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## **Martin J. Doane, CEO of Leviathan Cannabis Group Inc. discusses their M&A effort and focus on bringing Medical and Recreational Cannabis Products to the growing European market with an initial focus on Spain and Italy**

**Martin J. Doane**  
CEO

Leviathan Cannabis Group Inc. (CSE: EPIC)  
[www.LeviathanCannabis.com](http://www.LeviathanCannabis.com)

Email: [info@leviathancannabis.com](mailto:info@leviathancannabis.com)

Interview conducted by:  
**Lynn Fosse, Senior Editor**  
CEOCFO Magazine

**CEOCFO: *Mr. Doane, would you tell us the vision at Leviathan, today?***

**Mr. Doane:** Leviathan is a collection of very experienced cannabis executives, entrepreneurs, industry people and M&A experts. I call us a second-phase company and we think we are going to avoid a lot of the mistakes that were made by the first-phase companies. We think the Canadian domestic market is getting well tilled right now and there are less opportunities and less economics to win in this jurisdiction. We are really focused on Europe right now as our expansion platform. We have an office just outside of Milan and we are actively scouring the EU for what we think is the next great opportunity in the cannabis segment and ecosystem.

**CEOCFO: *What is the status of cannabis in Europe today?***

**Mr. Doane:** It is very similar to where Canada was three to four years ago. It is inevitable that ultimately most of the EU, especially in the democratic countries will legalize recreational cannabis in due course. With most of the countries right now, you have early-stage medical legalization and low-THC recreational legalization. The countries we are most interested in initially being Italy and Spain -- developed countries with substantial populations and significant GDPs, are right around that particular evolution curve right now. It is legal to consume medical cannabis and you can readily find high CBD, low or non-existing THC products in dispensaries in the major cities.

**CEOCFO: *What types of countries are you looking at and what are some of the extra challenges in vetting a company in Europe as compared to North America?***

**Mr. Doane:** We pride ourselves on being a vertical entity which essentially means that we want to exploit as many components of the value chain as possible. We are looking at cultivators, distributors and technology companies, and we think ultimately we will have a number of those different elements within our portfolio. The challenges are similar to the challenges that face any foreign M&A aspirant; you have language barriers, cultural barriers, you have to understand the consumer mindset in a different jurisdiction where marketing and sales are often done differently over there than they are in North America, although there are similarities. That is why we tend to partner and work closely with local businesses and residents who are also experts in the field. We try to work together as opposed to coming in from North America thinking we know everything and can just dictate to the country. We take the opposite approach and work with people who have been in the industry who understand their own jurisdiction very well but who are typically looking for what we bring to the table, which is sophisticated capital, access to capital markets and public company liquidity and a partnership mentality as opposed to something more aggressive.

**CEOCFO: *Is Europe ready for Leviathan?***

**Mr. Doane:** We find an incredibly receptive business and agricultural community there. If you look at places like Spain and Italy, they are brought up around the idea of close community, local produce, socializing around leisurely meals and things like that. Cannabis and all the products associated with cannabis, really marry well with that mentality about enjoying life, enjoying the company of others, being responsible but living for the moment to some extent. It is not like they do not have a black market in cannabis anyway and it is an area with 750 million people in the EU. It is a conglomerate of countries that have always enjoyed the plant and its medical qualities are well-known to those populations. I would say they are as ready or more ready for wide-scale adoption, appreciation, sophisticated consumer consumption than we were in North America. We are extremely excited about what we are doing in Europe and what we are planning to do. I do not want to downplay the North American market. My concern about the North American market is here in Canada where we are headquartered you have a very aggressive domestic industry that has created already multibillion dollar companies that have the ability to dominate in this market. In the US you have a tremendous consumer opportunity but a challenging legal environment which makes rationale deployment of capital, challenging too. What we are finding in Europe is they love Canadians, they are very respectful of the work that has been done by the Canadian government and Health Canada, and the incredibly rigorous regulatory regime that has been put in place here and that has really led the world in terms of how to do it on a national level. We have the strongest capital markets group in supporting the commercialization of cannabis in the world. Where do you go to finance cannabis opportunities around the world? You come to Canada, you come to Toronto, to be even more specific. Our opportunity is to take our Canadian know-how, our charm, our regulatory regime, the testing that has been done here, the human resources that have been trained in the best methodologies in the world and pair those up with countries that are absolutely primed to work in this industry and to penetrate their own consumer segments with cannabis products, both therapies and recreational products.

