

# LUDLOW RESEARCH

## Market Research Report

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### FREEDOM LEAF, INC (OTCQB:FRLF)



**Last Updated:** November 15, 2017

## **Ludlow Research Upgrades Opinion on FRLF Based on New Chairman, and Hempology Launch**

(NEW YORK) – Ludlow Research upgraded its opinion on **Freedom Leaf, Inc.** (OTCMKTS: **FRLF**) based on their pending launch of their Hempology product line, and appointment of Mr. Pelosi, Jr. as the new Chairman of the Board, with a new 'speculative' target of \$0.25 per share.

The Company recently announced the appointment of Paul Pelosi, Jr. as their new Chairman of the Board. Mr. Pelosi is the son of U.S. House Minority Leader Nancy Pelosi, and has an extensive career advising companies on corporate governance, sustainability, and public policy. Mr. Pelosi graduated Cum Laude from Georgetown University with a Bachelor of Arts, and holds an MBA with an emphasis in International Business. Previously, Mr. Pelosi has served as the President of the SF Commission on the Environment and was the founding member of Cisco Systems Connected Urban Development team.

This news has no doubt caught the interest of investors, and could very well help set the stage for FRLF to become a powerful force within the cannabis and marijuana industry.

### **Summary**

There are several factors that could make FRLF an attractive play when looked at as a whole.

1) Hempology products, which sales will launch on November 20, 2017, could be a major revenue generator for FRLF in the coming quarters, and could quickly improve their overall financial outlook going forward. The Company is expecting to sell \$500,000 through their [www.myhempology.com](http://www.myhempology.com) website through the end of their fiscal year, June 30, 2018.

2) Their acquisition of [LaMarihuana.com](http://LaMarihuana.com) and [Marihuana-Medicinal.com](http://Marihuana-Medicinal.com) could also expand Hempology's customer base, and with the 1.7 million monthly visitors the company is has projected \$250,000 ad and product sales. These sites have an amazing reach throughout the highly attractive Latin America market. Of the monthly visitors 70%, 1.2 million, are out of Central and South America. The sites also have in excess of 1.2 million Facebook Likes.

3) Green Market Europe S. L. is also expected to bring a major jump in revenues before the end of Freedom Leaf's fiscal year with projection of \$1.0 million in revenue, and could position FRLF footprint in the European market.

4) Finally, the appointment of Mr. Pelosi is a real boost of credibility for the company, but also opens the door for FRLF to become a major lobbying force for the legalization of marijuana and cannabis on the State and Federal level.

With Mr Pelosi's strength in good corporate governance Freedom Leaf aims to be the example of corporate governance for other public companies in the Cannabis and Industrial Hemp Industry. Mr. Pelosi experience in building sound corporate governance, sustainability, and public policy could make FRLF one of the safer plays compliance wise for investors interested in this sector.

5) The publishing of a high quality magazine continues to provide strong credibility to the company. The magazine has become a media platform that drives companies to seek Freedom Leaf to be acquired or accelerated. Freedom Leaf only acquires those who provide serious revenue growth to the company. The magazine also becomes a champion and potential lobbying force for the legalization of marijuana, and is quickly making Freedom Leaf a well known name within this industry.

**Based on the appointment of Mr. Pelosi as the new Chairman of the Board, and taking in all of their other operations and how they may fit together, Ludlow Research has raised its short-term 'speculative' target on FRLF from \$0.10+ to \$0.25 per share.**

**This provides its stockholders with an element of safety while still being able to take advantage of the “Green Rush” with a company all about the Cannabis and Industrial Hemp Industry**

### **Compliance and Government Lobbying Force**

Mr. Pelosi is currently Executive Director of the Corporate Governance Initiative (CGI), an organization that is committed to assisting companies adhere to a system of guidelines, practices, and procedures by which a company is directed and controlled. The Corporate Governance Initiative also helps companies create policies to find better balance between the interests of a company's many stakeholders, such as shareholders, management, patrons, providers, investors, government and the public.

Prior to CGI, Mr. Pelosi has served organizations at the executive and leadership levels, and has a wide scope of prospective and understanding when it comes to business. Mr. Pelosi has experience advising both emerging start-ups and Fortune 500 companies, including Bank of America, JP Morgan, Airpatrol Corporation, and the NASA Ames Research Center.

Along with the company's full reporting status, Mr. Pelosi experience in building guidelines, practices, and procedures for Board and policy standards could position FRLF to be one of the safer and more compliant cannabis plays to invest in.



### **Freedom Leaf Magazine**

Freedom Leaf, Inc.'s flagship publication is Freedom Leaf Magazine, “The Good News in Marijuana Reform”. The company produces a portfolio of news, print and digital multi-media verticals, websites, blogs and web advertising, for the ever-changing emerging cannabis, medical marijuana and industrial hemp industry.

Freedom Leaf has published and circulated hundreds of thousands of copies of their 27 editions in 38 states with the assistance of over 160 activist marketers. Freedom Leaf magazine, “The Good News in Marijuana Reform,” reports on arts, fashion, and lifestyle, all of the elements of the burgeoning cannabis movements. Freedom Leaf magazine provides activists, consumers, patients and entrepreneurs with a means to stay informed on the emerging industry's most cutting edge marijuana-related information, innovations and legislation.

Connections: This magazine gives FRLF a growing network of industry players and connections that can be marketed to other cannabis companies, or to be used for their own operational businesses.

