



2 Cannabis Companies With Huge Potential That You May Have Never Heard of

Description

Up until now, the major cannabis companies that have gotten the headlines have been large licensed producers that were expected to dominate the market. Unfortunately, that hasn't panned out yet, as the government is slow to implement the legalization of cannabis fully.

From the government's point of view, this move is prudent, as the government wants to make sure it gets it right and does it properly, since the legalization of cannabis is so important.

From the views of the producers and investors, though, this can be aggravating, as it takes much longer to reach profitability than was once expected.

There are, however, new opportunities in the cannabis space — ones that offer a much faster chance to profitability.

These smaller, more unknown companies are top-quality cannabis producers that have plans with potential for high growth, especially as edibles and extracts are legalized. The two companies are **VIVO Cannabis** (TSXV:VIVO) and **WeedMD** (TSXV:WMD).

VIVO Cannabis

VIVO is a small-cap Canadian cannabis company that is known for carefully curating its medical and recreation cannabis to get unmatched quality. It has won numerous awards for its high-quality bud and continues to learn as it tries new things and experiments with new products.

The company has been focusing on international markets for expansion, specifically Europe and Australia. Both are great to expand to since they seem to be quite ahead of the industry curve in regard to importing medical cannabis. The company has already begun selling in Australia and it's awaiting its final licences from the European Union.

It has a number of brands all with the shared goal of creating the highest-quality cannabis. The brands are important because they help VIVO to target specific consumers. Its Lumina and Fire Side brands,

for example, are used to target the adult recreational market in Canada.

VIVO also understands the advantages of leveraging these brands, as premium products and brand differentiation are the top ways to achieve higher prices and margins in such a commoditized industry.

On the production front, VIVO's seasonal greenhouse design is a great way for the company to improve margins. The greenhouse is said to be a high-capacity, low-cost production facility. It helps improve margins, since it's lower cost than growing indoor, but higher quality than growing outdoor.

With a market cap of just over \$130 million, VIVO is one of the cheapest producers you can buy that also offers huge opportunity.

WeedMD

WeedMD is a vertically integrated cannabis company headquartered in Ontario. The company is focused on growing shareholder value through top-notch execution. It wants to execute by having impressive innovation to create new products and new customer experiences, as well as growing high-quality cannabis in a process that is scalable.

It expects to have nearly 150,000 kg of annual capacity by 2020. It's also scaling to have 200,000 kg of extraction capacity. So far, the company has six agreements with provincial distributors.

[WeedMD](#), which is also the name of its medical brand, has been building its number of patients rapidly. It continues to find avenues for growth, signing a deal to supply Shoppers Drug Mart — one of the only licensed producers to do so. In addition, it's the only medical cannabis brand to establish supply agreements with long-term-care providers.

The company has been rapidly advancing its next stage of products. Gel capsules are now being sold under the WeedMD brand. The company's recreational brand Color Cannabis has also been getting ready to sell its pre-rolled joints and is preparing to release its concentrates products and edibles when the market for that is legalized.

WeedMD has a market cap of just over \$175 million; it's worth slightly more than VIVO, but it has just as much potential for growth.

Bottom line

Both companies have been quietly growing their production and product numbers ahead of the second wave of cannabis legalization in Canada. Each has their own plan, but both plans are full of growth opportunities and have huge potential. If you're looking for the next big investment in cannabis, look no further than these two.

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