Medical Marijuana Inc.  
(OTCMKTS: MJNA)

Industry: Holding Company

Medical Marijuana, Inc. (MJNA), a diversified holding company that operates in the legal medical cannabis and industrial hemp industry, is well positioned to capitalize on the rapidly developing cannabis industry through its subsidiaries, investments, brands, and partners.

The company was incorporated in 2009 and it was the first publicly traded cannabis company in the United States. Medical Marijuana Inc. is comprised of a diversified portfolio of cannabis companies and brands that continue to flourish as new markets open and existing markets continue to develop.

We are favorable on Medical Marijuana Inc. due to the following reasons:

Executing on Multiple Levels

1) It is comprised of a number recognizable brands that we expect to see continued revenue growth,

2) The company has a global footprint that continues to expand as it enters new markets,

3) Its products have benefited patients across the globe and we see numerous applications for its products,

4) Its deep pipeline of products creates event-drive catalysts for the company,

5) The election is poised to serve as a catalyst for the shares as it creates new business opportunities for the company

6) Its valuation is attractive at current levels.

Stock Information:
Date: 11/15/2016
Current Price: .140
52 Week Range: 0.03 - 0.27
Suitability: High Risk

Company Data
Shares Out: 2.95B
Market Cap: 504.79MM
Avg Dailey Volume: 14.28MM
Institutional Ownership: N/A

Company Description
Medical Marijuana, Inc. (MJNA), through its subsidiaries and investment holdings, offers a portfolio of products, services, technology and businesses for the medical marijuana and industrial hemp markets. The Company is in the development-stage. The Company’s products range from cannabinoid-based products, to whole plant or isolated high value extracts manufactured and formulated for the pharmaceutical, nutraceutical and cosmeceutical industries. The Company’s services include medical clinic management, and the capitalization and development of cannabis and hemp industries business. Its services include development of cannabinoid-based health and wellness products, and the development of medical-grade cannabinoid compounds. MJNA services include the licensing of its testing, genetics, labeling, and packaging, tracking, production and standardization methods for the medicinal cannabinoid industry.
Capitalizing on a Cannabis Revolution

28 states and the District of Columbia have legalized medical marijuana and eight states have legalized recreational marijuana.

This revolution is not just taking place in the United States. We are seeing cannabis reform taking place all around the world. During the last two years, Brazil, Mexico, Paraguay, Puerto Rico, Canada, Uruguay, Jamaica, Portugal, and the Netherlands have taken steps to legalize or decriminalize cannabis.

As decriminalization and deregulation continues to occur across the globe, new opportunities emerge for companies within this rapidly growing industry.

Although recent studies have shown that cannabis has medical benefits, the DEA and FDA still have it classified as a Schedule I substance. The Schedule I category is reserved for substances that have the highest potential for abuse, that have no accepted medical use and even under medical supervision cannot be used safely.

The history of cannabis dates back thousands of years. Archaeologists found cannabis seeds inside Siberian burial mounds from 3000 B.C. Thousands of years ago, the Chinese used cannabis as a medicine. Cannabis even found its way to Colonial America as George Washington grew hemp at his house on Mount Vernon.

Although researchers are beginning to learn about the medical benefits associated with cannabis, they have not even scratched the surface. The cannabis industry is the fastest growing industry in the world. After spending several years researching cannabis and developing products, companies are just beginning to realize the fruits of their efforts.

A Once in a Lifetime Opportunity

While DEA scheduling and FDA approvals make therapeutic and pharmaceutical applications a longer-term opportunity in cannabis, early data seems promising and Medical Marijuana (MJNA) is positioned to capitalize on this immense opportunity through the success of its investment company, AXIM Biotechnologies (AXIM)

Although research suggests that cannabis can be an effective substitute for opioids, in particular for cancer-related pain, it is unlikely to disrupt the broader pain market given that a vast majority of opioids are low-cost generics.

Although the market for pain-related medicines is huge, patients continue to look for alternatives to opioids. As these formulations continue to be developed and tested, cannabis safety and quality testing will become increasingly important such that we conservatively estimate this market to be a $100 to $500 million opportunity over time.
Early Innings of a Multi-Decade Growth Cycle

While the full business potential of legal cannabis in the health care sector is only now coming into focus, early indicators suggest that the size of this market is considerable.

Over the last two years, the medical cannabis sector has expanded into several science-based business lines. These range from over-the-counter (OTC) pain medications to sophisticated biotech treatments for such chronic conditions as epilepsy, diabetes, schizophrenia, and post-traumatic stress disorder (PTSD).

Consumer demand for existing medical cannabis products continues to grow with its strength evidenced by the 28 states that have legalized it. Growing evidence that cannabis can significantly reduce addiction to and deaths from opioid painkillers should bolster its credibility as a legitimate healthcare product.

Research into the medical properties of cannabis has been limited given its Schedule I classification so that researchers have only begun to crack the surface of its potential. Medical Marijuana, however, has successfully conducted a number of preclinical and early stage tests on medical cannabis.

INDUSTRY HISTORY

2003 – NIH Patent Published
This patent, owned by the National Institutes of Health, describes the therapeutic properties of CBD.

2004 – HIA vs. DEA Decision
The result of this case reaffirmed the legality of hemp product imports.

2009 – Medical Marijuana Inc. Founded
Medical Marijuana Inc. becomes the first publicly traded hemp company.

2010 – First CBD Products
Medical Marijuana Inc. subsidiary sells the first legal CBD products in the United States.

2014 – “Farm Bill” Passed
The US Government passes the “Farm Bill”, which permits hemp agriculture for research purposes.

Current Legal States
Today – Changing Legal Landscape – 23 states have legalized use in some form, and 11 more have upcoming legislation.

Business Units: Nutraceuticals

HempMeds, which offers mainstream marketing, sales, customer service, and logistics for the cannabis industry (owns 100%). HempMeds has many subsidiaries and international sister companies including: HempMeds Brazil, HempMeds Mexico, HempMeds Puerto Rico.

Kannaway, LLC is a direct sales and marketing company specialized in hemp-based botanical products (owns 100%). The company is a network sales and marketing company focused on the sale and marketing of hemp-based botanical products.
Business Units: Nutraceuticals

**Red Dice Holdings** is the intellectual property holder of the Dixie Brand of products (owns 100%). Products are sold through the Dixie Botanicals Brand. This company is a joint venture between Dixie Holding and Medical Marijuana and holds the intellectual property of the Dixie Brand products, Dixie Elixers and Dixie Botanicals, the first CBD-based hemp oil products company.

