



## Should You Invest in Breath of Life International's Weed Stock IPO?

### Description

Over the years, Israel has played a leading role in the development of medical marijuana. THC—the psychoactive compound in marijuana—was first isolated by Israeli chemists in 1964 and later developed by Israeli companies for use in their own country. After achieving popularity as a cancer treatment in the 1990s, THC was officially approved for export by Israeli authorities.

Now, Israel is looking to become a major player in the international cannabis industry, and at least one Israeli company has concrete production goals that could make that dream a reality.

Breath of Life International is an Israeli marijuana startup that's aiming to go public this year in a \$150 million IPO. The IPO proceeds will be used to build Portuguese facilities that will reportedly have [870,000 kilograms a year](#) of total productive capacity. This massive amount of productive space would make Breath of Life one of the biggest marijuana producers in the world—and it will soon be listed on a Canadian stock exchange.

### A massive accessible market

One point in favour of investing in Breath of Life International's IPO is the size and growth of its target market. According to Adroit Market Research, medical marijuana is growing at 26% CAGR and is set to become a \$56 billion a year industry by 2026. This is a massive and growing market, and as we're seeing from companies like **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB), it can propel small companies to massive heights in short order.

In 2016, Aurora was doing just over a million in annual sales. Now, it's bringing in as much as \$75 million in a single quarter. That kind of growth is practically unheard of in most industries, but in the world of weed, it's commonplace.

### Beating Aurora on production capacity

The most interesting thing about Breath of Life so far is its planned production capacity. With grow

sites in Israel and Portugal, it says that it will be able to produce 870,000 kilograms of cannabis annually, which is 170,000 kilograms more than Aurora Cannabis can produce as of the most recent reports. Of course, Aurora is also [investing in expanding its production capacity](#) with grow sites around the world, but Breath of Life's short-term goals are extremely ambitious.

## Israel green lights exports

Medical marijuana has been used in Israel since the 1990s. Until recently, the country's marijuana was not for export. However, in April of 2017, with global demand growing, Israel gave cannabis companies permission to export their products. This means that in addition to the Israeli market, Breath of Life will be able to reach the entire international medical cannabis market as well as recreational markets in countries like Canada.

The company already has 370,000 square feet of operational greenhouse space, which bodes well for its ability to serve the markets it will be exporting to. It means that the company has the infrastructure in place to meet its production targets, and may grow its revenue even more quickly than the big players in the space.

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