



Aurora (TSX:ACB) Just Launched Game-Changing Technology!

Description

Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB) made an exciting announcement on Tuesday morning. Its former subsidiary, **Australis Capital**, for which Aurora still owns stock warrants, launched a cloud-based, self-service fulfillment platform called Cocoon Technology to dispense marijuana products.

Cocoon is essentially a self-service kiosk designed to sit inside a brick-and-mortar retail store, much like a vending machine.

Even though Aurora has already spun out Australis Capital as its own entity, Aurora still holds a significant stake in the future of the company. Thus, the official launch of this new fulfillment platform was news enough for Aurora to make quite a big deal about it in a press release.

Automation is enormous, even for high margin industries like cannabis. Companies are always looking to cut labour costs and improve customer experience. Cocoon is designed to allow dispensaries to serve more customers in less amount of time.

Aurora was not the only stock to make big announcements this morning. **Hexo** ([TSX:HEXO](#))(NYSE:HEXO) announced more substantial losses than expected during its fourth-quarter earnings call.

Hexo opens lower on earnings loss

The stock opened at \$2.79, rebounding to \$2.92 by mid-day but still down almost 4% from the previous days close.

Slowly but surely, Hexo is beginning to increase its revenue [post-legalization 2.0](#). Revenue increased by 30% from last quarter, and adult-use sales increased by 45%. Total fourth-quarter sales came in at 4,009 kilograms or equivalent.

Even though Hexo still has a ways to go before it catches up to the more mature Aurora, the company is making considerable strides to become a major cannabis player.

Hexo made significant business development moves in the past few weeks. The company launched a new brand that can better compete with the illegal cannabis market. Original stash is cheaper than the higher quality dispensary pot, which may draw in old-school smokers who are still going to their neighbourhood dealer for their weed hookup.

Hexo partners with Molson Coors Canada

In a partnership with **Molson Coors Canada**, Hexo created new CBD infused beverages and obtained a license to sell edibles, topicals, and extracts from the Gatineau facility. These accomplishments will help Hexo gain market share in the [competitive cannabis landscape](#).

Hexo may not have grown as quickly as Aurora or **Canopy Growth**, but there are also advantages for being a slow-mover in a newly legal industry. Hexo has been able to watch the successes and pitfalls of its larger competitors and learn from their experience.

Rather than being the guinea pig testing out what works and what doesn't in the cannabis space, Hexo has mostly avoided many of the costs associated with being a first-mover.

Meanwhile, Aurora and Canopy Growth have acquired large amounts of debt to experiment with what works and what doesn't in terms of marketing, branding, and product strategy.

While Hexo has not operated mistake-free, the company is very transparent in its communication with shareholders. In the conference call this morning, CEO Sebastien St-Louis admitted that he had regrets in some of his decisions during the company's short life:

"Our company's still young, despite all that we've accomplished, we've had some shortfalls... We hold ourselves accountable to that."

Cannabis investors should certainly continue watching Hexo stock because its CEO sounds like a great leader: A person who understands the value in self-accountability and constant improvement.

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