**CanChew Biotechnologies**, which is the first patented cannabidiol (CBD) hemp gum that delivers CBD while you chew (owns 50%). Released in 2013 and licensed in 2015 to become the flagship product of AXIM® Biotechnologies, CanChew® gum is a great tasting mint gum developed by a team of doctors, dentists, and researchers. CanChew® was inspired by nicotine-replacement gum as a delivery system for cannabinoids and gives consumers a mainstream, healthy way to obtain their daily CBD hemp oil.

Business Units: Developmental

**Wellness Managed Services** provides support services to cooperatives, collectives, dispensaries and related health and wellness facilities (owns 80%). The company provides management support and services to facilities across the United States. The products offered by Wellness Managed Services range from practice management to product distribution and much more.

**MPS International**, is a consulting firm that provides premier security consultative services to businesses and individuals in the legal cannabis industry. The company is 50% owned by MJNA’s portfolio company, Wellness Managed Services.

**Canipa Holdings** assists with Medical Marijuana, Inc.’s international expansion and sourcing primarily in Europe, the Middle East, and Asia (owns 100%). The company is focused on obtaining product and marketing approvals as well as distribution partners for Medical Marijuana’s portfolio of products.

Business Units: Pharmaceutical

**AXIM Biotechnologies (AXIM)** is an innovative biotechnology company focused on research, development and production of pharmaceutical, nutraceutical, food and cosmetic products from industrial hemp (owns 45.5%). AXIM is in the process of developing a game-changing product through its medicated chewing gum which has an equal ratio of THC and CBD.
Business Units: Pharmaceutical

KannaLife Sciences Inc., is a bio-pharmaceutical firm with two licenses, one of them exclusive, to the National Institute of Health’s “507 patent” on the therapeutic use of cannabinoids (owns 16.7%). KannaLife has an exclusive license agreement with the National Institute of Health-Office of Technology for the commercialization of its patent. This will allow Medical Marijuanato focus on hepatic encephalopathy. The company also has a second indication from the same patent, which allows them to develop treatments for traumatic brain injuries. This is often referred to as chronic traumatic encephalopathy or CTE which given the increased levels of concussion injuries has recently become a major focus at organizations such as the National Football League (NFL).

Retail Product Portfolio

Real Scientific Hemp Oil

Real Scientific Hemp Oil (RSHO) is a natural, full spectrum CBD oil extracted from hemp plants grown in northern Europe. The farming co-op that grows the company's hemp relies upon centuries of traditional hemp cultivation practices to create a complete CBD oil from healthy, contaminant-free hemp. Its non-GMO hemp is cultivated without the use of any herbicides, pesticides or chemical fertilizers to ensure a reliable and safe product. The product must meet stringent EU regulations before it can enter the United States. Real Scientific Hemp Oil is available in all 50 states and in over 40 countries worldwide. The product is in a class of its own because it is the first approved medical cannabis product in Puerto Rico, Brazil, Mexico, and Paraguay. Medical Marijuana offers several versions of RHSO, which maximizes the number of consumers that will use its product. RHSO comes in Green, Blue, and Gold Label, as well as four different delivery methods to best fit a diverse set of customer needs - potency, convenience, and taste.

Cannabis Beauty Defined

Cannabis Beauty Defined is the first luxury beauty line featuring CBD hemp oil. Their exclusive anti-aging products bring natural CBD from hemp oil to high-end skin care for the first time. The award-winning anti-aging skin care line is distributed by Kannaway and is available either through the Medical Marijuana store or through Kannaway's brand ambassadors. The company's product line contains CBD hemp oil and exclusive Bi-Bong herbal blends. The proprietary formula was passed down through generations of master herbalists and contains ingredients that would be nearly impossible to copy.
Retail Product Portfolio

**Dixie Botanicals**

Dixie Botanicals has been available in mainstream markets since 2011 and is one of the most recognizable CBD hemp oil brands. Dixie Botanicals was the first hemp CBD brand to gain national and international distribution. Dixie Botanicals is focused on creating new products for health-conscious consumers and has become the daily CBD supplement for customers across the United States and in 40 countries internationally. All of Dixie Botanicals products are made with best-in-class cultivated hemp oil and formulated by a team of scientists, clinical herbalists and nutritionists for the highest quality sources of CBD. The company's hemp oil supplements are available as a stevia sweetened tincture, as a vegan capsule, or even as a topical salve. The Dixie brand initially connected with Medical Marijuana in 2012 as they wanted to expand Dixie's market influence. Following this partnership, the Dixie brand expanded throughout Colorado and is selling products in 450 medical marijuana dispensaries. Later that year, sales of Dixie Botanicals CBD hemp oil products made them the industry's first brand to enter a national market. The Dixie brand then expanded internationally and started to market and ship products overseas. In 2014, Medical Marijuana finalized an agreement to fully separate Dixie Botanicals from Dixie Holdings' Elixirs and Edibles, a primarily THC product line to focus on developing the CBD hemp oil market. In early 2015, Medical Marijuana moved Dixie Botanicals from Denver to San Diego. This move was made in conjunction with a push to inform the market that Dixie Botanicals products were available in all 50 states with no required prescription or medical recommendation.

**Rev!ve**

Rev!ve is a CBD hemp oil supplement specifically designed for each part of the day. The Rev!ve line of products were designed to help achieve optimal health and homeostasis as well as to optimize energy throughout the day. The Rev!ve product line addresses the full body with tinctures, capsules and salves for internal and external applications. Formulated with nutrient-rich supplement blends from time-tested, proprietary ancient herbal formulations, Rev!ve contains CBD from hemp paired with synergistic Bi-Bong herbs, vitamin D and sustainably sourced MCT oil. The brand is exclusive to Kannaway and Rev!ve products and can be purchased from Kannaway's website or through a brand ambassador.

