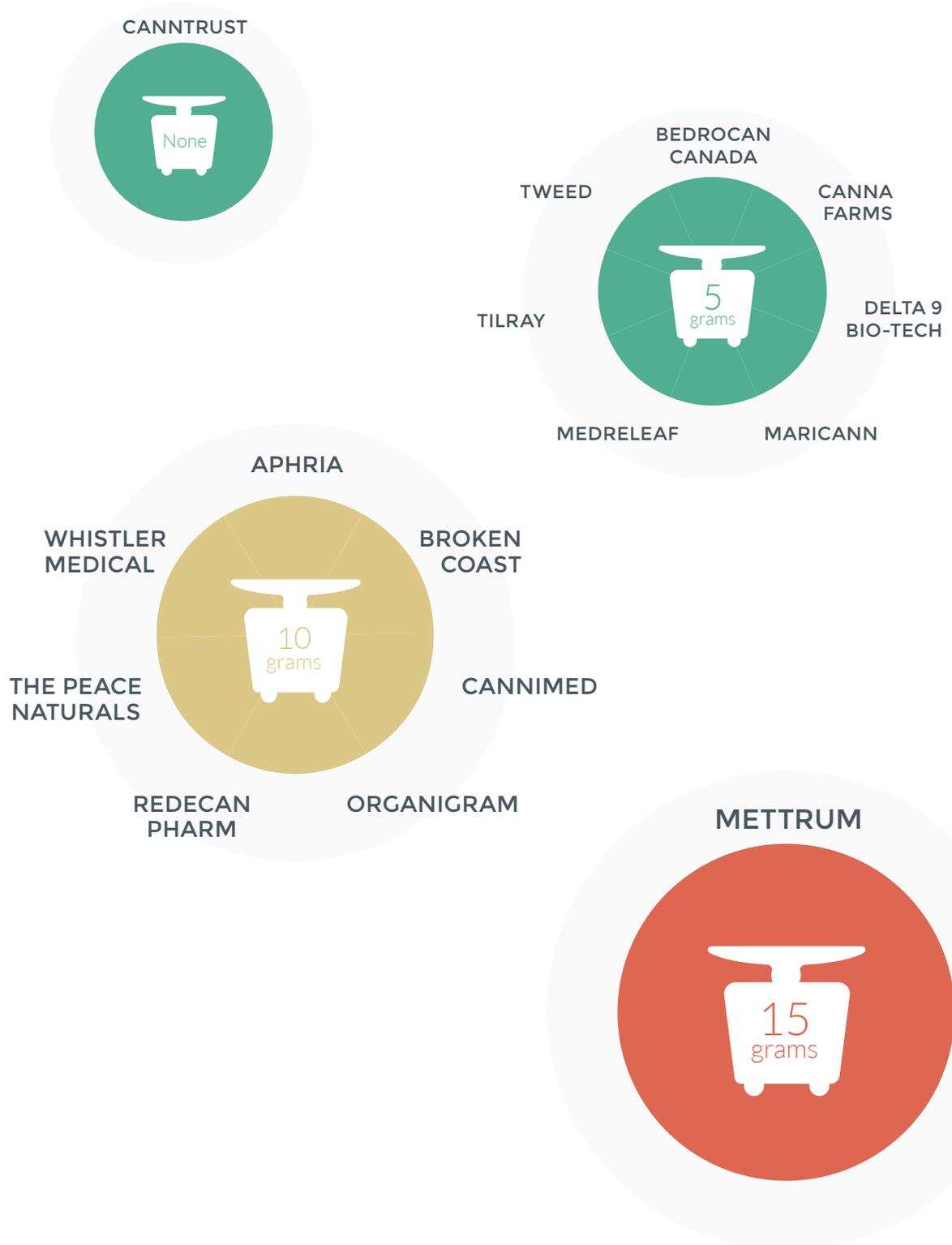
## FACILITY SIZE

Tweed has the largest medical cannabis facility in Canada with 168,000 sq. ft of growing space.



# MINIMUM ORDER

Most LPs have a minimum order of 5 grams of medicine or less. Some have a higher minimum order.





# 2014 CANADIAN CANNABIS AWARD WINNERS

Tilray was the only company to place in all five categories in the 2014 Canadian Cannabis Awards.

## TOP LICENSED PRODUCERS

1. Tilray
2. MedReleaf
3. Whistler Medical Marijuana

## TOP SATIVA STRAINS

1. Bedrocan – Bedrocan
2. Green Crush – Tilray
3. Happy Feet – Peace Naturals

## TOP INDICA STRAINS

1. Afghani – Tilray
2. Afghani Bullrider – Whistler Medical Marijuana
3. Erez – MedReleaf

## TOP HYBRID STRAINS

1. Pink Kush – Tilray
2. Midnight – Medreleaf
3. Argyle (Nordie) – Tweed

## TOP HIGH-CBD STRAINS

1. Midnight – Medreleaf
2. Cannatonic – Tilray
3. Nina – Peace Naturals

# CONCLUSION

In preparing this report, we felt we got a snapshot of what a prospective patient would encounter at the time of research (April 2015).

Generally, the experiences we had in dealing with LPs were quite positive. We found most LPs were eager to respond to us and answer questions. Here are some of the trends we noticed as we were putting it all together:

## TRADEOFFS

The market is still in its early stages, and companies are executing different strategies to win over patients. Right now, there are brands ranging from low to high end in terms of pricing and quality. There are also a variety of preparation strategies, including but not limited to: selling only whole buds, pre-milling the product, machine-trimming, or irradiating the product. In the future, as the market matures, it will be clearer which of these strategies work best for patients and which are better suited for small niches.

Moving forward, it will also be interesting to watch if all LPs move towards creating a similar selection of products with comparable benefits, or if they all specialize in specific areas based on patient demand.

## STRAIN AVAILABILITY

The single biggest trend we noticed was a lack of consistent strain availability. While the LPs have made big progress since last autumn, there is still a wide variability in what is available at any given time.

Supply hiccups are expected in a new industry, but we did get the impression that it does impact patients significantly. We hope that as medical cannabis in Canada matures, that patients will be able to rely on consistent supply for the medicine that works best for them.

## TRANSPARENCY

Our last note is on transparency. We found several LPs very reluctant to give out information on their company or their medicine. This is a concern for patients that are interested in knowing more about what they are buying.

A possible cause of this could also be that some representatives for each company may not yet have enough industry experience to know answers to questions like whether their product is irradiated, or if their flowers are trimmed by machines or by hand.