

# Dharma, Petalfast and Merida's Baruchowitz featured in BI's "26 hottest cannabis startups that are set to take off in 2021, according to top investors"

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Samantha Lee/Business Insider

Business Insider asked 17 top cannabis investors, among them Merida Managing Partner Mitch Baruchowitz, to name and discuss the startups that they think are posed for major growth in 2021.

If 2020 was the year for cannabis startups to tighten their belts and focus on weathering the pandemic, then 2021 is set to be a boon for companies that have emerged mostly unscathed, investors told Business Insider.

Among the startups that made the list are Merida Capital Holdings portfolio companies Dharma Pharmaceuticals and Petalfast.

Mr. Baruchowitz was also cited in the article's spotlight on Leafwire.

# Dharma Pharmaceuticals



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**Founded:** 2018

**Located:** Bristol, Virginia

**Post money valuation:** \$50 million

**Biggest funding round of 2020:** \$7 million

**Total raised to date:** Over \$15 million

## **What the company does:**

Dharma Pharmaceuticals is a privately held medical cannabis dispensary in Virginia.

## **Why investors like the company:**

"Dharma Pharmaceuticals, which we now own a majority of, holds one of the four vertical medical licenses in Virginia, and with our operating team leading the way, was the first company to bring medicine to the Virginia market recently," said Mitch Baruchowitz, managing partner at Merida Capital, who went on to share with Business Insider in an email that, "with only four operators for 8.5MM people, and potential adult use coming, Dharma's opportunity for growth over the next few years is almost limitless."

# Leafwire



Peter Vogel, CEO of Leafwire  
Leafwire

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**Founded:** 2018

**Located:** Denver, Colorado

**Post money valuation:** The company says it raised a seed round in 2019 with a post-money valuation of \$4 million.

**Biggest funding round of 2020:** The company says it currently has an open round and is crowdfunding on online platform SeedInvest.

**Total raised to date:** \$1.6 million

## **What the company does:**

Leafwire is a LinkedIn-like social network for the cannabis industry to share news, promote events, and find jobs.

## **Why investors like the company:**

"We really like Leafwire but have not found an opening in our investment queue for them," said **Mitch Baruchowitz**, managing partner at Merida Capital.

"We think their approach to connectivity is unique, their daily user count is strong and growing, and their Marketplace and Jobs platforms encourage companies/executives to interact in ways that create high ROIs on their time and money," Baruchowitz said. "Sticky ecosystems with user-friendly tech that deliver outsized value to cannabis companies have routinely grown into valuable companies over time."

# Petalfast



Jason Vegotsky CEO of Petalfast  
Petalfast

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**Founded:** 2020

**Located:** Irvine, California

**Post money valuation:** Declined to disclose.

**Biggest funding round of 2020:** \$1.3 million, raised through a convertible note with a \$10 million cap, according to the company

**Total raised to date:** \$1.55 million

## **What the company does:**

Petalfast is a marketing and communications firm.

## **Why investors like the company:**

"Petalfast is a sales and marketing agency that takes its cues from the food and beverage industry, connecting California's top brands and distributors to extend their retail market footprint across the state," Arcadian Capital's managing partners **Matthew Nordgren and Krishnan Varier** said in an email to Business Insider.

"Leveraging their preferred distribution partner HERBL, they position their brand clients to capture share of wallet from retailers. They're the missing puzzle piece in the downstream supply chain that will ultimately be the blueprint for the largest cannabis markets across the country," they continued.