**HempVÅP**

HempVÅP is the first sustainable hemp oil vaporizer product on the market. It is made from all-natural ingredients and has no artificial flavoring. All HempVÅP products are available from Kannaway and from Medical Marijuana's store. HempVÅP electronic vapes are legal in the United States and can be shipped to all 50 states and over 40 countries as a CBD hemp oil supplement. Consumers do not need to have a doctor's recommendation or a medical cannabis card to purchase and use a HempVÅP.
Retail Product Portfolio

**CanChew**

CanChew gum is the flagship product of AXIM Biotechnologies (AXIM) which licensed the product in 2015. CanChew gum was inspired by nicotine-replacement gum as a delivery system for cannabinoids and was developed by a team of doctors, dentists and researchers. CanChew gum is manufactured in the United States and is one of the first products released under the AXIM Biotechnologies patent on chewing gum as a delivery method for cannabinoids. The molecules are absorbed sublingually through the mucus membrane in the mouth which is more effective at transmitting CBD than through the digestive system. CanChew gum is an all-natural

**Kannactiv**

Kannactiv is the first ever skin clearing formula made with CBD hemp oil. This three-step daily use product features the Kannaway synergistic CBD/Bi-Bong blend which is designed to provide deep nourishment and bring balance to the skin. Kannactiv is infused with cannabinoid antioxidants found in natural hemp and boosted with proprietary East Asian herbal blends. Kannactiv works to detoxify the pores, to clear excess oil, dirt and irritants that lead to blemishes so as to promote a healthy, youthful looking complexion. The Kannactiv skincare system is available through the Kannaway store or through a Kannaway brand ambassador.

**Kannakick**

Kannakick combines CBD hemp oil and an energy supplement into a functional chew, a product launched in Colorado in 2014. Each Kannakick chew contains 5 mg of CBD from hemp oil and 100 mg of encapsulated delayed-release caffeine, about the same as a strong cup of coffee. Each Kannakick chew contains 20 calories and is a healthy alternative to energy drinks and power shots.
Global Footprint

Worldwide Brand Recognition

Medical Marijuana's subsidiaries, partners and brands have provided the company a unique position within the cannabis industry. The holding company has been able to locate potential partners which add value to the company through enhanced brand recognition, improved fundamentals and better margins.

We expect to see Medical Marijuana enter a margin improvement cycle over the next few years as the company continues to recognize synergies between its business units. We are going to highlight the company’s subsidiaries, partners and brands, and then explain how this unique operating structure is poised to benefit shareholders over the long-term.

Market Penetration: North America

Expanding Reach Within Mexico

In late September, Dr. Carlos G. Aguirre Velazquez, well-known and well-respected neurologists announced the results of a survey he conducted on children with refractory epilepsy which found that out of 53 cases of children who were treated with cannabidiol (CBD) hemp oil, seizures were reduced by an average of 67%. The significance of Dr. Aguirre's findings are quite profound as the Cannabis pharmaceutical leader, GW Pharmaceuticals has also been doing clinical trials to reduce epileptic seizures. GW has shown a 36% reduction in seizure activity, according to Dr. Orrin Devinsky and his study at the New York University Hospital. Dr. Aguirre's study with CBD botanical products has shown in Mexico a 67% average reduction in seizures – thus the natural botanical is significantly outperforming the pharma-grade product.

Medical Marijuana's HempMeds subsidiary provided the product that was most commonly used in the survey. HempMed's product is the only legal option in Mexico and the company was the first to receive a COFEPRIS approval to import cannabis products.

The results of this study were impressive. The study also reported that in seizure cases treated with CBD hemp oil, 16% were completely controlled while most saw at least a moderate improvement. The study was conducted by Dr. Velazquez, who serves as a Professor of Pediatric Neurology at the Monterrey Institute of Techhas' School of Medicine.

Patients who participated in this study did so on a voluntary basis. The criteria to take part was as follows:

1. **Must have been diagnosed with a form of refractory epilepsy such as Lennox-Gastaut Syndrome (LGS), Dravet, Doose or other**;

2. **Current use of medicinal cannabis (pure CBD or combined in different presentations)**

As part of an ongoing effort in the country to inform health professionals as to the therapeutic uses of cannabis, results from the study will be presented to other doctors across Mexico.

Medical Marijuana has a very firm position in the Mexican cannabidiol market as it was the first company with CBD products approved by the government. The recently reported results further strengthen the company's position within the market as its products have improved the quality of life for many of its test subjects.
Medical Marijuana's HempMeds subsidiary has its own subsidiary that is based in Mexico. The company plans to work directly with the Mexican government to safely and legally provide access to CBD hemp oil products.

**Strengthen HempMeds Mexico Management Team**

In early August, Medical Marijuana consolidated its operations in Mexico when Dion Markgraaff was appointed President of HempMeds Mexico. Markgraaff has more than 25 years experience in the cannabis industry and will help drive the marketing and distribution of HempMeds RSHO-X product throughout Mexico.

Medical Marijuana’s HempMeds Mexico subsidiary is poised to see incremental growth for years to come as it has the only federally approved CBD product in a country of more than 120 million people.

Markgraaff will also help the company increase market share in Mexico through education and awareness. Although the medical benefits of cannabis are significant and proven, most people are still unaware of its potential to treat illnesses and ailments for which there are no effective treatments.

Prior to being named President of HempMeds Mexico, Markgraaff served as a business development consultant for General Hemp LLC, a private equity company founded to support growth in the industrial hemp industry.

During this time, Markgraaff was instrumental in opening the cannabis market in Mexico and introducing RSHO-X. He helped solidify a partnership with Raul Elizalde, Mexico’s champion for cannabis reform and his Por Grace Foundation, the leading association fighting to ensure families receive the right to health care and medical access to CBD hemp oil in Mexico.

Elizalde’s family was the first in Mexico to sue the federal government and win the right to import CBD hemp oil to treat their daughter Grace’s severe form of epilepsy known as Lennox-Gastaux Syndrome. On April 21st, Mexico’s President Enrique Peña Nieto announced plans to move the country away from marijuana prohibition and toward science-based policies and human rights, including medicinal use.

As recently as October 8, 2016, HempMeds Mexico offered the nation’s first ever doctors symposium discussing the positive medical effects of CBD and prescription process. The event held in Mexico City drew over 120 MDs to introduce them to the therapeutic use of RSHO-X.

**Market Penetration: Latin America**

**A Focus on Latin America**

Over the last year, Medical Marijuana has made a lot of progress expanding the reach of its subsidiaries and investments in Latin America and we expect to see significant revenue growth because of its success. The company’s products are currently available in Brazil, Mexico, and Paraguay.

Medical Marijuana’s Real Scientific Hemp Oil product has already been granted 12 medical product registrations in Puerto Rico. The company plans to open a fourth Latin American market in the very near future. Real Scientific Hemp Oil products are shipped to more than 40 countries and we expect to see this number continue to grow over the next year.

