



## Is Namaste Technologies (TSXV:N) a Buy?

### Description

**Namaste Technologies Inc** (TSXV:N) isn't exactly a pure play marijuana company. As a cannabis-focused e-commerce platform, the firm occupies an interesting segment of the industry.

But with hundreds of companies looking to cash in on the growth of the cannabis business, would investing in Namaste be a wise choice? Let's see whether the Toronto-based firm is a buy.

### The case for Namaste

It is no secret that the e-commerce sector is growing at a fast pace; doubters only need to look at the success of **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) to realize this.

E-commerce platforms present several advantages over brick-and-mortar stores, both from the perspective of the consumers and that of businesses.

Consumers benefit from the convenient aspect of these platforms, while businesses are able to reach a much wider audience and save on various expenses.

Naturally, these savings are passed down to the customers.

Namaste provides pot companies (particularly those that focus on the medical segment) online platforms and mobile apps with which they can reach millions of potential clients worldwide.

The firm owns more than 30 websites that offer various cannabis-related products.

With the use of artificial intelligence, the company also seeks to personalize the experience of those who make their way onto its websites.

Some of Namaste's platforms recommend various services to clients and matches them with medical professionals based on their needs.

Namaste recently signed a supply and purchase agreement with **True Leaf Brands Inc.** The goal for True Leaf is to expand its direct-to-consumer distribution network. This agreement will benefit both firms.

True Leaf will have a greater reach across the globe as it prepares to launch a line of CBD products for pets, and Namaste will widen its product offerings and likely invite more customers onto its platform.

Though True Leaf isn't one of the largest pot firms, this move is indicative of what Namaste can do to make strides in the industry.

## The case against Namaste

Though Namaste presents some interesting prospects, there are several reasons to be doubtful of the firm's future success.

First, Namaste simply does not yet have enough agreements in place to claim a notable share of the market and deliver strong financial results.

Second, the firm recently experienced some drama of its own, a rather [popular theme](#) within the cannabis sector. Namaste's CEO — Sean Dollinger — was booted out after it was revealed that he failed to disclose the details of a deal between himself and another Namaste executive. These allegations were first made back in October of last year by **Citron Research**.

Finally, Namaste will likely encounter serious contenders going forward. One of Namaste's competitors may be [none other than Shopify](#). The Ottawa-based tech company has several agreements in place to deal with online and mobile sales of Cannabis.

These include agreements with the provincially run Ontario Cannabis Retail Corp, the province of British Columbia, as well as agreements with the two largest marijuana firms, namely, **Canopy Growth Corp** and **Aurora Cannabis**.

Once recreational purchases of marijuana became legal in Canada, Shopify's cannabis store saw millions of visits from customers all over the world and received hundreds of thousands of orders.

## Should you buy?

Namaste's business model seems attractive at first, as it combines two high-flying industries. However, there seems to be too many obstacles in its way at the moment, including none other than e-commerce giant Shopify.

Although investors should closely watch how things develop, it probably isn't the right time to purchase shares of Namaste.

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