



Dewmar International BMC, Inc. (DEWM) Releases Shareholder Update and Unveils Canada Strategy and Hint at New Business Segment

HOUSTON, Nov. 27, 2018 (GLOBE NEWSWIRE) -- via OTC PR WIRE-- [Dewmar International BMC, Inc.](#) (OTCPINK:[DEWM](#)) is pleased to announce this very important shareholder update. We are very confident that Dewmar has a bright and exciting future. Over the past few months, new potential business opportunities have been presented to Dewmar and we are excited to unveil these opportunities for the first time.

Our three near term primary focus items are: 1) the continued sales of our flagship beverage Lean Slow Motion Potion, 2) the sale and promotion of the Kush Cakes brand and product; and, 3) a new business opportunity that involves launching a platform for cannabis dispensaries and its customers throughout North America.

Lean Slow Motion Potion has been sold by our Company since its inception in September 2009 through the U.S. and abroad. "Lean has stood the test of time since the initial relaxation beverage boom in 2008; by 2010 over 50 new relaxation beverages hit the U.S. market with Lean now being one of the last few remaining top selling relaxation brands being sold throughout the country today," says Dr. Marco Moran, Chief Executive Officer of Dewmar. Dewmar plans to continue to manufacture and sell Lean at a 40 to 50% gross profit margin at its wholesale prices to meet the demand from its loyal customers and distribution base across the U.S.

Over the past twenty-four months, Dewmar has experienced a very significant, growing interest in the Kush Cakes brand and trademark. As our loyal shareholders know, we re-launched Kush Cakes on April 20, 2015 at the Big Industry Show in Denver, Colorado. From the moment we launched Kush Cakes, there was an immediate interest from distributors to carry the Kush Cakes product primarily because the brand name resonated with both distributors and consumers alike.

Currently, we estimate that our distributors cover less than 10% of the United States marketplace which has resulted in several hundred thousand dollars in annual revenue. If we covered the bulk of the continental United States market today primarily thru smoke shops and some traditional C-store retailers, our revenues for Kush Cakes alone would be in the range from \$2,000,000 to \$3,000,000 annually. With above average industry gross margins, we believe this initial level of revenue is attainable through a focused business strategy. The Kush Cakes branding alone essentially sells itself but if you add a tasty, moist brownie in quality, eye-catching packaging then naturally, **Kush Cakes will Sell Like Hot Cakes!**

In October 2018, Canada became the second modern country to legalize recreational marijuana. The initial forecasts by the Canadian government are that 450,000 patients will use cannabis each day in the country. As a result of these initial forecasts, the recreational cannabis market will be a \$900 million-dollar market annually from October 2018, but that number is expected to rapidly increase for the foreseeable future. Growth is forecast to be strong, with adult-use spending estimated to reach over \$3 billion in 2021, driving a compounded annual growth rate (CAGR) of 77.9% from 2018-2021. Dr. Moran commented, "The ongoing regulatory changes in the cannabis industry, especially the Canadian cannabis industry has created what we believe is the biggest opportunity for Dewmar to date."



The Canadian medical marijuana market has also been booming. According to Health Canada, there were 12,409 registered medical marijuana patients in Canada in the third quarter of 2014 and that number grew to 334,758 by June 30, 2018. There were also 135,000 shipments to medical marijuana patients for the month ended June 30, 2018. The number of medical professionals that are participating in the marijuana market has also rapidly accelerated. For the month ended June 30, 2018, almost 4,000 licensed medical professionals have provided medical documents for marijuana patients who registered with a licensed producer compared to only 2,900 just 2 months earlier. These numbers demonstrate the size and demand for cannabis in Canada but yet, these numbers are primarily derived from bud or flower sales and do not encompass marijuana and hemp derivative markets such as edibles which is expected to be much larger. For example, the market intelligence firm **Hemp Business Journal** estimates that the market for CBD (cannabidiol) will be \$21 billion worldwide by 2021. As Canada has legalized recreational marijuana, the CBD market for Canada will be free to grow.

As in any successful business, brand recognition is at the crescendo of importance. In the same way that Bayer is a more valuable brand than "aspirin", a recognizable brand in the cannabis industry gives the owner of that brand a competitive advantage. With the implementation of the powerful burgeoning moniker of "**Kush Cakes Sells Like Hotcakes**," we are pleased to announce for the first time that we are receiving interest from Canadian companies who wish to license, distribute and/or manufacture Kush Cakes throughout Canada. As can be seen in the Company's Q3 2018 financials, one such company has already placed a "good-faith" investment in Dewmar; while another is working on CBD and other formulation regulations in Canada for a series of [Kush Cakes](#) Canada brand of edibles.

First, it is important that we stress that Dewmar will not sell any products derived from cannabis. That also includes CBD. We know and it should be common sense that [Kush Cakes](#) as a product with cannabis constituents is a much larger business opportunity than Kush Cakes as a relaxation brownie. In fact, we believe that Kush Cakes as a cannabis product can become the most recognizable brand name in the cannabis industry. As a result of the current Kush Cakes brand, we have received interest from the marketplace in launching "Kush Cakes - with CBD" and "Kush Cakes - with THC" in Canada.

The initial business opportunity will be to license the Kush Cakes trademark in each province in Canada to cash-rich Canadian cannabis companies that have the resources to build the brands. Our goal will be to present a turnkey business opportunity for the licensees and we will begin interviewing bakeries that can meet what we expect to be a huge demand. Dewmar has already enlisted the aid of one consultant liaison for Canada and is in the midst of interviewing other business consulting experts in Canada to assist for immediate implementation of this highly profitable strategy. If and when the regulatory landscape for Cannabis changes in the United States, we will immediately be able to launch a large revenue brand in the United States since the brand would have already built up in every province in Canada. We are currently working on the framework for licensing opportunities in Canada. Dewmar International is the owner of the Kush Cakes trademark in the United States.

Finally, and perhaps the most exciting part of this shareholder update is a new business segment Dewmar International will soon be launching. It has been in development for approximately 4 months and is expected to fully launch before the end of the year. It consists of a portal for cannabis dispensaries and their customers. We have vertically integrated the system so it can be easily



applied to other industries and other countries such as Canada. It is currently going through final technological edits and beta testing.

Most importantly, Dewmar has engaged a strategy that will allow the Company to rapidly deploy the system to other cannabis industry retailers, in addition to dispensaries, and their customers. Dr. Moran stated, "We are planning an immediate national rollout to this unique business strategy that takes advantage of marketing opportunities within the entire retail cannabis industry and our plan will be to also immediately deploy into Canada within 3 to 6 months of the initial launch." "Expect further details about our new business segment soon; despite recent events which negatively affected my personal life that is not related to Dewmar business matters, I would like to thank our loyal shareholders for all of your continued support," Moran continued.

About Dewmar International BMC, Inc.

Dewmar International BMC, Inc. is a certified service-disabled veteran business concern, new product development, manufacturing and brand management company. Established in 2003, Dewmar's primary business strategy has been in creating high profit margins with functional foods and beverages, such as Lean Slow Motion Potion, which is rated as one of the top 3 national selling relaxation beverages in the U.S. market and [Kush Cakes](#) relaxation brownies. The company has offices in Clinton, MS; Houston, TX; Denver, CO and New Orleans, LA.

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