Medical Marijuana has found a lot of success in the Latin American market as its product has shown significant benefits for patients suffering from various ailments. The company has also benefitted from the region’s more lenient laws and regulations covering medications.
The diversity of Medical Marijuana, Inc.’s subsidiaries and investments has enabled the company to realize significant year-over-year revenue growth. These assets also strengthen Medical Marijuana’s balance sheet and allow the company to find strategic ways to create value.

The company also announced its intentions to expand its presence in Latin America as the cannabis industry continues to develop and as demand for its products grows. In May, Paraguay’s government granted its first-ever import permit for Real Scientific Hemp Oil, which marked the third country in Latin America (after Brazil and Mexico) to approve Medical Marijuana’s hemp oil for indications including epilepsy, Parkinson’s disease and chronic pain.

**Market Penetration: Latin America**

**Brazil Reforms its Cannabis Healthcare Laws**

Although growing cannabis is illegal in Brazil, in April 2014 a Federal judge approved the importation of Medical Marijuana’s CBD hemp oil product, Real Scientific Hemp Oil, for the treatment of Anny Fischer, a Brazilian child.

After this landmark decision, the Brazilian government expanded its approval to include any individual with a medical recommendation and authorization to import under the indication of Refractory Epilepsy. Thank to the efforts of epilepsy patients parents, Norberto and Katiele Fischer of Brasilia.

The refractory epilepsy program exceeded expectations and did well enough for ANVISA, Brazil’s regulatory body, to authorize two additional indications: Parkinson’s disease and chronic pain, including migraine headaches.

Medical Marijuana expects to see its products approved for additional medical indications over time as the company continues to deliver favorable results from clinical efforts and to improve the way of life for patients suffering from a variety of illnesses.

The Brazilian government is now waiving import taxes, subsidizing the cost of RSHO and covering the product under health insurance. With a population of more than 248 million, Brazil represents the seventh largest economy in the world and has provided a blueprint for success when it comes to cannabis law reform.

**Brazil Approves Real Scientific Hemp Oil for three indications**

The first three indications approved for HempMeds Brasil are epilepsy, Parkinson’s disease and chronic pain.

Although this presents us with an excellent LEASE-term opportunity, the company sees a bigger play – and thus has begun full Product Registration efforts within Brazil to become formally approved as a “fitoterapicos” (a plant based medicine). Dr.Titus continues saying “There is nothing more urgent for us than to prove some of the emerging therapeutic portions of the hemp-CBD products to the medical communities across the globe. Efforts have started within Mexico and Brazil to this end.”

**Medical Marijuana’s Presence in Paraguay**

In late May, Paraguay’s government authorized the importation of Medical Marijuana’s flagship product Real Scientific Hemp Oil as a prescription medication for refractory epilepsy.

This news is significant as it marks the third country in Latin America, following Brazil and Mexico, to approve Medical Marijuana’s cannabidiol (CBD) hemp oil for indications including Refractory Epilepsy, Parkinson’s disease and chronic pain, including migraine headaches.

The company’s product will be used to treat a 15-year-old boy in Paraguay who was diagnosed with an autism spectrum disorder and suffers from Lennox-Gastaut Syndrome (LGS).
Entering the Anti-Epileptic Drug Market

GW Pharmaceuticals and others have extensively investigated the anti-seizure properties of cannabidiol (CBD) in preclinical models. CBD has been shown to modulate ions in the central nervous system that influence epileptogenesis as well as endogenous compounds that inhibit excitatory neurons.

CBD also inhibits the synthesis of inflammatory cytokines and has negligible binding at the CB1 receptor and therefore lacks psychoactivity. CBD has been shown to have anti-seizure activity in 5 different preclinical in vivo seizure models, and its effects appear additive in combination with standard AEDs.

Seizure control and elimination are the ultimate goals of epileptic treatment. Patients are considered seizure-free if they have had no seizures for at least one year. Patients may be subjected to one or more treatment courses including pharmacologic therapy, hormonal therapy, immunotherapy, surgery, neurostimulation, diet, and behavioral modification techniques. Drug-based therapy is the most popular, with the other approaches reserved for patients with drug-resistant (intractable) forms of epilepsy.

There are over 20 FDA approved anti-epileptic drugs (AEDs) from which epileptologists may choose. Medical doctors suggest that matching an epileptic patient with an AED is not trivial. One of the most important factors considered when determining the choice of drug is the patient's specific type of seizure. Choosing an incompatible AED may worsen the patient's symptoms. Based on the type of seizures for which they are most often used, AEDs can be divided into two groups: broad-spectrum and narrow-spectrum drugs.

Broad-spectrum drugs have shown efficacy in partial and generalized seizure types and are particularly helpful when the seizure type or the epilepsy syndrome has not been well established. Broad-spectrum AEDs are predominantly used in children and adolescents given the higher incidence of generalized epilepsy syndromes in these age groups.

Narrow-spectrum drugs are typically effective in partial seizures or secondarily generalized tonic-clonic seizures. Frequently, adult-onset epilepsies are partial or focal.

CBD Pharmaceutical Applications

Working on Developing Treatments for Several Indications

Medical Marijuana and its subsidiaries and partners are focused on creating treatments for several debilitating illnesses where there are currently no effective treatments. In the order of least to most impacted in the United States, the health indications the company is focused on are:

- Parkinson's disease – Approximately 1 million Americans suffer from Parkinson’s disease (approximately 7 to 10 million worldwide). The size of this market in the United States alone is estimated to be nearly $25 billion per year. Medication costs for a person with Parkinson’s is around $2,500 a year, and therapeutic surgery can cost up to $100,000.

- Chronic Traumatic Encephalopathy (CTE) – Approximately 1.7 million people in the United States sustain a traumatic brain injury (TBI) annually. The size of this market in the United States is estimated to be nearly $60 billion per year.

- Epilepsy – For general epilepsy, direct healthcare in the United States costs around $10,192 to $47,862 per person. 5.1 million people in the United States have had a diagnosis of epilepsy or a seizure disorder.
CBD Pharmaceutical Applications

- Epilepsy – For general epilepsy, direct healthcare in the United States costs around $10,192 to $47,862 per person. 5.1 million people in the United States have had a diagnosis of epilepsy or a seizure disorder.