**“We are really focused on Europe right now as our expansion platform. We have an office just outside of Milan and we are actively scouring the EU for what we think is the next great opportunity in the cannabis segment and ecosystem.”- Martin J. Doane**

**CEOCFO:** *Are cannabis products regulated by individual countries or does the EU have a say?*

**Mr. Doane:** They are regulated by the individual countries but of course there is free trade of goods. Generally the way it works and will work as more companies legalize, is you will be able to move cannabis products from one legal jurisdiction to another. Let us say if cannabis for medical consumption is legal in Portugal and it is legal for medical consumption in Germany, then you will have a relatively easy time exporting cannabis from Portugal to Germany, but it is definitely controlled at the domestic level in terms of health and safety and their progress towards legalization.

**CEOCFO:** *Would you tell us about the rebranding to Leviathan and the interest from the public markets?*

**Mr. Doane:** We RTO'ed the company in early January and went public on January 23. We have had a good reception to our value proposition which I really stated earlier. We are not the earliest company to enter the market but I think we may have one of the great combined teams that understands this is a marathon and not a sprint, and that there are going to be ups and downs and you have to have very strong capital behind you and the ability to raise more. You have to make decisions for the long-term and this is not just about trading the stock and trying to make some money and disappear, we are looking to build a sustainable business that ultimately does billions of dollars of sales around the world over the next few years. The name Leviathan connotes that large-scale ambition and the word Group denotes that there will be and there already are a number of elements to the story and those are expanding. Our deal flow comes from around the world and we look at ten to fifteen different acquisitions or investment opportunities per month and will continue to do so. That rebranding as Leviathan has been quite successful and it is being carried through to some of our other components. I think that in due course we will rebrand our Niagara region cultivation operation as Leviathan something; there will be a suffix on it. We like the name, it has gotten great feedback and we have been lucky through our in-house branding group Jekyll and Hyde, to come up with the symbol EPIC which has helped us stand apart as well on the exchange that we trade on -- the CSE.

**CEOCFO:** *Do you feel the investment community understand your story?*

**Mr. Doane:** I think if they listen to me and go to our website and read our news releases, they can get a good idea of the story. There is so much that we cannot say until an opportunity or a plan is baked because we have to comply with the continuous disclosure rules. We may be working on a deal for eight months but we cannot announce it until it is done and

signed. My view is it is a dense market now and there are lots of opportunities. Investors are almost overwhelmed by the number of companies and perhaps the lack of real differentiators. We are in the early stages of communicating our message and brand to the market. I am hopeful we will continue to strive to do a better job and that over the months, the Leviathan game plan will become more tangible as we are permitted to release news to the market.

**CEOCFO: *What surprised you during the process?***

**Mr. Doane:** I think the density of work that has been done in this space and the level of sophistication. The meetings we are having with fellow companies whether they are growth companies or more established companies. There are good caliber people working in these companies now. There are ex pharmaceutical executives, ex agricultural executives, people who have migrated from one sophisticated segment of the economy into cannabis and are bringing those skills. I think two years ago it was different. When I started working in cannabis about three or four years ago, you had, people transitioning from the black market, you had a smorgasbord of people you did not normally come across in big business and this is big business now. This year it has really changed and I am seeing the difference in the talent and the executive teams that are leading these companies that are coming to work in this segment.

**CEOCFO: *Why should people pay attention, and what might people miss about Leviathan that they should understand?***

**Mr. Doane:** I think our differentiator is our ability to do value-added arbitrage based M&A; it is a real art. There are many groups out there that have raised tens of millions of dollars, and because they had so much money in their treasury, they overpaid for assets. It is like a gold rush mentality and this sense that they are going to miss something big unless they grab it. Therefore, you see businesses with no financials and no real economics, inexperienced management teams and maybe only a license being sold for \$50 or \$75 million; that is not us. We are disciplined and view this as a long-term business, so investing in Leviathan is a way to participate in the market with the highly skilled M&A team that knows how to buy businesses at the right price, at a price lower than their value in the public market and at a price that allows for significant upside. Second, is our access to European deal flow and I think that is going to be our major differentiator going forward.