Media Arm/Lobbying: In addition, with the appoint of Mr. Pelosi, Jr., and their growing media distribution, look for FRLF to develop into a well known name in the cannabis industry as they could become a major lobbying force on both the State and Federal level for the legalization of marijuana and cannabis.



### **Spanish Market**

To take advantage of the grow market in Latin America FRLF recently acquired LaMarihuana.com and Marihuana-Medicinal.com, two of the largest Spanish-language cannabis website portals in the world. The La Marihuana website receives an average of 1.7 million visitors per month and has a Facebook page with over 1.2 million likes, which greatly expands Freedom Leaf's global online reach. Of that traffic, only 27% is from Spain, showing a balance from other countries like Uruguay, Mexico, Brazil, Costa Rica, Chile, Argentina, and Peru.

The LaMarihuana.com platform is being used to generate online advertising revenue and to break into the Spanish-speaking market.



### **Hempology**

The Hempology line is designed to attract the modern health-focused cannabis and non-cannabis consumer, combining Ayurvedic herbs and American-grown hemp CBD in a stylish, portable

package. The Hempology online store was recently launched with sales starting November 20, 2017 having seven initial products: four blends of herbal CBD vapor oil, two flavors of hemp CBD oil, and all-natural CBD pet treats. By starting with this variety of products, Freedom Leaf is capitalizing on both the natural-focused markets and pet care industry. After initial market research is complete, Freedom Leaf has the ability to add more than 30 other SKUs to their online marketplace, including skin care and beauty products..

Freedom Leaf is currently in serious discussions with two nationwide distributors for the Hempology line; one targeting big box stores like Walmart, and the other targeting dispensaries in recreationally legal states. We expect to see Hempology in more than 25 storefront locations within 6 months through these distributor contracts.

Additionally, the Hempology site has built-in affiliate marketing functionality that will enable social media influencers to sign up and earn commissions by directing their followers to our site. This will enable us to generate additional traffic and product revenue to the Hempology site through social media sites and influencers.



### **Green Market Europe S. L.**

Freedom Leaf entered into a Letter of Intent to purchase 100% of the stock of Green Market Europe S. L. (GME), a Spanish company that grows organic Hemp in greenhouses and a warehouse (for light deprivation growing) comprising 60,000 square feet. Their current projected annual revenue is €1. million by June 30, 2018.

GME is negotiating with a Swiss company to set up a Hemp organic grow in Switzerland as a joint venture. That same company will purchase up to €2.0 million annually of the Hemp produced. The greenhouses in Switzerland are scheduled to be operational in the first quarter of 2018.

### **Financial Results**

For the year ended June 30, 2017, the Company reported total revenues of \$817,457, as

compared to \$118,473 for the same period in 2016. The increase in revenue was attributable to increased sales related to increase in licensing fees.

This represents a 258% increase compared to prior year results, but these numbers could really start to spike in the coming quarters as their Hempology line and sales begin to ramp up.

## **Sell Growers, Buy Medical**

*Freedom Leaf, Inc. does not handle, grow, sell, or dispense marijuana, and all of their European activities are in full compliance with relevant EU laws.*

This is a very attractive point for investors still looking to play the marijuana and cannabis sector. In a note to our subscribers we recently highlighted that investors wanting to invest in the marijuana stocks may want to sell the growers, dispensaries, and recreational plays, and focus investment capital more in a diversified basket of companies focused strictly on the medical research and non-recreational side due to potential regulatory risks.

This would place FRLF with similar pure medical marijuana and non-recreational cannabis plays such as OWC Pharmaceutical Research Corp (OTC:**OWCP**) India Globalization Capital, Inc. (NYSE: **IGC**), 22<sup>nd</sup> Century Group, Inc. (NYSE:**XXII**), International Endeavors Corp. (OTC:**IDVV**), or Medical Marijuana Inc. (OTC:**MJNA**) to name just a few.

## **About Freedom Leaf**

Freedom Leaf, Inc., The Marijuana Legalization Company™, is a fully reporting and audited, publicly traded company trading under the symbol (OTCQB: FRLF). Freedom Leaf, Inc. is a leading go-to resource in the cannabis, medical marijuana, and industrial hemp industry. It is involved in mergers and acquisitions and business consulting in the marijuana industry, including incubation/acceleration and spin offs of new marijuana/hemp related companies.

Freedom Leaf, Inc.'s flagship publication is Freedom Leaf Magazine, "The Good News in Marijuana Reform". The company produces a portfolio of news, print and digital multi-media verticals, websites, blogs and web advertising, for the ever-changing emerging cannabis, medical marijuana and industrial hemp industry. [www.FreedomLeafInc.com](http://www.FreedomLeafInc.com)

## **About Ludlow Research**

Ludlow Research is a New York based equity research firm that focuses on providing research coverage and investor awareness services to emerging small-cap companies. For over 14 years we have worked to provide our readers with a simple way of evaluating the current and potential value of small-cap companies, while garnering these clients greater market awareness to new investors. For more information on us please visit [www.ludlowresearch.com](http://www.ludlowresearch.com)

\* Ludlow Research launched coverage on International Freedom leaf, Inc. (OTCQB:FRLF) on Oct. 15, 2017 with their OTCQB price of \$0.028 per share.

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**High Risk**

Small and Micro cap, or 'penny stocks', involve a high degree of risk, and we highly encourage investors to consult with a financial advisor before making any and all investment decisions when investing in these type of securities.