- Hepatic Encephalopathy (HE) – the cost of hospitalizations for hepatic encephalopathy in the United States range from $1-7 billion per year. Hepatic encephalopathy is most often associated with cirrhosis, which is estimated to affect 5.5 million people in the United States with over 2000 in stage 3.

- Chronic pain – One of the largest problems affecting the public health system and it is estimated to cost society at least $560-$635 billion every year. 100 million Americans and 1.5 billion people worldwide suffer from chronic pain. Those patients in the United States who suffer pain on account of multiple sclerosis represent a $4.8 billion market.

- Alzheimer’s – 5.4 million Americans. Current market for medicines, $22.5 Billion. In 2050 estimates are 15-20 million Americans will suffer from Alzheimer’s and the medicine market is estimated to be $1.1 trillion.

Cannabis has a very long and significant history in healthcare that dates back thousands of years. Because of the negative propaganda in the early 1900s, cannabis was removed from the U.S. Pharmacopoeia in 1936. Although some of the early research was lost, studies have shown that cannabinoids (THC, THCV, CBD, CBG, CBN, CBC) have a positive impact on health and wellness. Medical cannabis research is ongoing on various indications and conditions including:

- Protects against cancer
- Reduces nausea
- Pain reliever
- Causes drowsiness
- Increases appetite
- Decreases appetite
- Relieves spasms
- Decreases seizures
- Reduces anxiety
- Muscle relaxant
- Antimicrobial

- Antibacterial
- Antifungal
- Protects nervous system
- Anti-diabetic
- Improves blood circulation
- Lowers blood pressure
- Relieves psoriasis
- Relieves Crohn’s disease
- Anti-inflammatory
- Bone stimulant
- Relieves rheumatoid

Dr. Titus adds that “of the recent medical cannabis US states, Pennsylvania allows 18 indications for medical cannabis and Ohio allows for 21. This will keep the research community busy for decades to come.”
Primary Ailment Applications

**Dravet syndrome**, formally known as Severe Myoclonic Epilepsy in Infancy, is one of the most severe epileptic encephalopathies and one of the best understood. In 70-80% of Dravet cases the cause has been linked to a mutation in the alpha 1 sodium channel subunit (SCN1A) gene. SCN1A mutations that dramatically impair the function of the protein product are responsible for Dravet Syndrome. Mutations resulting in mild alteration to the SCN1A gene product cause a much more benign type of epilepsy called genetic epilepsy with febrile seizures plus. Alterations in other genes like GABRG2 and PCDH19 have also been associated with the syndrome (~3% of cases).

Diagnosing Dravet based on clinical symptomatology is straightforward. Since the original description by Charlotte Dravet, the core features remain: onset of febrile or afebrile seizures in the first year of life in a previously normal child. Although the initial seizures are hemiclonic (limited to one side of the body, patients subsequently experience a variety of seizure types that become intractable. Dravet is therefore considered incurable as patients fail to respond to the AEDs that are currently on the market. Proper management, however, can provide significant seizure relief although the children develop cognitive disabilities. While there are no approved drugs for Dravet, doctors have reported good experience with the use of stiripentol, especially in combination with valproate and/or clobazam. Our consultants suggest that about half of Dravet patients will have an adequate response to AEDs.

Dravet syndrome accounts for approximately 5% of childhood epilepsy that presents in the first year of life, implying 5,440 children in the U.S. and 6,700 children in the European Union. The incidence is roughly 1 in 30,000 live births.

**Lennox-Gastaut Syndrome (LGS)** LGS is another type of intractable epilepsy. A severe epileptic encephalopathy that starts in childhood (onset 1 to 8 years), LGS presents various seizure types of different etiologies. The children diagnosed with LGS develop cognitive impairment and present a typical EEG pattern characterized by slow spike-waves. Prognosis for these patients is poor with over 90% of LGS patients experiencing psychomotor delays and neuropsychiatric symptoms.

As many as half of patients coming in with LGS diagnosis turn out to have a different type of epilepsy. Estimates suggest that Lennox-Gastaut represents about 3-4% of all childhood epilepsy cases, implying more than 1.4 million children in the U.S. and approximates 20,000 to 30,000 in the E.U.

Nonetheless, prevalent estimates are likely to be imprecise due to the difficulty of diagnosing LGS. Treating patients with LGS is challenging. Given the different types of seizures, treatment often involves polypharmacy with poor seizure control and frequent episodes of status epilepticus.

There are currently three FDA-approved drugs on the market specifically for the treatment of seizures associated with Lennox-Gastaut Syndrome.

**Pipeline Projections**

*Product Pipeline Update*

Medical Marijuana provided an update on its cannabis drug research and drug development product pipeline earlier this year and we expect this pipeline to provide catalysts to the company over the next several years. Since its inception, Medical Marijuana has been actively advancing its cannabis-based drug development initiatives and has been focused on the creation of new delivery methods. The goal of this research and development is to speed
up the reintroduction of cannabis-based medications into global healthcare programs. Medical Marijuana's investment into the research and development of drugs derived from cannabis for distribution as pharmaceutical products has the potential to impact hundreds of millions of lives around the world. AXIM Biotechnologies has a product that is undergoing clinical trials and it could be a gamechanger for the company. According to a report by Reuters, this product may hit the market as soon as 2017.

MJNA Investments – Catalysts to Affordable Healthcare
The diagnosis and economic burden of the health indications previously described, in order of least to most impacted in the U.S., are:

Parkinson’s disease
- Approximately 1 million Americans live with Parkinson’s disease
- Estimated seven to 10 million people worldwide are living with Parkinson’s disease
- Combined direct and indirect cost of Parkinson’s, including treatment, social security payments and lost income from inability to work, is estimated to be nearly $25 billion per year in the United States alone
- Medication costs for an individual person with PD average $2,500 a year, and therapeutic surgery can cost up to $100,000 dollars per patient

Chronic Traumatic Encephalopathy (CTE)
- 1.7 million people in the U.S. sustain a traumatic brain injury (TBI) annually
- $60 billion annually in the United States

Epilepsy
- For general epilepsy, US direct healthcare costs per person ranged from $10,192 to $47,862
- 5.1 million people in the United States have had a diagnosis of epilepsy or a seizure disorder

Hepatic Encephalopathy (HE)
- U.S. hospitalizations for hepatic encephalopathy range from $1-7 billion per year
- Hepatic encephalopathy is most often associated with cirrhosis, which is estimated to affect 5.5 million people in the United States

Chronic pain
- Pain is a significant public health problem that costs society at least $560-$635 billion annually
- 100 million Americans and 1.5 billion people worldwide suffer from chronic pain
- Pain in just MS patients – $4.8 billion market in USA

Note: Medical Marijuana, Inc. does not make any claims about its products or brands.

