

LUDLOW RESEARCH

Market Research Report

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BIOHEMP INTERNATIONAL, INC (OTC:BKIT)

(NEW YORK)–July 26, 2019--Ludlow Research removes its valuation opinion on **BioHemp International, Inc.** (OTC: **BKIT**) based on recent trading halt, and vast confusion of public disclosure information and transparency.

BKIT recent suspension from trading by SEC now places this deal in a whole different level of risk that investors should avoid making any and all investment decisions regarding this issue. Investors are strongly encouraged to rely strictly on any and all filings with SEC, not with press releases, and to consult with a financial advisor before any and all such decisions regarding this security.

BKIT is expected to be suspended from trading until 11:59 p.m. EDT on August 8, 2019.

Confusion on 8K Sends Share Price Down

On July 11, 2019 the Company issued an 8K that made it seem they had issued 25 million shares for certain IP assets. This issuance would have equated to nearly a doubling of shares outstanding, but it seems there was confusion as shares structure remained unchanged.

Even an experienced person could have easily misread the 8K, as we did, and come to assumption that the company had done a large share increase.

On July 15, 2019, the company released a press release clarifying that the shares mentioned were already issued back in March 2019, and that the current outstanding remain the same at 28.8 million. This information has also been updated on OTC Markets, which is transfer agent verified <https://www.otcmarkets.com/stock/bkit/security>

Confirmation from Transfer Agent

Ludlow Research did its own investigation, and confirmed with Pacific Stock Transfer, BKIT transfer agent, that as of July 12, 2019 the shares outstanding remained the same at 28.8 million, and a public float of only 3.8 million.

Business Model

BKIT stated strategy is to roll up multi-branded e-commerce and brick & mortar retailers under one platform, while focusing on acquiring strong CBD assets through consolidation across the CBD industry. By creating these economies of scale for brands and vendors, the Company is positioning itself to be a major CBD distribution channel within the industry.

Launches Online Direct to Consumer Sales



Brightfield Group Estimates that CBD Market Size was \$591 million in 2018, with market leader Charlotte's Web Holding with \$40 million of that revenue share. This shows big opportunity to build market shares in the growing CBD market.

When an industry is ready to begin consolidation, the combined market share of the three largest companies drops to between 30% and 10%, as competitors quickly arise to create the frontier of industry consolidation.

Based on the legalization of CBD in the US combined with the size of the largest players in the CBD market, the collective CBD industry is at Stage 1 of the HBS scale, and prime for rapid consolidation. BioHemp International strives to be the market front runner executing this rollup strategy

New CEO at the Helm

BKIT recently appointed a new CEO, Daniel Blum, who has a strong background from the private equity and M&A field, and that may spell rapid growth for BKIT in any roll-up strategy.

Mr. Blum has a distinguished resumé and a strong background in business development with over 8 years' experience across a variety of sectors including fintech, sales and hospitality. He leaves his role as a business development executive at Pitchbook Data where he oversaw technology covering the private capital markets, including venture capital, private equity and M&A transactions. Before that, he held positions at Salesforce and Preqin, a private equity investor intelligence company. Mr. Blum holds a Bachelor of Arts in economics from Union College.

For these reason Ludlow Research has removed its research opinion on BKIT with no valuation target as one can not be reached until more information can be provided through public filings with SEC to clarify what is the current and clear status of the company.

Investors are highly encouraged to only go by information publicly filed with SEC, and not less so on public news releases, and to consult with an investment advisor before making any investment decisions in regards to this issue going forward.

About BioHemp International, Inc.

BioHemp International (OTC: BKIT) is a Company focused on rolling up a distribution platform for CBD providers to become the leading consolidation force in the CBD industry. For more information, view the Company's website www.BioHempInternational.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 12 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 please visit www.ludlowresearch.com

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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.