CanniMed Therapeutics Inc. Announces First Quarter Results

SASKATOON, Saskatchewan--(BUSINESS WIRE)--March 19, 2018--CanniMed Therapeutics Inc. **(TSX:CMED) ("CanniMed"** or the "**Company")** today released its unaudited financial results of operations for the three months ended January 31, 2018. The information in this news release should be read in conjunction with the Company's condensed consolidated interim financial statements and notes thereto (unaudited) for the three months ended January 31, 2018 and the Company's audited consolidated financial statements and notes thereto for the year ended October 31, 2017, available on www.sedar.com.

"CanniMed's continued success reflects our accomplished team that always strives for excellence and remains focused on high-quality products from GMP compliant production practices," said Brent Zettl, CEO, CanniMed. "This past quarter we have met many key milestones, including new product introduction and capacity growth. Now, as CanniMed transitions and integrates with Aurora Cannabis, I am confident that our tremendous people will continue to serve our customers well and help Aurora to realize even greater accomplishments."

A summary of key financial and operating results for the first quarter of 2018 is as follows:

Highlights

- Sales of $4.8 million for the first quarter of 2018 were 41% higher than Q1 2017.
- Concentrated cannabis oils sales revenues were approximately 58% of total revenues for the period.
- Higher sales revenues were driven by rising demand, as dried equivalent medical cannabis sales in the three months ended January 31, 2018 increased 33% from the comparable period in 2017 to 455 kg, at an average selling price of $10.56 per gram equivalent.
- Net earnings of $5.3 million for the three months ended January 31, 2018 included a $23.6 million gain on derivative instruments (Q1 2017 - $3.9 million net loss, including a $2.4 million loss on derivative instruments) that was partly offset by transaction costs of $13.1 million (Q1 2017 - $nil) and a mark to market loss on marketable securities of $2.2 million (Q1 2017 - $nil).
- During the first quarter of fiscal 2018, entered into an international marketing and distribution agreement with leading global pharmaceutical compounding company Fagron NV.
- With current and planned capital expenditures, the Company is targeting production expansion which is estimated to reach 17,000 to 21,000 kg within the next 24 months.
- Launched CanniMed Topical Cream, an innovative new product that has been formulated to provide relief from pain and inflammation. The Company began fulfilling orders and shipping CanniMed® Topical Cream Kits to registered patients during the second quarter.
- Prepared to commence sales of cannabis oil capsules, in anticipation of Health Canada approval in the second quarter of 2018.
- Agreed to terms of a tender offer by Aurora Cannabis Inc. to purchase all of the issued and outstanding shares of the Company in exchange for cash and shares of Aurora (see news release dated January 24, 2018).

Three months ended January 31,	2018	2017
Financial Data		
Revenue ($000s)	**$4,818**	$3,411
Cost of sales ($000s)	**$590**	$1,585
Gain (loss) on derivative instruments ($000s)	**$23,604**	$(2,444)
Mark to market (loss) on marketable securities ($000s)	**$(2,191)**	$ -
Net earnings (loss) before income tax ($000s)	**$8,230**	$(4,023)
Net earnings (loss) ($000s)	**$5,324**	$(3,880)
Revenue per gram of dried marijuana equivalent	**$10.56**	$9.71
Operating Data		
Total dried marijuana produced (harvested) (000s grams)	**891**	496
Total dried marijuana equivalent sold (000s grams)	**455**	341

The Company provides selected non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please see description and reconciliation of non-IFRS measures in the "Non-IFRS Financial Measures and Reconciliations" section of the Company's MD&A dated March 16, 2018, available at www.SEDAR.com.

Aurora Successful in Bid for CanniMed Therapeutics Through Take-Up of Shares

On March 15, 2018, Aurora Cannabis Inc. ("Aurora") announced that it had completed its initial take up of common shares of the Company pursuant to its offer to purchase all of the issued and outstanding CanniMed shares (the "Offer"). Together with shares purchased in the market, the shares taken up represent 86.8% of the total outstanding shares of the Company on a fully diluted basis. Pursuant to applicable Canadian securities laws requiring Aurora to extend its Offer, Aurora extended the period in which shareholders of CanniMed may tender their shares under the Offer to March 25, 2018.

About CanniMed Therapeutics Inc.

CanniMed is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 17 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant production process and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products.

The Company, through its subsidiaries, was the first producer to be licensed under the *Marihuana for Medical Purposes Regulations*, the predecessor to the current *Access to Cannabis for Medical Purposes Regulations*. It was the sole supplier to Health Canada under the former medical marijuana system for 13 years, and has been producing safe and consistent medical marijuana for thousands of Canadian patients, with no incident of product diversion or recalls.

For more information, please visit our websites: www.cannimed.ca (patients) and www.cannimedtherapeutics.com (investors).

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are “forward-looking statements”. Forward-looking statements can be identified by the use of words such as “plans,” “expects” or “does not expect,” “is expected,” “estimates,” “intends,” “anticipates” or “does not anticipate,” or “believes,” or variations of such words and phrases or state that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, occur or be achieved.

Forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanniMed Therapeutics Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including the risks described in CanniMed Therapeutics Inc.’s documents filed with applicable Canadian securities regulatory authorities which may be viewed at www.sedar.com. The forward-looking statements included in this news release are made as of the date of this news release. CanniMed Therapeutics Inc. does not undertake to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, unless required by applicable securities legislation.

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