Cannabis has a robust history in healthcare dating back to 2737 BC. After succumbing to negative marketing propaganda, it was removed from the U.S. Pharmacopoeia in 1936. Research has shown that cannabinoids (THC, THCV, CBD, CBG, CBN, CBC) have an impact on health and wellness.

Recent Momentum:
Medical Marijuana owns 45.5% of AXIM Biotechnologies and as of November 1st, AXIM was worth more than 154$ million. Based off Medical Marijuana's ownership percentage, this adds a lot of value to the company as well as its shareholders. As AXIM Biotech continues to execute on its pipeline of products, this value should increase. If you take Medical Marijuana's stake in the company (approximately $70 million) and divide it by its market capitalization, AXIM biotech only represents less than 17% of its total business. We believe a lot of this value is unrecognized and expect to see the market catch up with its potential in the coming years.
Future Outlook:

A Promising Growth Outlook

Medical Marijuana continues to diversify its interests within the cannabis industry by developing nutraceutical, cosmetic, and pharmaceutical products that have a large total addressable market. Through its subsidiaries, brands and partners, Medical Marijuana has created a name for itself within a market that has immense growth potential.

Over the last two years, shares of Medical Marijuana have moved lower in line with the rest of the small cap stocks as the company continued to execute on initiatives, build its brand, and enter new markets. Although the trend has been negative, the stock has performed very well during 2016, as it is up more than 70% year-to-date.

We are favorable on Medical Marijuana’s outlook due to the strengths of its core business, the continued success by its subsidiaries, and the increasing demand for its products, and return of this small cap sector to investor favor.

Medical Marijuana’s subsidiaries, investments, brands and partners, are in various stages of its business cycle. We are favorable on this diversification as it provides revenue streams that help fund the company’s initiatives.

Positioned for Success

Medical Marijuana is poised to benefit from the opening of new state markets and the development of existing markets. We believe that the upcoming election will serve as a catalyst for the company as this year represents a turning point for the domestic legal cannabis industry.

With Florida set to vote on legal medical cannabis and California set to vote on legal recreational cannabis, the landscape of the cannabis industry will change if these initiatives are passed. Polls currently show the legal cannabis initiatives leading by a wide margin in both Florida and California and Medical Marijuana is well positioned to capitalize on new opportunities in those states.

We expect to see shares of Medical Marijuana move higher as the cannabis market continues to develop and evolve. The company has a deep pipeline of products that will lead to continued revenue growth for years to come and we expect 2017 to be an inflection point for the company as its new, groundbreaking products are set to hit the market.

Strong Management Team that Continues to Execute

One of the most important factors to look into before investing in any company is the management team. Medical Marijuana, Inc. is led by a management team that continues to execute on its initiatives and is structured in a way that can creates strategic value for its shareholders.

Medical Marijuana, Inc. is poised to benefit from continued legalization efforts around the world as its infrastructure is positioned to capitalize on these trends.

The Company’s CEO, Dr. Stuart Titus, was a former clinician who holds a Ph.D. in Physiotherapeutics and is a Fellow with both the American Academy of Pain Management and the American Association of Integrative Medicine.

Blake Schroeder manages company operations and has a strong background from his tenure at Mona Vie, a nutritional company which developed an Acai-based nutraceutical and promoted its health benefits throughout the globe.

Medical Marijuana also has a strong board of directors that is comprised of several well-known businessmen in the San Diego area.
Post Election Developments:

Our analysis shows that MJNA is fairly valued given its current enterprise efforts, but we feel the market is missing three huge potential future catalysts.

1) Significant momentum toward overall cannabis legalization and the end of cannabis prohibition in the USA. On US Election Night November 8 2016, the electorate of the US allowed for 4 additional states to sell recreational cannabis, bringing the new total to 8 US States. On the medical side, there were also 4 states that have approved the medicinal usage of cannabis. So now we have 28 US States allowing for the medical usage of cannabis with 8 also allowing for recreational usage. The future trend is undeniable, the “Colorado experiment” has proven successful and soon we expect the federal government to treat marijuana like alcohol – by legalizing its usage and taxing it’s sales. Not only do we feel this will add significant revenue to our US States and Federal Government coffers, but also significant additional to our overall GDP, due to the multiplier effect. The overall cannabis black market, based on Colorado demand numbers, would amount to $120 billion – which would be potentially fully converted to legal cannabis sales. Medical Marijuana Inc., is building its sales and distribution pipelines and would certainly expect to jump into any developing federally legal cannabis markets.

2. Significant momentum toward the other aspect of cannabis – industrial hemp. Hemp has numerous industrial uses and certainly with MJNA’s CannaNative outreach program, once hemp can be planted and processed for industrial application, we feel this may add future value to the firm. Industrial application includes:

   a. Cannabinoid extraction
   b. Bio-Fuels
   c. Textiles
   d. Bio-Composites such as hemp-based bio-plastics
   e. Hemp building and construction materials
   f. Hemp food products – hemp seed nutrition
   g. Hemp batteries and energy storage capacitors
Subsidiary Profiles
Profile: HempMeds

HempMeds’ New Website to Improve the Sales Process

In mid-August, the company’s HempMeds subsidiary launched a brand-new website that reflects the recent and rapid growth in the cannabis industry as well as the company’s goal of educating the world on the medical benefits of cannabis and uses for industrial hemp.

The redesigned website includes educational content about cannabinoids and more in-depth information about Medical Marijuana’s full spectrum of hemp oil products from HempMeds. The site provides instructional videos on how to use the products, and has a company store, to make the purchasing process more seamless and to increase the overall customer conversion percentage.

HempMeds currently ships its products to more than 40 countries around the world. The company’s products are legal and available in all 50 states in the United States.

Hemp Meds Partners with Leading Native American Cannabis Company

On Thursday, December 11, 2014, the Department of Justice changed the landscape of the legal marijuana industry. They did so by ruling that Native American tribes can grow and sell marijuana for recreational use on their sovereign lands. The tribes must follow the federal guidelines in the four states where the drug has been legalized for recreational use.

The United States is home to 326 federally recognized reservations and 566 federally recognized tribes, most of which are in states that ban the use of marijuana for recreational purposes.

In mid-August, HempMeds announced a partnership with CannaNative, a Native American-owned and operated company that uses cannabis to develop opportunities for economic development on American Indian lands. This agreement represents the first legal cannabis-based product line for the Native American marketplace, including industrial hemp and hemp-botanical CBD products.

Under the partnership, the company will produce the first-ever cannabis product line for the Native American marketplace. Medical Marijuana and HempMeds will produce health and wellness CBD products derived from industrial hemp for the CannaNative line of products which will be distributed to tribal wellness centers on reservations as well as to native doctor’s offices, pharmacies and dispensaries.

The partnership and products are intended to help the more than 560 tribal nations develop hemp and cannabis-based economies to protect their sovereignty.

The co-founder of CannaNative is Anthony Rivera, a Harvard University graduate who led the Acjachemen Nation in Southern California for nearly a decade; co-founders Cedric Black Eagle, a former chairman of the Crow Tribe of Montana, and Andy Nakai, a member of the Navajo and vice chairman of the board of the Navajo Community Development Financial Institution (CDFI).

CEO Rivera spoke about the new CannaNative-branded, cannabis-based product line during his opening keynote speech at the Southern California Cannabis Conference and Expo. In early August, Rivera wants to help tribal leaders focus on building their nations with sustainable cannabis-based solutions, as well as protecting tribal sovereignty through strict regulations and collaboration with legal authorities.

In November 2015, CannaNative created a strategic partnership with the National Indian Cannabis Coalition (NICC), the first Indian-focused marijuana trade organization in the United States. NICC was formed after the Justice Department granted tribes the ability to legalize and regulate on-reservation marijuana through the 2014 Wilkinson memo.

Although the DOJ legalized both medical and recreational cannabis for Native American tribes, there is still a lot uncertainty surrounding the industry. Over the last year, federal and state authorities have shut down and raided marijuana operations on three different reservations in California.

CannaNative and the NICC are actively educating tribal leaders on the emerging regulated cannabis markets from an entrepreneurial and operations perspective to help them develop successful cannabis-based economies within their sovereign nations and to prevent disruptive and costly incidents such as crop destruction.

CannaNative was formed to spearhead the restoration of cannabis cultivation, manufacturing and distribution of products for health and wellness initiatives, medical research, banking and other objectives.
Profile: Kannaway

Kannaway Continues to Expand and Enhance its Product Line

In late August, Kannaway announced that it was adding a zero-THC version of its popular Rev!ve formula, Rev!ve Pro-X, to its line of products. During the weekend before this announcement, Kannaway introduced this product at a company event attended by hundreds of interested hemp enthusiasts.

Rev!ve Pro-X is an extra-strong version of the company's Rev!ve formula, which is good for your body as it promotes overall homeostasis without exposing the consumer to tetrahydrocannabinol (THC), the psychoactive compound in cannabis.

Because the product does not contain any THC, it meets the very stringent testing restrictions set forth by the World Anti-Doping Agency (WADA) for competitive athletes.

As it is the first hemp lifestyle network marketing company with over 2,000 brand ambassadors to offer cannabidiol hemp botanical products, Kannaway offers several high-quality CBD hemp oil products. These include:

- Rev!ve, a nutritional supplement that features 50mg per tube of all-natural, non-GMO, plant-sourced CBD hemp oil in convenient 10-packs
- Rev!ve Pro-X extra-strength, a nutritional supplement that features 1,000mg per tube of all-natural, non-GMO, plant-sourced CBD hemp oil
- KannaKick, which are functional food energy chews with 5mg of CBD hemp oil and 100mg of caffeine (slightly more than a cup of coffee) per piece in sour apple, "icy," chocolate, citrus, and cinnamon flavors
- Cannabis Beauty DEFINED, is available in an anti-aging cleanser, exfoliant, moisturizer, day & night serum, toner, salve, soak, and capsules. The DEFINED capsules provide 8mg of CBD hemp oil per capsule
- HempVĀP, the lifestyle vaporizer pen that offers interchangeable strawberry and honeydew flavored CBD-rich hemp oil cartridges.
- Kannaway Premium Oil Blend, a full-spectrum cannabinoid blend, extracted from the harvested hemp plant and packaged pure with no other ingredients or additives.
Profile: Kannalife

Kannalife is Advancing Research in Cannabinoid Based Therapeutics

In March 2013, Medical Marijuana and various investment groups invested $1.5 million in Series A funding to Kannalife Sciences, Inc. Kannalife's scientific team has researched the effects of cannabidiol on non-differentiated native neuronal cells and has determined cannabidiol's potential as a target drug candidate to treat oxidative stress-related disorders, CBD's therapeutic index, and CBD's limitations in pharmaceutical target drug design.

Based on these findings, Kannalife was able to develop a new cannabidiol-like molecule called KLS-13019.

Kannalife conducted pre-clinical testing and pharmacokinetic (PK) studies, which showed improvement over CBD's role as a neuroprotectant through increased potency, as well as potential for greater safety through reduced toxicity.

Side-by-side comparisons between CBD and KLS-13019 have also shown that KLS-13019 has marked improvements over CBD in oral bioavailability, CNS penetration, blood-plasma concentrations, and cognitive improvement in behavioral models.

KannaLife Sciences Working to Develop a Treatment for CTE

In late July, Kannalife Sciences was featured in and the focus of a Forbes article that discussed its role in developing a pharmaceutical treatment for a degenerative brain disorder pervasive among National Football League (NFL) players, Chronic Traumatic Encephalopathy (CTE). Kannalife currently holds two licenses with the National Institute of Health (NIH) for “Cannabinoids as Antioxidants and Neuroprotectants.”

Scientific research studies have found that CBD improves recovery by reducing brain swelling and neurological impairment following a traumatic brain injury.

The article titled, "NFL To Name New Medical Chief, Bringing Hope for Cannabis Concussion Treatment," describes how the company is conducting government-licensed research to determine the effects of cannabinoids on CTE and how such research could lead to major changes in how the NFL treats and prevents players' brain injuries. The article also includes success stories from former NFL players who used medical marijuana instead of addictive opioid painkillers to address their brain injury-related symptoms.

Kannalife is currently using the licenses to develop novel therapeutic drugs to treat CTE and hepatic encephalopathy (HE). While CBD from marijuana is tightly restricted, CBD found naturally in hemp is legal in all 50 states.

Although the use of marijuana by professional athletes is common, most do not discuss using it or how they benefit from the plant due to the risk of being drug tested, fined and suspended.

Athletes continue to speak out on marijuana being better for them both physically and mentally when compared to opioids, and it is only a matter of time until the NFL and other organizations revise their policies regarding cannabis.

Medical Marijuana and its subsidiaries have been at the forefront of this issue and is well positioned for when these policies change.
Profile: AXIM

AXIM Continues to Execute and Advance its Product Pipeline

In mid-May, Medical Marijuana announced that its hemp biotech investment, AXIM Biotechnologies, Inc. (AXIM), has begun the world’s first human dermatological clinical trials on psoriasis (PsO) and atopic dermatitis (AD), commonly known as eczema, based on AXIM’s AX-1602 proprietary, patent-pending topical ointment formulation containing cannabigerol (CBG) and other cannabinoids.

Dr. Marcus Meinardi is a world-renowned dermatologist and specialist on psoriasis and atopic dermatitis and will conduct the clinical trials at the Maurits Clinics in The Netherlands.

Approximately 200 million people will be affected by psoriasis and eczema by 2024 and estimates are that the two indications will be a $16 billion market by 2022.

Cannabigerol (CBG) is a non-psychoactive cannabinoid found in cannabis and has a broad range of biological efficacies. CBG has been found to have anti-nausea and anti-emetic (anti-vomiting) effects. CBG has demonstrated an anti-inflammatory effect, has been shown to reduce pain, ease symptoms of psoriasis, act as an antibacterial agent, and even slow the proliferation of tumor cells in vitro and in-vivo.

Psoriasis is a chronic immune-mediated disease estimated to affect more than 125 million people worldwide. Although several treatment options for PsO exist, there continues to be a significant unmet need on the market.

Atopic dermatitis (AD), also known as eczema, is a type of inflammation of the skin. The Atopic Dermatitis - Epidemiology Forecast to 2024 reports 67,630,097 atopic dermatitis cases, and atopic dermatitis therapeutic sales in nine major markets.

Medical Marijuana owns a significant portion of AXIM Biotechnologies with 14,943,650 shares of common stock and 500,000 shares of preferred stock, representing a 45% ownership stake.

New Medicine Delivery Methods to Hit the Market in 2017

In May 2015, Medical Marijuana's joint venture, CanChew Biotechnologies, was issued the world’s first patent on cannabinoid controlled-release chewing gum.

AXIM Biotechnologies entered into an exclusive agreement to bring a new medical product to market, MedChew RX. AXIM has access to intellectual property that will innovate how cannabis-based medicines are manufactured and taken by patients.

MedChew RX is on schedule to begin clinical trials in The Netherlands for pain and spasticity for Multiple Sclerosis (MS).

According to a global news report by Reuters, AXIM may be able to bring MedChew RX to market as both a new cannabinoid (THC/CBD) controlled-release chewing gum and a new patented medicine delivery method as early as 2017.

AXIM’s mission is to develop treatments to illnesses that currently do not have an approved treatment or cure. Currently, there are 15 conditions identified by AXIM including: MS, spasticity, pain, Parkinson's disease, Alzheimer's disease/dementia, ADHD (attention deficit hyperactivity disorder), psychosis, PTSD, autism, RLS (restless leg syndrome), glaucoma, IBD, IBS, and Crohn's disease.
Profile: Wellness Managed Services

Wellness Managed Services Attracts New Clientele

Medical Marijuana launched its Wellness Managed Services subsidiary in 2012 to provide comprehensive business services to cooperatives, collectives, dispensaries, and related health and wellness facilities in the cannabis industry.

Its goal is to provide a turnkey solution to these companies so they can focus on running their businesses as they would in any established industry, including standardized management practices, inventory control, and POS systems.

Wellness Managed Services was the first company to offer a real-estate style investment model to the cannabis industry, providing cannabis businesses available locations when other landlords might not.

Since its inception, Wellness Managed Services has provided services to 150 dispensaries in Colorado, Arizona, Nevada, and California. The combination and standardization of its services has allowed the company to be the first to offer a franchise-like opportunity to proprietors in the dispensary or collective industry in the states where medical marijuana is legal.

Wellness Managed Services launched Managed Protective Services International, or MPSI, the first security services firm in the cannabis industry. MPSI provides retail store security, grow operations security, surveillance services, and asset transport services.

The complex nature of the cannabis industry provides a great opportunity for Wellness Managed Services to work with new and established companies to optimize their potential for growth in the cannabis space. Very strict regulations, coupled with the lack of access to basic business services (i.e. bank accounts) makes it difficult for some entrepreneurs to enter the industry. Through its expertise, Wellness Managed Services looks to make this process easier.

One of the unrecognized benefits of this subsidiary are the connections and relationships that it develops. Each new dispensary client for Wellness Managed Services represents a new opportunity for Medical Marijuana's suite of products.

As new markets open and existing markets develop, new opportunities will emerge for the company that can benefit Medical Marijuana's top and bottom-line.
Profile: MPSI

MPSI Provides More than Security Services

MPS International was founded in January 2014 and provides an all-inclusive security solution for cannabis businesses. MPSI was the nation’s first security and armored transport service provider to the cannabis industry and has been featured on media outlets including Bloomberg, Time.com, Fortune, and Yahoo. MPSI is the first security and logistics company dedicated to serving the cannabis industry.

MPSI focuses on providing armed and unarmed security for retail and grow operations, inventory and revenue transport, compliance oversight, workplace surveillance, and protection for the medical and recreational cannabis industry.

Since its inception, MSPI has expanded its business from Colorado and has entered medical and recreational marijuana markets in California, Maryland, Illinois, Washington, Nevada, and Arizona.

Since cannabis businesses cannot use banks, the industry is primarily all cash. MPSI works with clients to manage their cash on hand securely and responsibly. The company also moves inventory, including cannabis products between cultivation facilities, testing labs, processors, and retail outlets.

In addition to transportation services, MPSI offers video surveillance and skilled security personnel to provide compliance with local and state cannabis industry regulations and to ensure the safety of the customers and staff of all types of cannabis businesses.

MPSI continues to look to expand its services to additional markets as more states legalize cannabis in the near future.
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